

TOWN OF PLAINFIELD, CONNECTICUT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

TOWN OF PLAINFIELD, CONNECTICUT

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INDEPENDENT AUDITORS' REPORT

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

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 as of and for the year ended June 30, 2019, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 of the financial statements, the Town restated its government-wide activities and proprietary financial statements for the inclusion of an internal service fund accounting for its self-insurance Eastern Connecticut Health Insurance Program (ECHIP). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information presented on pages 87–103, as listed in the table contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plainfield, Connecticut's basic financial statements. The supplementary information on pages 104 through 115, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these basic financial statements.

The supplementary information presented on pages 104 through 115 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information presented on pages 104 through 115 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2020, on our consideration of the Town of Plainfield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plainfield, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plainfield, Connecticut's internal control over financial reporting and compliance.

Marcum LLP

Providence, Rhode Island
July 10, 2020

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

The management of the Town of Plainfield, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2019.

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 \$57,848,751 (net position).
- The Town's total net position decreased by \$36,667 during the current fiscal year.
- The beginning net position of the Town was increased by \$792,078 as a result of a corrections of errors. See Note 14 for additional details.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,741,387, an increase of \$319,680 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$9,064,010 or 19.0% of the fiscal year 2019 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.3 months of operating expenditures.
- The Town's total long-term bonded debt (governmental and business type activities combined) decreased by \$1,539,840 or 11.57% 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.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 18 through 20 of this report.

Fund Financial Statements

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

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 21 through 24 of this report.

Proprietary Funds

The Town maintains two types 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. It also maintains an internal service fund for the Town and Board of Education's participation in the Eastern Connecticut Health Insurance Program (ECHIP) self-insurance program.

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

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE 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 28 and 29 of this report.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 86 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 87 through 115 of this report.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

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 \$66,044,728 as of June 30, 2019 and \$66,081,395 as of June 30, 2018, as adjusted for correction of errors and change in accounting estimate as noted in Note 14, and is summarized as follows:

| | June 30, 2019 | | | June 30, 2018 (As Restated) | | |
|----------------------------------|----------------------------|-----------------------------|----------------------|--------------------------------|--------------------|------------|
| | Governmental Activities | Business-type Activities | Total | Total | \$ Variance | % Variance |
| | Current and other assets | \$ 18,040,139 | \$ 1,359,461 | \$ 19,399,600 | \$ 18,604,114 | \$ 795,486 |
| Capital assets | <u>67,067,774</u> | <u>12,204,580</u> | <u>79,272,354</u> | <u>81,270,810</u> | <u>(1,998,456)</u> | -2.46% |
| Total assets | <u>85,107,913</u> | <u>13,564,041</u> | <u>98,671,954</u> | <u>99,874,924</u> | <u>(1,202,970)</u> | -1.20% |
| Deferred outflows of resources | <u>914,655</u> | <u>--</u> | <u>914,655</u> | <u>1,046,494</u> | <u>(131,839)</u> | -12.60% |
| Current and other liabilities | 5,320,228 | 651,824 | 5,972,052 | 4,107,278 | 1,864,774 | 45.40% |
| Long-term liabilities | <u>20,414,839</u> | <u>4,650,483</u> | <u>25,065,322</u> | <u>29,464,691</u> | <u>(4,399,369)</u> | -14.93% |
| Total liabilities | <u>25,735,067</u> | <u>5,302,307</u> | <u>31,037,374</u> | <u>33,571,969</u> | <u>(2,534,595)</u> | -7.55% |
| Deferred inflows of resources | <u>2,438,750</u> | <u>65,757</u> | <u>2,504,507</u> | <u>1,268,054</u> | <u>1,236,453</u> | 97.51% |
| Net Position: | | | | | | |
| Net investment in capital assets | 59,697,467 | 7,224,217 | 66,921,684 | 67,345,780 | (424,096) | -0.63% |
| Restricted | 193,962 | -- | 193,962 | 410,802 | (216,840) | -52.78% |
| Unrestricted | <u>(2,042,678)</u> | <u>971,760</u> | <u>(1,070,918)</u> | <u>(1,675,187)</u> | <u>604,269</u> | -36.07% |
| Total net position | <u>\$ 57,848,751</u> | <u>\$ 8,195,977</u> | <u>\$ 66,044,728</u> | <u>\$ 66,081,395</u> | <u>\$ (36,667)</u> | -0.06% |

Total assets of the Town at June 30, 2019 and 2018 were \$98,671,954 and \$99,874,924, respectively, a decrease of 1.20%. The significant components of current assets and other assets are cash, tax receivables, grant receivables, loan receivables and claims deposits. Capital assets include land, land improvements, buildings and building improvements, infrastructure, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position (Continued)

Total liabilities of the Town at June 30, 2019 and 2018 were \$31,037,374 and \$33,571,969, respectively, a decrease of 7.55%. Current liabilities include accounts payable, accrued liabilities, current portions of long term liabilities and unearned revenue. Noncurrent liabilities are primarily made up of the long-term portion of debt, accrued compensated absences and pension/OPEB liabilities.

Deferred inflows and outflows of resources relate to the Town's pension and OPEB liabilities as well as deferred outflows for charges on bond refunding and deferred inflows for loan receivables. In 2019, the Town's deferred outflows decreased by \$131,839 and deferred inflows increased by \$1,236,453. These changes are the result of fluctuations in the actuarial valuations of the liabilities and the change in the value of pension assets.

Net position represents the Town's equity, which is accounted for in three major categories. The first category, net investment in capital assets, represents the Town's equity in land, buildings and building improvements, construction in progress, infrastructure, and equipment, net of related accumulated depreciation and capital debt outstanding. The next net position category is restricted net position; which occurs when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Town. Unrestricted net position increased by \$604,269, or 36.07%, for the fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position

Changes in net position for the years ended June 30, 2019 and 2018 are as follows:

| | June 30, 2019 | | | June 30, 2018 | | |
|---|----------------------------|-----------------------------|--------------------|-----------------------|---------------------|----------------|
| | Governmental Activities | Business-type Activities | Total | Total | \$ Variance | % Variance |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,771,870 | \$ 1,842,478 | \$ 3,614,348 | \$ 5,678,796 | \$ (2,064,448) | -36.35% |
| Operating grants and contributions | 23,081,040 | -- | 23,081,040 | 22,772,413 | 308,627 | 1.36% |
| Capital grants and contributions | 293,178 | -- | 293,178 | 351,689 | (58,511) | -16.64% |
| General revenues | | | | | | |
| Property taxes | 28,067,121 | -- | 28,067,121 | 28,450,084 | (382,963) | -1.35% |
| Grants and contributions not restricted to specific programs | 1,116,541 | -- | 1,116,541 | 644,233 | 472,308 | 73.31% |
| Unrestricted investment earnings | 291,868 | 23,172 | 315,040 | 42,274 | 272,766 | 645.23% |
| Total revenues | <u>54,621,618</u> | <u>1,865,650</u> | <u>56,487,268</u> | <u>57,939,489</u> | <u>(1,452,221)</u> | <u>-2.51%</u> |
| Program expenses: | | | | | | |
| Education | 45,155,350 | -- | 45,155,350 | 47,047,631 | (1,892,281) | -4.02% |
| General government | 2,667,168 | -- | 2,667,168 | 3,759,502 | (1,092,334) | -29.06% |
| Public safety | 2,629,631 | -- | 2,629,631 | 2,543,632 | 85,999 | 3.38% |
| Public works | 2,180,956 | -- | 2,180,956 | 1,995,043 | 185,913 | 9.32% |
| Social services | 400,106 | -- | 400,106 | 559,124 | (159,018) | -28.44% |
| Administration | 883,763 | -- | 883,763 | 811,065 | 72,698 | 8.96% |
| Interest | 290,051 | -- | 290,051 | 271,459 | 18,592 | 6.85% |
| Sewer | -- | 2,316,910 | 2,316,910 | 2,149,969 | 166,941 | 7.76% |
| Total Expenses | <u>54,207,025</u> | <u>2,316,910</u> | <u>56,523,935</u> | <u>59,137,425</u> | <u>(2,613,490)</u> | <u>-4.42%</u> |
| Change in net position before transfers | 414,593 | (451,260) | (36,667) | (1,197,936) | 1,161,269 | -96.94% |
| Transfers | <u>(215,646)</u> | <u>215,646</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>0.00%</u> |
| Change in net position | <u>\$ 198,947</u> | <u>\$ (235,614)</u> | <u>\$ (36,667)</u> | <u>\$ (1,197,936)</u> | <u>\$ 1,161,269</u> | <u>-96.94%</u> |

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Change in Net Position (Continued)

Governmental activities increased the Town's net position by \$198,947. Business-type activities decreased the Town's net position by \$235,614.

Total revenues generated by the Town decreased by \$1,452,221 or 2.51% in comparison to revenues reported in the prior year. The decrease in revenues was primarily related to decreases in property tax revenues and charges for services, offset by an increase in operating grants.

Expenses incurred by the Town decreased \$2,613,490 or 4.42% in comparison to expenses reported the prior year. The decrease is driven by a decrease 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 \$11,741,387. Of this amount, \$9,057,146 is unassigned and available for spending at the discretion of the Town.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,064,010. 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 19.04% of the fiscal year 2019 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.3 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$198,865 during the current fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

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 \$551,977 for additions in the Education budgetary appropriation 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 \$750,942. Expenditures were \$1,189,965 less than budgeted and revenues were \$125,765 more than budgeted. Reductions in State-aid relating to adult education, special education and Town road aid of \$693,183 were offset by favorable property tax collections and interest income of \$701,990. The Town saw savings in employee benefit expenditures and town road aid. See page 87 for the detailed comparison of budget versus actual for the year ended June 30, 2019.

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, 2019 there were no additional appropriations made to the budget. The budget for 2019 planned for no change to net position. However, the actual net change in net position of the WPCA on a budgetary basis was a decrease of \$235,614. Expenditures were \$563,926 more than budgeted due to depreciation and interest expense and revenues were \$112,666 higher than expected due to collections of sewer assessments and pre-industrial treatment of \$31,773 and \$28,018, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2019 and 2018 totaled \$79,093,304 and \$81,270,810, respectively (net of accumulated depreciation). 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 \$2,177,506 or 2.68%. This decrease consisted of capital asset additions of \$607,127 offset by current year depreciation expense of \$2,784,633. Major capital asset events during the current fiscal year consisted of approximately \$180,000 in educational equipment and \$340,000 for the purchase of a freightliner. The Town's sewer improvement project was still ongoing resulting in additional increases to construction in progress in the amount of \$86,862.

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

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

| | Governmental | | Business-type | | Total | | \$ Variance | % Variance |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|------------|
| | Activities | | Activities | | | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | | |
| Land | \$ 3,201,836 | \$ 3,201,836 | \$ 31,740 | \$ 31,740 | \$ 3,233,576 | \$ 3,233,576 | \$ -- | 0.00% |
| Buildings and improvements | 39,965,880 | 41,443,959 | 783,993 | 844,299 | 40,749,873 | 42,288,258 | (1,538,385) | -3.64% |
| Machinery and equipment | 1,254,842 | 1,091,707 | 18,251 | 39,381 | 1,273,093 | 1,131,088 | 142,005 | 12.55% |
| Infrastructure | 22,645,216 | 23,116,935 | 5,963,861 | 6,360,130 | 28,609,077 | 29,477,065 | (867,988) | -2.94% |
| Construction in progress | <u>--</u> | <u>--</u> | <u>5,227,735</u> | <u>5,140,873</u> | <u>5,227,735</u> | <u>5,140,873</u> | <u>86,862</u> | 1.69% |
| Total | <u>\$ 67,067,774</u> | <u>\$ 68,854,437</u> | <u>\$ 12,025,580</u> | <u>\$ 12,416,423</u> | <u>\$ 79,093,354</u> | <u>\$ 81,270,860</u> | <u>\$ (2,177,506)</u> | -2.68% |

Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$11,774,579. 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 \$1,539,840 or 11.57% during the current fiscal year due to current year principal payments.

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

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

| | Governmental | | Business-type | | Total | | \$ Variance | % Variance |
|--------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|-----------------------|------------|
| | Activities | | Activities | | | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | | |
| General obligation bonds | \$ 7,015,000 | \$ 8,135,000 | \$ 4,410,046 | \$ 4,728,597 | \$ 11,425,046 | \$ 12,863,597 | \$ (1,438,551) | -11.18% |
| Notes payable | <u>--</u> | <u>20,174</u> | <u>349,533</u> | <u>430,648</u> | <u>349,533</u> | <u>450,822</u> | <u>(101,289)</u> | -22.47% |
| Total | <u>\$ 7,015,000</u> | <u>\$ 8,155,174</u> | <u>\$ 4,759,579</u> | <u>\$ 5,159,245</u> | <u>\$ 11,774,579</u> | <u>\$ 13,314,419</u> | <u>\$ (1,539,840)</u> | -11.57% |

TOWN OF PLAINFIELD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

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 2020, 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 2020. The Town's fiscal year 2020 General Fund budget was approved on June 3, 2019. The approved General Fund budgetary expenditure appropriation totaled \$48,440,636, an increase of \$892,039 over fiscal year 2019.

REQUESTS FOR INFORMATION

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2019

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 14,115,436 | \$ 1,220,060 | \$ 15,335,496 |
| Receivables: | | | |
| Property taxes and interest, net | 1,793,864 | -- | 1,793,864 |
| Grants and contracts | 659,539 | -- | 659,539 |
| Usage charges | -- | 68,112 | 68,112 |
| Sewer assessments | -- | 66,842 | 66,842 |
| Other | 55,164 | 5,029 | 60,193 |
| Loans, net | 752,608 | -- | 752,608 |
| Inventories | 17,822 | -- | 17,822 |
| Internal balances | 66,339 | (66,339) | -- |
| Total Current Assets | 17,460,772 | 1,293,704 | 18,754,476 |
| Noncurrent Assets | | | |
| Sewer assessments | -- | 65,757 | 65,757 |
| Claims deposit | 579,367 | -- | 579,367 |
| Capital assets not being depreciated | 3,201,836 | 5,438,423 | 8,640,259 |
| Capital assets, net of accumulated depreciation | 63,865,938 | 6,766,157 | 70,632,095 |
| Total Noncurrent Assets | 67,647,141 | 12,270,337 | 79,917,478 |
| Total Assets | 85,107,913 | 13,564,041 | 98,671,954 |
| Deferred Outflows of Resources | | | |
| Deferred charges on refunding | 418,624 | -- | 418,624 |
| Deferred charges on pension expense | 492,907 | -- | 492,907 |
| Deferred charges on OPEB expense | 3,124 | -- | 3,124 |
| Total Deferred Outflows of Resources | 914,655 | -- | 914,655 |

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2019

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts payable and accrued liabilities | 2,879,648 | 156,584 | 3,036,232 |
| Accrued interest | 125,240 | 80,116 | 205,356 |
| Other liabilities | 662,849 | -- | 662,849 |
| Unearned revenue | 313,900 | -- | 313,900 |
| Current portion of compensated absences | 152,362 | 8,524 | 160,886 |
| Current portion of general obligation bonds and notes | 1,140,000 | 406,600 | 1,546,600 |
| Current portion of capital lease obligations | 46,229 | -- | 46,229 |
| Total Current Liabilities | <u>5,320,228</u> | <u>651,824</u> | <u>5,972,052</u> |
| Noncurrent Liabilities | | | |
| Compesanted absences, net | 1,371,256 | 76,720 | 1,447,976 |
| General obligation bonds and notes, net | 6,549,720 | 4,573,763 | 11,123,483 |
| Capital lease obligations, net | 52,982 | -- | 52,982 |
| Net pension liability | 4,362,983 | -- | 4,362,983 |
| Net OPEB liability | 8,077,898 | -- | 8,077,898 |
| Noncurrent Liabilities | <u>20,414,839</u> | <u>4,650,483</u> | <u>25,065,322</u> |
| Total Liabilities | <u>25,735,067</u> | <u>5,302,307</u> | <u>31,037,374</u> |
| Deferred Inflows of Resources | | | |
| Deferred sewer assessment charges | -- | 65,757 | 65,757 |
| Deferred loans | 752,608 | -- | 752,608 |
| Deferred charges on pension expense | 172,167 | -- | 172,167 |
| Deferred charges on OPEB expense | 1,513,975 | -- | 1,513,975 |
| Total Deferred Inflows of Resources | <u>2,438,750</u> | <u>65,757</u> | <u>2,504,507</u> |
| Net Position | | | |
| Net investment in capital assets | 59,697,467 | 7,224,217 | 66,921,684 |
| Restricted for: | | | |
| Social service programs | 193,962 | -- | 193,962 |
| Unrestricted | (2,042,678) | 971,760 | (1,070,918) |
| Total Net Position | <u>\$ 57,848,751</u> | <u>\$ 8,195,977</u> | <u>\$ 66,044,728</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, 2019

| Functions/Programs | Expenses | Program Revenues | | | Changes in Net Position | | | |
|--|----------------------|-------------------------|---|--|----------------------------|-----------------------------|----------------------|----------|
| | | Charges for Services | Operating Grants and Contribution | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-type Activities | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 2,667,168 | \$ 530,367 | \$ 53,582 | \$ -- | \$ (2,083,219) | | \$ (2,083,219) | |
| Public safety | 2,629,631 | 70,375 | 47,267 | -- | (2,511,989) | | (2,511,989) | |
| Public works | 2,180,956 | 124,676 | 7,614 | 166,728 | (1,881,938) | | (1,881,938) | |
| Social services | 400,106 | 265,146 | -- | 6,450 | (128,510) | | (128,510) | |
| Administration | 883,763 | -- | -- | -- | (883,763) | | (883,763) | |
| Education | 45,155,350 | 781,306 | 22,972,577 | 120,000 | (21,281,467) | | (21,281,467) | |
| Interest expense | <u>290,051</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(290,051)</u> | | <u>(290,051)</u> | |
| Total Governmental Activities | <u>54,207,025</u> | <u>1,771,870</u> | <u>23,081,040</u> | <u>293,178</u> | <u>(29,060,937)</u> | | <u>(29,060,937)</u> | |
| Business-Type Activities: | | | | | | | | |
| Water pollution control authority | <u>2,316,910</u> | <u>1,842,478</u> | <u>--</u> | <u>--</u> | | <u>\$ (474,432)</u> | <u>(474,432)</u> | |
| Total Business-Type Activities | <u>2,316,910</u> | <u>1,842,478</u> | <u>--</u> | <u>--</u> | | <u>(474,432)</u> | <u>(474,432)</u> | |
| Total | <u>\$ 56,523,935</u> | <u>\$ 3,614,348</u> | <u>\$ 23,081,040</u> | <u>\$ 293,178</u> | <u>(29,060,937)</u> | <u>(474,432)</u> | <u>(29,535,369)</u> | |
| General Revenues: | | | | | | | | |
| Property taxes | | | | | 28,067,121 | -- | 28,067,121 | |
| Grants and contributions not restricted to specific programs | | | | | 1,116,541 | -- | 1,116,541 | |
| Unrestricted investment earnings | | | | | 291,868 | 23,172 | 315,040 | |
| Transfers | | | | | <u>(215,646)</u> | <u>215,646</u> | <u>--</u> | |
| Total General Revenues and transfers | | | | | <u>29,259,884</u> | <u>238,818</u> | <u>29,498,702</u> | |
| | | | | | | 198,947 | (235,614) | (36,667) |
| | | | | | <u>57,649,804</u> | <u>8,431,591</u> | <u>66,081,395</u> | |
| | | | | | <u>\$ 57,848,751</u> | <u>\$ 8,195,977</u> | <u>\$ 66,044,728</u> | |

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

TOWN OF PLAINFIELD, CONNECTICUT

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2019

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------------------|--------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 12,856,052 | \$ 1,259,384 | \$ 14,115,436 |
| Receivables: | | | |
| Property taxes, net | 1,793,864 | -- | 1,793,864 |
| Grants and contracts | 385,782 | 273,757 | 659,539 |
| Loans, net | -- | 752,608 | 752,608 |
| Other | 55,164 | -- | 55,164 |
| Due from other funds | -- | 94,086 | 94,086 |
| Inventories | 8,507 | 9,315 | 17,822 |
| Total Assets | \$ 15,099,369 | \$ 2,389,150 | \$ 17,488,519 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 2,723,772 | \$ 155,876 | \$ 2,879,648 |
| Other | 124,954 | -- | 124,954 |
| Unearned revenue | 173,252 | 140,648 | 313,900 |
| Due to other funds | 24,057 | 3,690 | 27,747 |
| Total Liabilities | 3,046,035 | 300,214 | 3,346,249 |
| Deferred Inflows of Resources | | | |
| Deferred loans | -- | 752,608 | 752,608 |
| Unavailable revenue-property taxes and interest | 1,648,275 | -- | 1,648,275 |
| Total Deferred Inflows of Resources | 1,648,275 | 752,608 | 2,400,883 |
| Fund Balances | | | |
| Nonspendable | 8,507 | 9,315 | 17,822 |
| Restricted | -- | 193,962 | 193,962 |
| Committed | -- | 1,139,915 | 1,139,915 |
| Assigned | 1,332,542 | -- | 1,332,542 |
| Unassigned | 9,064,010 | (6,864) | 9,057,146 |
| Total Fund Balances | 10,405,059 | 1,336,328 | 11,741,387 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 15,099,369 | \$ 2,389,150 | \$ 17,488,519 |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

JUNE 30, 2019

Total Fund Balances for Governmental Funds \$ 11,741,387

**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 | 9,789,048 |
| Infrastructure | 35,378,950 |
| Less: accumulated depreciation and amortization | <u>(51,960,107)</u> |

Total Capital Assets, Net 67,067,774

Internal service fund activity for self insurance with ECHIP is not recorded within the governmental funds 74,014

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. 1,648,275

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 | (7,015,000) |
| Unamortized bond premium | (674,720) |
| Deferred amount on refunding's | 418,624 |
| Obligations under capital lease | (99,211) |
| Accrued interest payable | (125,240) |

Other Long-Term Liabilities:

| | |
|-----------------------|--------------------|
| Compensated absences | (1,523,618) |
| Claims and judgments | (32,542) |
| Net pension liability | (4,362,983) |
| Net OPEB liability | <u>(8,077,898)</u> |

Total Long-Term Liabilities (21,492,588)

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. (1,190,111)

Net Position of Governmental Activities \$ 57,848,751

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, 2019

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 28,128,791 | \$ -- | \$ 28,128,791 |
| Grants and contracts | 21,823,688 | 2,540,621 | 24,364,309 |
| Licenses, permits and fees | 743,695 | 423,287 | 1,166,982 |
| Interest | 268,575 | 21,254 | 289,829 |
| Other | 587,538 | 143,800 | 731,338 |
| Total Revenue | <u>51,552,287</u> | <u>3,128,962</u> | <u>54,681,249</u> |
| Expenditures | | | |
| Current | | | |
| General Government | 3,663,715 | -- | 3,663,715 |
| Public safety | 2,383,368 | 26,445 | 2,409,813 |
| Public works | 1,621,628 | -- | 1,621,628 |
| Social services | 372,258 | -- | 372,258 |
| Administration | 875,260 | -- | 875,260 |
| Education | 40,298,711 | 3,016,816 | 43,315,527 |
| Capital outlays | 520,265 | -- | 520,265 |
| Debt Service | | | |
| Principal payments | 1,140,174 | -- | 1,140,174 |
| Interest and other charges | 290,051 | -- | 290,051 |
| Total Expenditures | <u>51,165,430</u> | <u>3,043,261</u> | <u>54,208,691</u> |
| Excess of Revenues over Expenditures | 386,857 | 85,701 | 472,558 |
| Other Financing Sources (Uses) | | | |
| Capital lease financing | 62,768 | -- | 62,768 |
| Transfers in | 215,647 | 35,014 | 250,661 |
| Transfers out | (466,307) | -- | (466,307) |
| Total Other Financing Sources (Uses) | <u>(187,892)</u> | <u>35,014</u> | <u>(152,878)</u> |
| Net Change in Fund Balances | 198,965 | 120,715 | 319,680 |
| Fund Balances - Beginning, as Restated | <u>10,206,094</u> | <u>1,215,613</u> | <u>11,421,707</u> |
| Fund Balances - Ending | <u>\$ 10,405,059</u> | <u>\$ 1,336,328</u> | <u>\$ 11,741,387</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | | |
|--|----|---------|
| Net change in fund balances - for governmental funds | \$ | 319,680 |
|--|----|---------|

The net position reported for governmental activities in the statement of net position is different because:

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:

| | | |
|---------------------------------------|--------------------|-------------|
| Expenditures for capital assets | \$ 520,265 | |
| Depreciation and amortization expense | <u>(2,291,253)</u> | |
| Net adjustment | | (1,770,988) |

| | | |
|---|--|----------|
| 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. | | (77,345) |
|---|--|----------|

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principle on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

| | | |
|----------------------------|---------------|-----------|
| Debt issuance or incurred: | | |
| Capital lease financing | (62,768) | |
| Principle repayments: | | |
| Bonds and notes payable | 1,140,174 | |
| Capital leases | <u>97,748</u> | |
| | | 1,175,154 |

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:

| | | |
|---|---------------|---------|
| Compensated absences | (94,700) | |
| Claims and judgements | 525,000 | |
| Contract payable | 32,540 | |
| Net pension liability | (513,601) | |
| Net OPEB liability | 657,427 | |
| Amortization of deferred charge on bond refunding | (61,678) | |
| Amortization of bond premium | 46,165 | |
| Accrued interest | <u>28,185</u> | |
| | | 619,338 |

| | | |
|---|--|---------|
| Changes in activity for internal service fund | | 421,357 |
|---|--|---------|

| | | |
|--|--|------------------|
| 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. | | <u>(488,249)</u> |
|--|--|------------------|

| | | |
|---|----|----------------|
| Change in net position of governmental activities | \$ | <u>198,947</u> |
|---|----|----------------|

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION PROPRIETARY FUND

JUNE 30, 2019

| | Business-type Activities Enterprise Fund Water Pollution Control Authority | Internal Service Funds |
|--|---|---------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,220,060 | \$ -- |
| Receivables: | | |
| Sewer assessments | 66,842 | -- |
| Usage charges | 68,112 | -- |
| Claim deposits | -- | 579,367 |
| Due from other funds | 149,308 | -- |
| Other current assets | 5,029 | -- |
| Total Current Assets | 1,509,351 | 579,367 |
| Noncurrent Assets: | | |
| Sewer assessments receivable, net of current portion | 65,757 | -- |
| Capital assets: | | |
| Non-depreciable | 5,438,423 | -- |
| Depreciable, net | 6,766,157 | -- |
| Total Noncurrent Assets | 12,270,337 | -- |
| Total Assets | 13,779,688 | 579,367 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable and accrued liabilities | 156,584 | 505,353 |
| Accrued interest | 80,116 | -- |
| Compensated absences | 8,524 | -- |
| Due to general fund | 215,647 | -- |
| Bonds and note payable | 406,600 | -- |
| Total Current Liabilities | 867,471 | 505,353 |
| Noncurrent Liabilities: | | |
| Compensated absences, net of current portion | 76,720 | -- |
| Bonds and note payable, net of current portion | 4,573,763 | -- |
| Total Liabilities | 5,517,954 | 505,353 |
| Deferred Inflows of Resources | | |
| Deferred sewer assessment charges | 65,757 | -- |
| Total Deferred Inflows of Resources | 65,757 | -- |
| Net Position | | |
| Net investment in capital assets | 7,224,217 | -- |
| Unrestricted | 971,760 | 74,014 |
| Total Net Position | \$ 8,195,977 | \$ 74,014 |

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, 2019

| | Business-type Activities - Enterprise Fund | |
|--|---|---------------------------|
| | Water Pollution Control Authority | Internal Service Funds |
| Operating Revenues | | |
| Charges for services | \$ 1,842,478 | \$ -- |
| Employer contributions | -- | 6,796,858 |
| Employee contributions | -- | 1,699,215 |
| Total Operating Revenues | 1,842,478 | 8,496,073 |
| Operating Expenses | | |
| Personnel services | 925,473 | -- |
| Operations and maintenance | 720,250 | -- |
| Employee benefits | -- | 7,945,899 |
| Administrative expenses | -- | 130,856 |
| Depreciation | 477,705 | -- |
| Total Operating Expenses | 2,123,428 | 8,076,755 |
| Operating (Loss) Income | (280,950) | 419,318 |
| Nonoperating Revenues (Expenses) | | |
| Interest income | 23,172 | 2,039 |
| Interest expense, net | (193,482) | -- |
| (Loss) Income Before Transfers | (451,260) | 421,357 |
| Transfer in | 431,293 | -- |
| Transfer out | (215,647) | -- |
| Change in Net Position | (235,614) | 421,357 |
| Net Position - Beginning, as Restated | 8,431,591 | (347,343) |
| Net Position - Ending | \$ 8,195,977 | \$ 74,014 |

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, 2019

| | Business-type Activities - Enterprise Fund | |
|--|---|---------------------------|
| | Water Pollution Control Authority | Internal Service Funds |
| Cash Flows From Operating Activities | | |
| Cash received for the following: | | |
| Charges for services | \$ 1,770,847 | \$ 8,496,073 |
| Cash paid for the following: | | |
| Personnel services | (933,679) | -- |
| Operations and maintenance | (633,570) | -- |
| Self-insurance claims | -- | (8,496,073) |
| Net Cash Provided by Operating Activities | <u>203,598</u> | <u>--</u> |
| Cash Flows Provided by Noncapital Financing Activities | | |
| Interfund activity | 221,247 | -- |
| Cash Flows From Capital and Related Financing Activities | | |
| Principal paid on capital debt | (399,666) | -- |
| Interest paid on capital debt | (138,709) | -- |
| Amortization of premium | (15,053) | -- |
| Net Cash Used in Capital and Related Financing Activities | <u>(553,428)</u> | <u>--</u> |
| Cash Flows Provided by Investing Activities | | |
| Interest and dividends | 23,172 | -- |
| Net Decrease in Cash and Cash Equivalents | (105,411) | -- |
| Cash and Cash Equivalents, Beginning of Year | 1,325,471 | -- |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,220,060</u> | <u>\$ --</u> |
| Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities: | | |
| Operating (Loss) Income | \$ (280,950) | \$ 419,318 |
| Adjustments to reconcile operating (loss) income to net cash provided by operating activities: | | |
| Depreciation expense | 477,705 | -- |
| Decrease (increase) in assets: | | |
| Accounts receivable | (71,631) | -- |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued liabilities | 86,680 | (419,318) |
| Accrued liabilities | (8,206) | -- |
| Net Cash Provided by Operating Activities | <u>\$ 203,598</u> | <u>\$ --</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2019

| | Employee Benefit Trust Funds | Private Purpose Trust Funds | Agency Funds |
|---|---------------------------------|--------------------------------|--------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 113,208 | \$ 4,147 | \$ 210,384 |
| Investments: | | | |
| Mutual funds | 23,889,124 | -- | -- |
| Fixed annuity contract | <u>--</u> | <u>92,199</u> | <u>--</u> |
| Total Assets | <u><u>\$ 24,002,332</u></u> | <u><u>\$ 96,346</u></u> | <u><u>\$ 210,384</u></u> |
| Liabilities | | | |
| Due to student groups | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 210,384</u> |
| Total Liabilities | <u><u>--</u></u> | <u><u>--</u></u> | <u><u>\$ 210,384</u></u> |
| Net Position | | | |
| Held in trust for pension benefits and other purposes | <u><u>\$ 24,002,332</u></u> | <u><u>\$ 96,346</u></u> | |

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

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

| | Employee Benefit Trust Funds | Private Purpose Trust Funds |
|--|---------------------------------|--------------------------------|
| Additions | | |
| Contributions: | | |
| Employer | \$ 1,524,069 | \$ -- |
| Plan members | 115,599 | -- |
| Total Contributions | 1,639,668 | -- |
| Investment income: | | |
| Interest and dividends | 530,548 | 1,579 |
| Change in the fair value of investments, net | 478,156 | (5,048) |
| Net Investment Income (Loss) | 1,008,704 | (3,469) |
| Total Additions | 2,648,372 | (3,469) |
| Deductions | | |
| Benefit payments | 1,524,084 | -- |
| Administrative expenses | 96,528 | 4,000 |
| Total Deductions | 1,620,612 | 4,000 |
| Change in Net Position | 1,027,760 | (7,469) |
| Net Position - Beginning, as Restated | 22,974,572 | 103,815 |
| Net Position - Ending | \$ 24,002,332 | \$ 96,346 |

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL REPORTING ENTITY

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

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

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The funds of the Town are described below:

GOVERNMENTAL FUNDS

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

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

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

PROPRIETARY FUNDS

Proprietary Funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. The Proprietary Funds include Enterprise and Internal Service Funds. During the year ended June 30, 2019 the Town maintained one Enterprise Fund and one Internal Service Fund. The Town uses its' enterprise fund to account for its' Water Pollution Control Authority activity and uses its' internal service fund to account for the self-insured medical activities of the Town and Board of Education.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS (NOT INCLUDED IN GOVERNMENT-WIDE STATEMENTS)

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

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

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

Private Purpose Trust Funds account for resources legally held in trust for use by an outside committee to provide awards and scholarships in accordance with a donor's instructions. All resources of the fund, including any earnings on investments, may be used. There is no requirement that any portion of these resources be preserved as capital. The Town has six private purpose trust funds.

Agency Funds account for assets held by the Town in a purely custodial capacity. The Town has one agency fund (Student Activity Funds). Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

MAJOR AND NON-MAJOR FUNDS

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS (CONTINUED)

Non Major:

Special Revenue Funds: Grant programs including federal grants, state grants, and private grants. The Town currently maintains seven (7) special revenue funds which have been classified as non-major Governmental Funds. The details of these funds may be found in the combining fund statements in the other supplementary information section of these financial statements.

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

- (a) All governmental funds utilize a current financial resources measurement focus and a modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary fund utilizes an economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

Cash and Cash Equivalents

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

Investments

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accounts Receivable

In the Government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables. Business-type activities report service and special assessment fees as its major receivables. In addition, at June 30, 2019 the Town's Sewer fund also reported assessments receivable of \$132,599.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year-end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions earned/measurable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the Government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. At June 30, 2019 the Town has estimated the allowance for doubtful accounts for delinquent taxes of \$436,955.

Property Taxes, Sewer Assessment and Usage Charges

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

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

Upon completion of projects, sewer assessments are levied and assessed to the users each June. Usage charges are billed semi-annually in July and January for flat rate fees 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 BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Prepays

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

Inventory

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

Encumbrances

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

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

Capital Assets

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to value of the asset or materially extend asset lives are not capitalized.

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

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

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

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There were no impairments reported as of June 30, 2019.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Bond Premiums and Issuance Costs

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

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

Long-term Obligations

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

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

Compensated Absences

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

Judgments and Claims

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2019 the Town reported \$496,031 of deferred outflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred outflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). In addition, at June 30, 2019 the Town also reported \$418,624 of deferred outflows related to deferred charges on refundings in the Government-wide statement of net position. The deferred charge on refunding is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2019 the Town reported \$1,686,142 of deferred inflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred inflow of resources related to pension or OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

At June 30, 2019 the Town also reported in the Government-wide statement of net position \$65,757 of deferred outflows related to deferred sewer assessments and \$752,608 of deferred inflows related to deferred loans.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

At June 30, 2019 the Town also had an item qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue of \$1,648,275 at June 30, 2019 represents property taxes receivables which are assessed on October 31, 2017 and prior and are not collected within 60 days of June 30, 2019.

Interfund Transactions

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

Reciprocal interfund activities:

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

Non-reciprocal interfund activities:

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

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

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due from/to other funds” (current portion) or “advances from/to other funds” (noncurrent portion). All other outstanding balances between funds are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as “internal balances.”

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position/Fund Balance

Government-wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position/Fund Balance (Continued)

Governmental Fund Financial Statements (Continued)

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

Net Position Flow Assumption

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

PENSIONS

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

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended June 30, 2019 the Town implemented the following new governmental accounting pronouncements:

- GASB Statement No. 83 – *Certain Asset Retirement Obligations*.
- GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 10, 2020, which is the date these financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

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

USE OF ESTIMATES

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

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

A reconciliation of the Town's cash and cash equivalents as of June 30, 2019 is as follows:

Government-wide statement of net position:

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 14,115,436 |
|---------------------------|---------------|

Statement of fiduciary net position:

| | |
|---------------------------|---------|
| Cash and cash equivalents | 210,384 |
|---------------------------|---------|

Less: cash equivalents considered investments

| | |
|-------------------------|---------------------|
| for disclosure purposes | <u>(12,134,627)</u> |
|-------------------------|---------------------|

| | |
|-------------------|---------------------|
| Net cash deposits | <u>\$ 2,191,193</u> |
|-------------------|---------------------|

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2019, \$3,737,050 of the Town’s bank balance of \$4,429,325 was exposed to custodial credit risk as follows:

| | |
|---|---------------------|
| Uninsured and uncollateralized | \$ 152,288 |
| Uninsured and collateralized with securities held by the pledging bank's trust department or agent, but not in the Town's name | <u>3,584,762</u> |
| | <u>\$ 3,737,050</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.

INVESTMENTS

A reconciliation of the Town’s investments as of June 30, 2019 is as follows:

| | |
|---|----------------------|
| Statement of fiduciary net position: | |
| Investments | \$ 23,981,323 |
| Plus: cash equivalents considered investments for disclosure purposes | <u>12,134,627</u> |
| | <u>\$ 36,115,950</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Interest Rate Risk

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

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

| Investment Type | Valuation Basis | Credit Rating | Value | Investment Maturities (In Years) <u>Less Than 1</u> |
|--|-----------------|---------------|----------------------|--|
| Debt Securities: | | | | |
| <i>Governmental activities:</i> | | | | |
| Connecticut Short-term Investment Fund | Net Asset Value | AAA | \$ 11,032,648 | \$ 11,032,648 |
| <i>Business-type activities</i> | | | | |
| Connecticut Short-term Investment Fund | Net Asset Value | AAA | 988,771 | 988,771 |
| <i>Fiduciary</i> | | | | |
| Money Market Mutual Fund | Net Asset Value | Unrated | 113,208 | 113,208 |
| | | | <u>\$ 12,134,627</u> | <u>12,134,627</u> |
| Other Investments: | | | | |
| <i>Fiduciary:</i> | | | | |
| Fixed annuity contract | Contract Value | | | 92,199 |
| Mutual funds | Fair Value | | | 23,889,124 |
| | | | | <u>\$ 36,115,950</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

INVESTMENTS (CONTINUED)

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.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Concentrations of Credit Risk

The Town's investment policy generally restricts investments in any one issuer that is in excess of 10%. In addition, the Town's policy defines other limitations in an effort to avoid incurring unreasonable inherent risk of over-concentration in specific instruments, individual issuers or maturities. As of June 30, 2019, 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, 2019, more than 10% of the Town's fiduciary investments are invested in the following:

| Issuer | Investment | Value | % of Fiduciary Investments |
|----------|-------------------------|--------------|----------------------------|
| Fidelity | Fidelity 500 Index Fund | \$ 5,719,317 | 23.85% |

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, 2019, by level within the fair value hierarchy are presented in the table below:

| Financial Assets Measured at Fair Value | Prices in Active Market (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|--|--|---|--|----------------------|
| Mutual funds | \$ 23,889,124 | \$ -- | \$ -- | \$ 23,889,124 |
| Equity securities | 92,199 | -- | -- | 92,199 |
| | <u>\$ 23,981,323</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 23,981,323</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4 – RECEIVABLES

LOANS RECEIVABLE

Loans receivable represents loans disbursed from Community Development Block Grants (“CDBG”) and Economic Development Committee proceeds. The loans are noninterest bearing and payment is due only a) in the event of default, which is upon the death of borrower, b) transfer of title of property or c) refinancing property-related debt. Loans receivable consist of the following as of June 30, 2019:

| | | |
|---------------------|----|----------------------|
| Loans receivable | \$ | 752,608 |
| Less deferred loans | | <u>752,608</u> |
| Total | \$ | <u><u> --</u></u> |

NOTE 5 – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2019 consisted of the following:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------------|-----------------|----------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 3,201,836 | \$ -- | \$ -- | \$ 3,201,836 |
| Total capital assets, not being depreciated | <u>3,201,836</u> | <u> --</u> | <u> --</u> | <u>3,201,836</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,021,529 | -- | -- | 1,021,529 |
| Buildings and improvements | 69,636,518 | -- | -- | 69,636,518 |
| Machinery and equipment | 9,284,458 | 520,265 | (15,675) | 9,789,048 |
| Infrastructure | <u>35,378,950</u> | <u> --</u> | <u> --</u> | <u>35,378,950</u> |
| Total capital assets, being depreciated | <u>115,321,455</u> | <u>520,265</u> | <u>(15,675)</u> | <u>115,826,045</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (1,021,529) | -- | -- | (1,021,529) |
| Buildings and improvements | (28,192,559) | (1,478,079) | -- | (29,670,638) |
| Machinery and equipment | (8,192,751) | (357,130) | 15,675 | (8,534,206) |
| Infrastructure | <u>(12,262,015)</u> | <u>(471,719)</u> | <u> --</u> | <u>(12,733,734)</u> |
| Total accumulated depreciation | <u>(49,668,854)</u> | <u>(2,306,928)</u> | <u>15,675</u> | <u>(51,960,107)</u> |
| Total capital assets, being depreciated, net | <u>65,652,601</u> | <u>(1,786,663)</u> | <u> --</u> | <u>63,865,938</u> |
| Governmental activities capital assets, net | <u>\$ 68,854,437</u> | <u>\$ (1,786,663)</u> | <u>\$ --</u> | <u>\$ 67,067,774</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

| | |
|--|--------------|
| Education | \$ 1,570,320 |
| Public safety | 74,078 |
| Public works | 634,681 |
| Social services | 27,849 |
| Total depreciation expense - governmental activities | \$ 2,306,928 |

Capital asset activity for business-type activities for the year ended June 30, 2019 consisted of the following:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|--------------|-----------|-------------------|
| Business-type Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 31,740 | \$ -- | \$ -- | \$ 31,740 |
| Construction in progress | 5,140,873 | 86,862 | -- | 5,227,735 |
| Total capital assets, being depreciated | 5,172,613 | 86,862 | -- | 5,259,475 |
| 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 | 22,691,998 | -- | -- | 22,691,998 |
| Less accumulated depreciation and amortization for: | | | | |
| Buildings and improvements | (1,869,519) | (60,306) | -- | (1,929,825) |
| Machinery and equipment | (935,300) | (21,130) | -- | (956,430) |
| Infrastructure | (12,643,369) | (396,269) | -- | (13,039,638) |
| Total accumulated depreciation and amortization | (15,448,188) | (477,705) | -- | (15,925,893) |
| Total capital assets, being depreciated, net | 7,243,810 | (477,705) | -- | 6,766,105 |
| Business-type activities capital assets, net | \$ 12,416,423 | \$ (390,843) | \$ -- | \$ 12,025,580 |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLE

Interfund receivable and payable balances at June 30, 2019 are as follows:

| Receivable Fund | Payable Fund | Amount |
|---------------------------------|------------------------------|-------------------|
| Governmental Funds | | |
| Other Governmental Funds | General Fund | \$ 94,086 |
| Business-type Activities | | |
| General Fund | Water Pollution Control Fund | 66,339 |
| Total due from/to other funds | | <u>\$ 160,425</u> |

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

NOTE 7 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019 consisted of the following:

| Transfers In | Transfers Out | Amount |
|-----------------------------------|---------------|-------------------|
| Governmental Funds | | |
| Other Governmental Funds | General Fund | \$ 35,014 |
| Business Type Activities | | |
| Water Pollution Control Authority | General Fund | 215,646 |
| Total Interfund Transfers | | <u>\$ 250,660</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|---------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental Activities | | | | | |
| General obligation bonds | \$ 8,135,000 | \$ -- | \$ (1,120,000) | \$ 7,015,000 | \$ 1,140,000 |
| Note payable | 20,174 | -- | (20,174) | -- | -- |
| Unamortized bond premium | <u>720,885</u> | <u>--</u> | <u>(46,165)</u> | <u>674,720</u> | <u>--</u> |
| Total bonds and note payable | 8,876,059 | -- | (1,186,339) | 7,689,720 | 1,140,000 |
| Other liabilities: | | | | | |
| Capital leases | 134,191 | 62,768 | (97,748) | 99,211 | 46,229 |
| Compensated absences | 1,428,918 | 1,537,250 | (1,442,550) | 1,523,618 | 152,362 |
| Claims and judgements | 887,202 | -- | (381,849) | 505,353 | 362,202 |
| Contract payable | 65,082 | -- | (32,540) | 32,542 | 32,542 |
| Net pension liability | 3,849,382 | 513,601 | -- | 4,362,983 | -- |
| Net OPEB liability | <u>8,735,325</u> | <u>--</u> | <u>(657,427)</u> | <u>8,077,898</u> | <u>--</u> |
| Total governmental activities | <u>\$ 23,976,159</u> | <u>\$ 2,113,619</u> | <u>\$ (3,798,453)</u> | <u>\$ 22,291,325</u> | <u>\$ 1,733,335</u> |
| Business-type Activities | | | | | |
| General obligation bonds | \$ 4,435,000 | \$ -- | \$ (275,000) | \$ 4,160,000 | \$ 280,000 |
| USDA bonds payable | 293,597 | -- | (43,551) | 250,046 | 45,939 |
| Clean Water notes payable | 430,648 | -- | (81,115) | 349,533 | 80,661 |
| Unamortized bond premium | <u>235,837</u> | <u>--</u> | <u>(15,053)</u> | <u>220,784</u> | <u>--</u> |
| Total bonds and notes payable | 5,395,082 | -- | (414,719) | 4,980,363 | 406,600 |
| Other liabilities: | | | | | |
| Compensated absences | <u>93,450</u> | <u>1,139</u> | <u>(9,345)</u> | <u>85,244</u> | <u>8,524</u> |
| Total business-type activities | <u>\$ 5,488,532</u> | <u>\$ 1,139</u> | <u>\$ (424,064)</u> | <u>\$ 5,065,607</u> | <u>\$ 415,124</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

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

BONDS AND NOTES PAYABLE

A summary of bonds and notes payable outstanding at June 30, 2019 is as follows:

Governmental Activities:

| | Date of Issuance | Amount Issued | Interest Rate | Maturity Date | Balance Outstanding June 30, 2018 | Additions | Retirements | Balance Outstanding June 30, 2019 | Amounts Due Within One Year |
|--|---------------------|---------------------|---------------|------------------|---|--------------|---------------------|---|-----------------------------------|
| General Obligation Bonds and Notes Payable: | | | | | | | | | |
| General obligation refunding bonds, 2014 Series B | 4/1/2014 | \$ 4,725,000 | 2.00-5.00% | 7/15/2025 | \$ 4,725,000 | \$ -- | \$ -- | \$ 4,725,000 | \$ -- |
| General obligation bonds, Issue of 2017 | 7/15/2017 | 3,580,000 | 2.00-5.00% | 7/15/2021 | 3,410,000 | -- | 1,120,000 | 2,290,000 | 1,140,000 |
| DECD note payable, Issue of 1999 | 10/15/1999 | <u>197,500</u> | 0.00% | 10/15/2018 | <u>20,174</u> | <u>--</u> | <u>20,174</u> | <u>--</u> | <u>--</u> |
| | | 8,502,500 | | | 8,155,174 | -- | 1,140,174 | 7,015,000 | 1,140,000 |
| Deferred bond premium | | <u>860,577</u> | | | <u>720,885</u> | <u>--</u> | <u>46,165</u> | <u>674,720</u> | <u>--</u> |
| Total Governmental Activities Bonds and Notes Payable | | <u>\$ 9,363,077</u> | | | <u>\$ 8,876,059</u> | <u>\$ --</u> | <u>\$ 1,186,339</u> | <u>\$ 7,689,720</u> | <u>\$ 1,140,000</u> |

General obligation refunding bond 2014 series B, which has an issuance date of April 1, 2014 and a maturity date of July 15, 2025 will require its first principal payment beginning in fiscal year 2021.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

BONDS AND NOTES PAYABLE (CONTINUED)

Business-Type Activities:

| | Date of Issuance | Amount Issued | Interest Rate | Maturity Date | Balance Outstanding June 30, 2018 | Additions | Retirements | Balance Outstanding June 30, 2019 | Amounts due within one year |
|---|---------------------|----------------------------|---------------|------------------|---|---------------------|--------------------------|---|-----------------------------------|
| General Obligation Bonds and Notes Payable: | | | | | | | | | |
| General obligation bonds, 2014, Series A | 7/15/2015 | \$ 5,275,000 | 2.00-4.00% | 7/15/2033 | \$ 4,435,000 | \$ -- | \$ 275,000 | \$ 4,160,000 | \$ 280,000 |
| USDA Sewer Bond, 2003 | 8/1/2015 | 752,000 | 4.25% | 8/1/2023 | 293,597 | -- | 43,551 | 250,046 | 45,939 |
| Clean Water Fund 417-C | 10/30/2004 | <u>1,606,152</u> | 2.00% | 10/30/2024 | <u>430,648</u> | <u>--</u> | <u>81,115</u> | <u>349,533</u> | <u>80,661</u> |
| | | 7,633,152 | | | 5,159,245 | - | 399,666 | 4,759,579 | 406,600 |
| Deferred bond premium | | <u>301,068</u> | | | <u>235,837</u> | <u>--</u> | <u>15,053</u> | <u>220,784</u> | <u>--</u> |
| Total Business-Type Activities Bonds and Notes Payable | | <u>\$ 7,934,220</u> | | | <u>\$ 5,395,082</u> | <u>\$ --</u> | <u>\$ 414,719</u> | <u>\$ 4,980,363</u> | <u>\$ 406,600</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

BONDS AND NOTES PAYABLE (CONTINUED)

| Year Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | |
| 2020 | \$ 1,140,000 | \$ 256,150 | \$ 1,396,150 |
| 2021 | 1,175,000 | 222,300 | 1,397,300 |
| 2022 | 1,195,000 | 182,400 | 1,377,400 |
| 2023 | 1,040,000 | 138,450 | 1,178,450 |
| 2024 | 1,045,000 | 91,525 | 1,136,525 |
| 2025-2026 | <u>1,420,000</u> | <u>43,100</u> | <u>1,463,100</u> |
| | <u>\$ 7,015,000</u> | <u>\$ 933,925</u> | <u>\$ 7,948,925</u> |
| Business-Type Activities: | | | |
| 2020 | \$ 406,600 | \$ 166,222 | \$ 572,822 |
| 2021 | 408,552 | 154,257 | 562,809 |
| 2022 | 410,588 | 140,808 | 551,396 |
| 2023 | 412,710 | 125,873 | 538,583 |
| 2024 | 361,129 | 111,161 | 472,290 |
| 2025-2029 | 1,385,000 | 390,670 | 1,775,670 |
| 2030-2034 | <u>1,375,000</u> | <u>136,125</u> | <u>1,511,125</u> |
| | <u>\$ 4,759,579</u> | <u>\$ 1,225,116</u> | <u>\$ 5,984,695</u> |

Legal Debit Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2019.

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2019 totaled \$86,265 for general purposes, \$2,494,805 for school purposes, and \$1,697,994 for sewer purposes.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

CAPITAL LEASES

A summary of assets under capital leases as of June 30, 2019 are as follows:

| | Governmental Activities |
|--------------------------------|----------------------------|
| Equipment | \$ 402,591 |
| Less: accumulated amortization | 295,954 |
| | <u>\$ 106,637</u> |

Depreciation expense relative to leased property under capital leases totaled \$84,130 for the year ended June 30, 2019 and is included in depreciation expense disclosed in Note 5.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 are as follows:

| | Governmental Activities |
|---|----------------------------|
| Year Ending June 30: | |
| 2020 | \$ 46,229 |
| 2021 | 26,508 |
| 2022 | 19,950 |
| 2023 | 7,267 |
| Total minimum lease payments | <u>99,954</u> |
| Less: amount representing interest | 743 |
| Present value of minimum lease payments | <u>\$ 99,211</u> |

CONTRACT PAYABLE

The Town has entered into a long-term contract with the Northeastern Connecticut Council of Governments and other local Connecticut municipalities, in connection with the revaluation services. The initial contract totaled \$162,708 with annual required payments of \$35,542 through 2020. As of June 30, 2019, the balance of the contract totaled \$32,542.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9 – FUND BALANCE

The various components of fund balance at June 30, 2019 are as follows:

| | General Funds | Nonmajor Governmental Funds | Totals |
|----------------------|----------------------|-----------------------------------|----------------------|
| Nonspendable: | | | |
| Inventories | \$ 8,507 | \$ 9,315 | \$ 17,822 |
| Restricted for: | | | |
| Social services | -- | 193,962 | 193,962 |
| Committed for: | | | |
| Public safety | -- | 26,160 | 26,160 |
| Capital improvements | -- | 969,245 | 969,245 |
| Education | -- | 144,510 | 144,510 |
| 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 | 9,064,010 | (6,864) | 9,057,146 |
| | <u>\$ 10,405,059</u> | <u>\$ 1,336,328</u> | <u>\$ 11,741,387</u> |

NOTE 10 – EMPLOYEE RETIREMENT PLANS

DEFINED BENEFIT PLAN

Plan Description

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

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

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

The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2017:

| | |
|---|-------|
| 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 |

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, 2019, the Town contributed \$1,048,968 or 13.76% of covered annual payroll.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Summary of Significant Accounting Policies

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Concentrations – As of June 30, 2019, more than 10% of the Town’s Plan investments are invested in the following:

| Issuer | Investment | Value | % of Plan Investments |
|-------------------------|--|--------------|--------------------------|
| Metropolitan West Funds | Metropolitan West Total Return Bond Fund | \$ 5,719,317 | 24.55% |

Rate of return – For the year ended June 30, 2019 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.90%. 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, 2019 were as follows:

| | |
|---|----------------------------|
| Total pension liability | \$ 27,762,501 |
| Plan fiduciary net position | <u>23,399,518</u> |
| Town's net pension liability - Town Plan | <u><u>\$ 4,362,983</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 84.28% |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2019, were as follows:

| | <u>Total Pension Liability</u> | <u>Increase (Decrease) Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
|-------------------------------------|------------------------------------|--|----------------------------------|
| Balance as of July 1, 2018 | \$ 26,352,355 | \$ 22,502,973 | \$ 3,849,382 |
| Changes for the year: | | | |
| Service cost | 704,671 | -- | 704,671 |
| Interest | 1,854,458 | -- | 1,854,458 |
| Contributions - employer | -- | 1,048,968 | (1,048,968) |
| Contributions - employee | -- | 115,599 | (115,599) |
| Net investment income | -- | 881,311 | (881,311) |
| Benefit payments, including refunds | (1,148,983) | (1,148,983) | -- |
| Administrative expense | -- | (350) | 350 |
| Net changes | <u>1,410,146</u> | <u>896,545</u> | <u>513,601</u> |
| Balance as of June 30, 2019 | <u>\$ 27,762,501</u> | <u>\$ 23,399,518</u> | <u>\$ 4,362,983</u> |

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2019, 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% |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability (Continued)

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 investment was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of June 30, 2019 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> | |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability (Continued)

Discount rate – The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%).

| | 1% Decrease 6.00% | Current Discount 7.00% | 1% Increase 8.00% |
|-----------------------------------|----------------------|------------------------------|----------------------|
| Town's plan net pension liability | \$ 7,451,091 | \$ 4,263,983 | \$ 1,744,544 |

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, the Town recognized pension expense related to the Town Plan of \$1,319,721. At June 30, 2019, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DEFINED BENEFIT PLAN (CONTINUED)

Net Pension Liability (Continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ 202,652 | \$ -- |
| Changes of assumptions | -- | (172,167) |
| Differences between expected and actual experience | <u>290,255</u> | <u>--</u> |
| Total | <u>\$ 492,907</u> | <u>\$ (172,167)</u> |

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

| Year ended June 30, | |
|---------------------|-------------------|
| 2020 | \$ 205,958 |
| 2021 | (109,627) |
| 2022 | 85,525 |
| 2023 | <u>138,884</u> |
| | <u>\$ 320,740</u> |

Payable to the Town

The Town does not have a reported payable liability to the Town Plan as of June 30, 2019.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

Benefit Provisions

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

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

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years 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.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

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

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

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

Contributions

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

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

Administrative Expenses

Administrative costs of the plan are funded by the State.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Basis of Presentation

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. 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, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expense for the year ended June 30, 2019 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2019.

Allocation Methodology

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2018 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For the fiscal year 2018, the Town's expected contribution effort for allocation purposes totaled \$4,501,286 or 0.354% 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, 2019.

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, 2018. The portion of the collective pension expense allocated to the Town totaled \$5,227,123. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2019.

The total collective net pension liability of participating employers for the TRS was approximately \$13.164 billion as of June 30, 2018 measurement date. The portion attributed to the Town totaled \$46,574,127 or approximately 0.354% of the total collective net pension liability.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

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

| | |
|---------------------------------------|--|
| Inflation | 2.75% |
| Salary increases, including inflation | 3.25-6.50%, including inflation |
| Investment rate of return | 8.00%, net of pension plan investment expense, including inflation |
| Administrative expenses | \$0 assumption as expenses are paid for by the General Assembly |

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to 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 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Long-Term Rate of Return (Continued)

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Large Cap U.S. Equities | 21.00% | 5.80% |
| Developed Non-U.S. Equities | 18.00% | 6.60% |
| Emerging Markets (Non-U.S.) | 9.00% | 8.30% |
| Real Estate | 7.00% | 5.10% |
| Private Equity | 11.00% | 7.60% |
| Alternative Investments | 8.00% | 4.10% |
| Fixed Income (Core) | 7.00% | 1.30% |
| High Yield Bonds | 5.00% | 3.90% |
| Emerging Market Bond | 5.00% | 3.70% |
| Inflation Linked Bonds | 3.00% | 1.00% |
| Cash | 6.00% | 0.40% |
| | <u>100.00%</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.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Proportionate Share of the Collective Net Pension Liability

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 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:

| | 1% Decrease 7.00% | Current Discount 8.00% | 1% Increase 9.00% |
|---|----------------------|------------------------------|----------------------|
| Towns proportionate share of the net pension liability | \$ 58,861,225 | \$ 46,574,127 | \$ 36,183,296 |

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

BOARD OF EDUCATION PLAN

Plan Administration

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Plan Membership

Membership of the OPEB Plan consisted of the following as of July 1, 2018, the date of the latest actuarial valuation:

| | |
|---|-------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 35 |
| Active members | <u>288</u> |
| Total members | <u><u>323</u></u> |

Contributions

Contribution requirements of the plan members and the Town are established by and may be amended through negotiations between the Board of Education and the union. Currently, Board of Education employees who are age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 10 years of service in the Plainfield School System are eligible to receive benefits. Those who choose to participate must pay 100% of the premium cost. The Town finances the Plan on a pay-as-you-go basis. Town contributions made to its Other Post-Employment Benefits Trust Fund are based on an actuarially determined rate. Town contributions totaled \$416,850 for the year ended June 30, 2019 and represented 2.43% of covered payroll.

Net OPEB Liability

The Town's net OPEB liability reported as of June 30, 2019 totaled \$8,077,898. The net OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Net OPEB Liability (Continued)

Actuarial assumptions – The total OPEB liability as of June 30, 2019 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 expense |
| Inflation rate | 2.50% |
| Salary increases | 2.50% |
| Healthcare cost trend rate | 7.50% initial 4.50% final |

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

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best –estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan’s target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|--------------------------------|--------------------------|---|
| Fixed Income Broad Core | 35.00% | 1.65% |
| Domestic Equity Large Cap | 24.50% | 5.55% |
| Domestic Equity Small Cap | 10.50% | 6.00% |
| International Equity Developed | 20.00% | 5.55% |
| International Equity Emerging | 5.00% | 6.50% |
| REIT | 5.00% | 4.40% |
| | <u>100.00%</u> | |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Net OPEB Liability (Continued)

Discount rate – The discount rate used to measure the total OPEB liability was 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 | Plan Fiduciary Net Position | Net OPEB Liability |
| Balance as of July 1, 2018 | \$ 9,206,924 | \$ 471,599 | \$ 8,735,325 |
| Changes for the year: | | | |
| Service cost | 109,629 | -- | 109,629 |
| Interest | 639,253 | -- | 639,253 |
| Actual experience | (739,958) | -- | (739,958) |
| Changes assumptions | (160,035) | -- | (160,035) |
| Contributions - employer | -- | 416,850 | (416,850) |
| Contributions - TRB subsidy | -- | 58,251 | (58,251) |
| Net investment income | -- | 31,215 | (31,215) |
| Benefit payments, including refunds | (375,101) | (375,101) | -- |
| Net changes | (526,212) | 131,215 | (657,427) |
| Balance as of June 30, 2019 | \$ 8,680,712 | \$ 602,814 | \$ 8,077,898 |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

Changes in OPEB Liability (Continued)

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

| | Discount Rates | | |
|--------------------|----------------|--------------|--------------|
| | 1% Decrease | Current | 1% Increase |
| | 6.00% | 7.00% | 8.00% |
| Net OPEB Liability | \$ 9,016,092 | \$ 8,077,898 | \$ 7,274,158 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the Town’s net OPEB liability for the OPEB Plan as well as what the Town’s net OPEB liability would be for the OPEB Plan if it were calculated using a health care trend rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

| | Healthcare Cost Trend Rates | | |
|--------------------|-----------------------------|--------------|--------------|
| | 1% Decrease | Current | 1% Increase |
| | 6.50% | 7.50% | 8.50% |
| Net OPEB Liability | \$ 7,167,299 | \$ 8,077,898 | \$ 9,144,745 |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

BOARD OF EDUCATION PLAN (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, the Town recognized OPEB expense of \$480,518. At June 30, 2019, the Town reported deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ 3,124 | \$ -- |
| Changes of assumptions | -- | (707,900) |
| Differences between expected and actual experience | -- | (806,075) |
| Total | \$ 3,124 | \$ (1,513,975) |

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

| | |
|---------------------|----------------|
| Year ended June 30, | |
| 2020 | \$ (163,660) |
| 2021 | (163,660) |
| 2022 | (163,661) |
| 2023 | (163,307) |
| 2024 | (164,353) |
| Thereafter | (692,210) |
| | \$ (1,510,851) |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Plan Description

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

Benefit Provisions

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Benefit Provisions (Continued)

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

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

Contributions

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

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

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

Administrative Expenses

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Basis of Presentation

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2019.

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, 2018.

Allocation Methodology

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employers and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2018.

For fiscal year 2018, the Town's expected contribution effort for allocation purposes totaled \$124,961 or 0.0354% 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, 2019.

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, 2018. The portion of the collective OPEB expense allocated to the Town totaled \$689,336. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2019.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Allocation Methodology (Continued)

The total collective net OPEB liability of participating employers for the TRS was approximately \$2.631 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$9,420,169 or approximately 0.354% of the total collective net OPEB liability.

Actuarial Assumptions

The total OPEB 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 | 3.25%-6.50%, including inflation |
| Investment rate of return | 3.00%, net of investment related expense |
| Healthcare cost trend rates: | |
| Medicare Supplement Plan Options | |
| Claims / Member Contributions | 5.95% for 2018 decreasing to an ultimate rate of 4.75% by 2025 |
| Medicare Advantage Plan Options | |
| Claims | 5.00% for 2018 decreasing to an ultimate rate of 4.75% by 2028 |
| Member Contributions | 0.00% for 2018 and 2019, increasing to 5.00% for 2020, and decreasing to an ultimate rate of 4.75% by 2028 |

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 of the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)

Long-Term Rate of Return (Continued)

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

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|------------------------------------|-------------------|--|
| U.S. Treasuries (Cash Equivalents) | 100.00% | 0.41% |

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. 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, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- 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 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CONNECTICUT STATE TEACHERS’ RETIREMENT SYSTEM (CONTINUED)

Proportionate Share of the Collective Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 3.50%, 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 (2.50%) or 1-percentage – point higher (4.50%) than the current rate:

| | 1% Decrease 2.50% | Current Discount 3.50% | 1% Increase 4.50% |
|--|----------------------|------------------------------|----------------------|
| Town's proportionate share of the net OPEB liability | \$ 11,226,012 | \$ 9,420,169 | \$ 7,982,159 |

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 | Current Trend Rates | 1% Increase in Trend Rates |
|--|-------------------------------|------------------------|-------------------------------|
| Town's proportionate share of the net OPEB liability | \$ 7,847,850 | \$ 9,420,169 | \$ 11,520,496 |

NOTE 12 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except health coverage. During 2019, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town’s insurance coverage during the past three years.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – RISK MANAGEMENT (CONTINUED)

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

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

ECHIP establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2019. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expense, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of the Town’s portion of claims activity for the years ended June 30, 2019, 2018 and 2017 are as follows:

| Year Ended June 30, | Claims Payable, Beginning of Year | Claims and Changes in Estimates | Claims Paid | Claims Payable, End of Year |
|------------------------|---|---------------------------------------|----------------|-----------------------------------|
| 2019 | \$ 362,202 | \$ 6,364,061 | \$ 6,220,910 | \$ 505,353 |
| 2018 | \$ 356,714 | \$ 6,184,975 | \$ 6,179,487 | \$ 362,202 |
| 2017 | \$ 467,565 | \$ 6,341,842 | \$ 6,452,693 | \$ 356,714 |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 13 – COMMITMENTS AND CONTINGENCIES

GRANTS AND CONTRACTS

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

LITIGATION

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

NOTE 14 – RESTATEMENTS

The Town had the following restatements at July 1, 2018:

Governmental Activities

| | |
|---|----------------------|
| Net Position as originally stated at July 1, 2018 | \$ 58,417,454 |
| Restatement to remove tax interest receivable previously reported as an asset | 286,880 |
| Restatement to record offsetting asset balance for tax title deferred liability | 367,142 |
| Restatement for change in account estimate for allowance for doubtful accounts | (168,048) |
| Restatement to defer loan receivable funds | (211,123) |
| Restatement to remove GASB 34 activity in order to establish internal service funds | (695,158) |
| Restatement to establish internal service funds for ECHIP plan | <u>(347,343)</u> |
| Net Position at July 1, 2018, as restated | <u>\$ 57,649,804</u> |

Business Type Activities

| | |
|--|---------------------|
| Net Position as originally stated at July 1, 2018 | \$ 8,456,019 |
| Restatement to remove sewer use interest previously reported as an asset | <u>(24,428)</u> |
| Net Position at July 1, 2018, as restated | <u>\$ 8,431,591</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14 – RESTATEMENTS (CONTINUED)

| General Fund | |
|---|----------------------|
| Fund Balance as originally stated at July 1, 2018 | \$ 9,720,120 |
| Restatement to remove deferred tax interest receivable previously reported as a liability | 286,880 |
| Restatement to record offsetting asset balance for tax title deferred liability | 367,142 |
| Restatement for change in account estimate for allowance for doubtful accounts | <u>(168,048)</u> |
| Fund Balance at July 1, 2018, as restated | <u>\$ 10,206,094</u> |
| Nonmajor Governmental Funds - CDBG Funds | |
| Fund Balance as originally stated at July 1, 2018 | \$ 398,492 |
| Restatement to defer loan receivable funds | <u>(211,123)</u> |
| Fund Balance at July 1, 2018, as restated | <u>\$ 187,369</u> |
| WPCA Fund | |
| Net Position as originally stated at July 1, 2018 | \$ 8,456,019 |
| Restatement to remove sewer use interest previously reported as an asset | <u>(24,428)</u> |
| Net Position at July 1, 2018, as restated | <u>\$ 8,431,591</u> |
| Internal Service Fund | |
| Net Position as originally stated at July 1, 2018 | \$ -- |
| Restatement to establish internal service funds for ECHIP plan | <u>(347,343)</u> |
| Net Position at July 1, 2018, as restated | <u>\$ (347,343)</u> |
| Employee Benefit Trust Fund | |
| Net Position as originally stated at July 1, 2018 | \$ 22,974,572 |
| Restatement to match actuarial valuation statement of net position | <u>23,252</u> |
| Net Position at July 1, 2018, as restated | <u>\$ 22,997,824</u> |

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 27,426,801 | \$ 27,426,801 | \$ 28,128,791 | \$ 701,990 |
| Intergovernmental | 16,791,956 | 16,791,956 | 15,963,714 | (828,242) |
| Licenses, permits and fees | 571,807 | 571,807 | 743,695 | 171,888 |
| Interest | 75,000 | 75,000 | 268,575 | 193,575 |
| Out of town tuition | 1,355,643 | 1,355,643 | 1,233,727 | (121,916) |
| Other | 579,068 | 579,068 | 587,538 | 8,470 |
| Total Revenues | <u>46,800,275</u> | <u>46,800,275</u> | <u>46,926,040</u> | <u>125,765</u> |
| Expenditures | | | | |
| General government | 4,195,819 | 4,178,443 | 3,663,715 | (514,728) |
| Public safety | 2,452,388 | 2,446,888 | 2,383,368 | (63,520) |
| Public works | 1,457,640 | 1,461,830 | 1,240,078 | (221,752) |
| Social services | 380,591 | 380,591 | 372,258 | (8,333) |
| Administration | 852,994 | 898,757 | 875,260 | (23,497) |
| Capital outlays | 979,144 | 952,067 | 901,815 | (50,252) |
| Education | 35,428,370 | 35,980,347 | 35,672,464 | (307,883) |
| Debt service | 1,861,518 | 1,861,518 | 1,861,518 | -- |
| Total Expenditures | <u>47,608,464</u> | <u>48,160,441</u> | <u>46,970,476</u> | <u>(1,189,965)</u> |
| (Deficiency) Excess of Revenues Over Expenditures | (808,189) | (1,360,166) | (44,436) | 1,315,730 |
| Other Financing Sources (Uses) | | | | |
| Fund Balance - Town revaluation | 32,542 | 32,542 | -- | (32,542) |
| Capital lease proceeds | -- | -- | 62,768 | 62,768 |
| WPCA Bond Payment | 215,647 | 215,647 | 215,647 | -- |
| Transfers out | -- | -- | (35,014) | (35,014) |
| Fund balance - Chipper | 260,000 | 260,000 | -- | (260,000) |
| Cap Fund - Road Construction | 300,000 | 300,000 | -- | (300,000) |
| Appropriation of fund balance | -- | 551,977 | 551,977 | -- |
| Total Other Financing Sources (Uses) | <u>808,189</u> | <u>1,360,166</u> | <u>795,378</u> | <u>(564,788)</u> |
| Net Change in Fund Balances | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 750,942</u> | <u>\$ 750,942</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Property Taxes | | | | |
| Property taxes | \$ 26,776,801 | \$ 26,776,801 | \$ 27,080,711 | \$ 303,910 |
| Interest and lien fees | 225,000 | 225,000 | 405,589 | 180,589 |
| Back taxes & interest | <u>425,000</u> | <u>425,000</u> | <u>642,491</u> | <u>217,491</u> |
| Total Property Taxes | <u>27,426,801</u> | <u>27,426,801</u> | <u>28,128,791</u> | <u>701,990</u> |
| Intergovernmental | | | | |
| Educational equalization | 15,163,177 | 15,163,177 | 15,118,718 | (44,459) |
| Adult education | 105,120 | 105,120 | -- | (105,120) |
| Special education grant - state budget | 723,251 | 723,251 | 308,019 | (415,232) |
| Town aid road | 288,593 | 288,593 | 115,762 | (172,831) |
| Telephone access lines | 37,777 | 37,777 | 37,003 | (774) |
| Local capital improvements | 142,931 | 142,931 | 69,735 | (73,196) |
| Mohegan/Pequot grant | 82,099 | 82,099 | 82,099 | -- |
| PILOT - State-owned property | 34,173 | 34,173 | 60,574 | 26,401 |
| PILOT - Hospitals | 26,401 | 26,401 | -- | (26,401) |
| Reimbursement disability | 4,127 | 4,127 | 2,374 | (1,753) |
| PILOT - Veterans exemption | 6,789 | 6,789 | 6,266 | (523) |
| MRSA - Grant Municipal | 144,803 | 144,803 | 144,803 | -- |
| Emergency Mgt. Asst. | 7,715 | 7,715 | 7,614 | (101) |
| Other state revenue | <u>25,000</u> | <u>25,000</u> | <u>10,747</u> | <u>(14,253)</u> |
| Total Intergovernmental Revenues | <u>16,791,956</u> | <u>16,791,956</u> | <u>15,963,714</u> | <u>(828,242)</u> |
| Licenses, Permits, and Fees | | | | |
| Pool receipts | 103,000 | 103,000 | 85,879 | (17,121) |
| Recreation receipts | 55,000 | 55,000 | 53,995 | (1,005) |
| Building permits | 80,000 | 80,000 | 97,262 | 17,262 |
| Planning and zoning fees | 25,000 | 25,000 | 21,765 | (3,235) |
| Town clerk fees | 215,000 | 215,000 | 372,532 | 157,532 |
| Town clerk - copies | 16,000 | 16,000 | 13,293 | (2,707) |
| Assessor - copies | 1,500 | 1,500 | 548 | (952) |
| Police - other duty | 35,000 | 35,000 | 58,908 | 23,908 |
| F/M Services - Canterbury | 5,957 | 5,957 | 5,649 | (308) |
| Town Hall rental | 2,500 | 2,500 | 1,013 | (1,487) |
| Cell Tower rental | <u>32,850</u> | <u>32,850</u> | <u>32,851</u> | <u>1</u> |
| Total Licenses, Permits and Fees | <u>571,807</u> | <u>571,807</u> | <u>743,695</u> | <u>171,888</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance With |
|---|---------------------|----------------------|----------------------|------------------------------|
| | Original | Final | | Final Budget Over (Under) |
| Investment - Interest | 75,000 | 75,000 | 268,575 | 193,575 |
| Out of Town Tuition | <u>1,355,643</u> | <u>1,355,643</u> | <u>1,233,727</u> | <u>(121,916)</u> |
| Other | | | | |
| Tuition - special revenue | 419,068 | 419,068 | 372,077 | (46,991) |
| Other local revenue | 100,000 | 100,000 | 203,994 | 103,994 |
| Industrial park lot sales | 45,000 | 45,000 | -- | (45,000) |
| Police - miscellaneous revenue | <u>15,000</u> | <u>15,000</u> | <u>11,467</u> | <u>(3,533)</u> |
| Total Other | <u>579,068</u> | <u>579,068</u> | <u>587,538</u> | <u>(8,470)</u> |
| Total Revenues | <u>46,800,275</u> | <u>46,800,275</u> | <u>46,926,040</u> | <u>(125,765)</u> |
| Other Financing Sources | | | | |
| Fund balance - Town revaluation | 32,542 | 32,542 | -- | (32,542) |
| Capital lease proceeds | -- | -- | 62,768 | 62,768 |
| WPCA Bond Payment | 215,647 | 215,647 | 215,647 | -- |
| Fund balance - Chipper | 260,000 | 260,000 | -- | (260,000) |
| Cap Fund - Road Construction | 300,000 | 300,000 | -- | (300,000) |
| Appropriation of fund balance | <u>--</u> | <u>551,977</u> | <u>551,977</u> | <u>--</u> |
| Total Other Financing Sources | <u>808,189</u> | <u>1,360,166</u> | <u>830,392</u> | <u>(529,774)</u> |
| Total Revenues and Other Financing Sources | <u>\$47,608,464</u> | <u>\$ 48,160,441</u> | <u>\$ 47,756,432</u> | <u>\$ (655,539)</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL - BUDGETARY BASIS GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance With Final Budget Over (Under) |
|---------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| General Government | | | | |
| First Selectman | \$ 140,893 | \$ 142,093 | \$ 141,424 | \$ (669) |
| Finance | 248,674 | 248,674 | 242,169 | (6,505) |
| Assessor | 167,308 | 167,307 | 165,386 | (1,921) |
| Tax Collector | 144,600 | 144,600 | 134,274 | (10,326) |
| Town Clerk | 186,957 | 186,957 | 181,049 | (5,908) |
| Election and registrars | 46,098 | 48,122 | 48,276 | 154 |
| Employee benefits | <u>3,261,289</u> | <u>3,240,690</u> | <u>2,751,137</u> | <u>(489,553)</u> |
| Total General Government | <u>4,195,819</u> | <u>4,178,443</u> | <u>3,663,715</u> | <u>(514,728)</u> |
| Public Safety | | | | |
| Fire Marshal | 56,166 | 56,166 | 53,564 | (2,602) |
| Police Department | 2,069,621 | 2,064,121 | 2,010,023 | (54,098) |
| Building Inspector | 103,086 | 103,086 | 95,400 | (7,686) |
| Planning and Engineering | 164,551 | 164,551 | 164,612 | 61 |
| Animal Control | <u>58,964</u> | <u>58,964</u> | <u>59,769</u> | <u>805</u> |
| Total Public Safety | <u>2,452,388</u> | <u>2,446,888</u> | <u>2,383,368</u> | <u>(63,520)</u> |
| Public Works | | | | |
| Building and grounds | 303,257 | 311,577 | 276,475 | (35,102) |
| Highway | 865,790 | 861,660 | 847,841 | (13,819) |
| Town Aid Road | <u>288,593</u> | <u>288,593</u> | <u>115,762</u> | <u>(172,831)</u> |
| Total Public Works | <u>1,457,640</u> | <u>1,461,830</u> | <u>1,240,078</u> | <u>(221,752)</u> |
| Social Services | | | | |
| Recreation | 310,372 | 310,372 | 302,039 | (8,333) |
| Libraries | <u>70,219</u> | <u>70,219</u> | <u>70,219</u> | <u>--</u> |
| Total Social Services | <u>380,591</u> | <u>380,591</u> | <u>372,258</u> | <u>(8,333)</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL -
BUDGETARY BASIS
GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance With |
|-----------------------------|---------------------|----------------------|----------------------|-----------------------|
| | Original | Final | | Final Budget |
| | | | | Over (Under) |
| Administration | | | | |
| Telephone | \$ 41,250 | \$ 41,250 | \$ 39,946 | \$ (1,304) |
| Legal fees | 100,000 | 131,000 | 141,109 | 10,109 |
| Postage | 25,000 | 25,000 | 23,847 | (1,153) |
| Computer | 125,000 | 128,000 | 134,179 | 6,179 |
| Computer salary | 42,969 | 42,969 | 42,819 | (150) |
| Probate | 8,022 | 8,022 | 8,022 | -- |
| Copy machines | 37,000 | 34,000 | 25,636 | (8,364) |
| Claims | 1,000 | 1,000 | -- | (1,000) |
| Tax refunds | 13,000 | 13,000 | 11,069 | (1,931) |
| Board and commissions | 23,900 | 26,500 | 24,348 | (2,152) |
| Purchased services | 381,707 | 414,249 | 383,642 | (30,607) |
| Contributions | 4,146 | 4,146 | 3,680 | (466) |
| Engineering firm | -- | -- | 7,674 | 7,674 |
| Contingency | 50,000 | 29,621 | 29,289 | (332) |
| Total Administration | <u>852,994</u> | <u>898,757</u> | <u>875,260</u> | <u>(23,497)</u> |
| Capital Outlays | <u>979,144</u> | <u>952,067</u> | <u>901,815</u> | <u>(50,252)</u> |
| Education | <u>35,428,370</u> | <u>35,980,347</u> | <u>35,672,464</u> | <u>(307,883)</u> |
| Debt Services | | | | |
| Principal payments | 1,415,174 | 1,415,174 | 1,415,174 | -- |
| Interest and fiscal charges | <u>446,344</u> | <u>446,344</u> | <u>446,344</u> | <u>--</u> |
| Total Debt Services | <u>1,861,518</u> | <u>1,861,518</u> | <u>1,861,518</u> | <u>--</u> |
| Transfer out | <u>--</u> | <u>--</u> | <u>35,014</u> | <u>35,014</u> |
| Total Expenditures | <u>\$47,608,464</u> | <u>\$ 48,160,441</u> | <u>\$ 46,970,476</u> | <u>\$ (1,189,965)</u> |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

LAST FIVE FISCAL YEARS

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Proportion of net pension liability attributed to the Town | 0.354% | 0.365% | 0.366% | 0.370% | 0.370% |
| Town's proportionate share of the net pension liability | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| State's proportionate share of the net pension liability attributed to the town | <u>46,574,000</u> | <u>49,324,000</u> | <u>52,038,000</u> | <u>40,551,000</u> | <u>37,482,000</u> |
| Total | <u>\$ 46,574,000</u> | <u>\$ 49,324,000</u> | <u>\$ 52,038,000</u> | <u>\$ 40,551,000</u> | <u>\$ 37,482,000</u> |
| Town's covered payroll | \$ 14,770,000 | \$ 14,679,000 | \$ 14,588,000 | \$ 12,917,000 | \$ 14,388,000 |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 31.71% | 29.76% | 28.03% | 31.85% | 38.39% |
| Plan fiduciary net position as a percentage of the total pension liability | 55.93% | 55.93% | 55.93% | 55.93% | 55.93% |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

LAST SIX FISCAL YEARS

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | |
| Service cost | \$ 704,671 | \$ 629,011 | \$ 601,924 | \$ 598,576 | \$ 572,800 | \$ 548,134 |
| Interest | 1,854,458 | 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>(1,148,983)</u> | <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 | 1,410,146 | 1,615,098 | 1,321,592 | 1,448,606 | 1,326,576 | 1,243,280 |
| | | | | | | |
| Total pension liability - beginning | <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> | <u>19,397,203</u> |
| Total pension liability - ending | <u>27,762,501</u> | <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 | 1,048,968 | 1,151,600 | 1,153,732 | 1,125,405 | 1,174,169 | 706,969 |
| Contributions - members | 115,599 | 92,183 | 102,613 | 94,173 | 54,905 | 57,049 |
| Net Investment Income | 881,311 | 1,715,655 | 2,341,480 | 140,367 | 72,030 | 2,396,885 |
| Benefit payments, including refunds | <u>(1,148,983)</u> | <u>(1,067,718)</u> | <u>(929,579)</u> | <u>(870,763)</u> | <u>(807,487)</u> | <u>(772,316)</u> |
| Administrative expense | <u>(350)</u> | <u>(500)</u> | <u>(300)</u> | <u>(71,408)</u> | <u>(7,644)</u> | <u>(5,350)</u> |
| Net change in plan fiduciary net position | 896,545 | 1,891,220 | 2,667,946 | 417,774 | 485,973 | 2,383,237 |
| | | | | | | |
| Plan fiduciary net position - beginning | <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> | <u>14,656,823</u> |
| Plan fiduciary net position - ending | <u>23,399,518</u> | <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>\$ 4,362,983</u> | <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 | 84.28% | 85.39% | 83.32% | 76.63% | 79.78% | 82.56% |
| | | | | | | |
| Covered Payroll | \$ 7,622,489 | \$ 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 | 57.24% | 52.77% | 62.02% | 85.96% | 67.74% | 57.39% |

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

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS TOWN PENSION PLAN

LAST SIX FISCAL YEARS

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 1,516,632 | \$ 1,472,606 | \$ 1,472,606 | \$ 1,472,606 | \$ 1,448,874 | \$ 1,448,874 |
| Contributions in relation to the actuarially determined contribution | <u>1,048,968</u> | <u>1,151,600</u> | <u>1,153,732</u> | <u>1,125,405</u> | <u>1,174,169</u> | <u>706,969</u> |
| Contribution deficiency | <u>\$ 467,664</u> | <u>\$ 321,006</u> | <u>\$ 318,874</u> | <u>\$ 347,201</u> | <u>\$ 274,705</u> | <u>\$ 741,905</u> |
| Covered employee payroll | \$ 7,622,489 | \$ 7,294,248 | \$ 6,652,362 | \$ 6,365,897 | \$ 6,555,889 | \$ 6,273,578 |
| Contributions as a percentage of covered employee payroll | 13.76% | 15.79% | 17.34% | 17.68% | 17.91% | 11.27% |
| Annual money-weighted rate of return, net of investment expense | 3.90% | 8.25% | 12.93% | 0.79% | 0.41% | 16.27% |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

LAST THREE FISCAL YEARS

| | 2019 | 2018 | 2017 |
|---|---------------|---------------|---------------|
| Total OPEB Liability | | | |
| Service cost | \$ 109,629 | \$ 122,205 | \$ 194,502 |
| Interest | 639,253 | 598,463 | 492,015 |
| Differences between expected and actual experience | (739,958) | (45,625) | (185,789) |
| Changes of assumptions | (160,035) | (812,951) | (2,956,730) |
| Benefit payments, including refunds | (375,101) | (335,060) | (122,705) |
| Net change in total OPEB liability | (526,212) | (472,968) | (2,578,707) |
| | | | |
| Total OPEB liability - beginning | 9,206,924 | 9,679,892 | 12,258,599 |
| Total OPB liability - ending | 8,680,712 | 9,206,924 | 9,679,892 |
| | | | |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | 416,850 | 381,666 | 61,401 |
| Contributions - TRB subsidy | 58,251 | 53,394 | 61,304 |
| Net investment income | 31,215 | 26,278 | 31,395 |
| Benefit payments, including refunds | (375,101) | (335,060) | (122,705) |
| Administrative expense | -- | -- | (972) |
| Net change in change in plan fiduciary net position | 131,215 | 126,278 | 30,423 |
| | | | |
| Plan fiduciary net position - beginning | 471,599 | 345,321 | 314,898 |
| Plan fiduciary net position - ending | 602,814 | 471,599 | 345,321 |
| | | | |
| Town's Net OPEB Liability | \$ 8,077,898 | \$ 8,735,325 | \$ 9,334,571 |
| Plan fiduciary net position as a percentage of total OPEB liability | | | |
| Covered payroll | \$ 17,132,085 | \$ 18,953,011 | \$ 18,445,753 |
| Town's net OPEB liability as a percentage of covered payroll | 47.15% | 46.09% | 50.61% |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

LAST THREE FISCAL YEARS

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|---------------------|
| Actuarially determined contribution | \$ 913,974 | \$ 908,368 | \$ 1,104,300 |
| Contributions in relation to the actuarially determined contribution | <u>416,850</u> | <u>381,666</u> | <u>61,401</u> |
| Contribution deficiency | <u>\$ 497,124</u> | <u>\$ 526,702</u> | <u>\$ 1,042,899</u> |
| Covered employee payroll | \$ 17,132,085 | \$ 18,953,011 | \$ 18,445,753 |
| Contributions as a percentage of covered employee payroll | 2.43% | 2.01% | 0.33% |
| Annual money-weighted rate of return, net of investment expense | 5.63% | 6.02% | 9.99% |

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

TOWN OF PLAINFIELD, CONNECTICUT

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

LAST TWO FISCAL YEARS

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|----------------------|
| Proportion of the net OPEB liability attributed to the Town | 0.354% | 0.365% |
| Town's proportionate share of the net OPEB liability | \$ -- | \$ -- |
| State's proportionate share of the net OPEB liability attributed to the Town | <u>9,420,169</u> | <u>12,696,000</u> |
| Total | <u>\$ 9,420,169</u> | <u>\$ 12,696,000</u> |
| Town's covered payroll | \$ 14,770,000 | \$ 14,679,000 |
| Town's proportionate share of the net OPEB liability as a percentage of its covered payroll | 156.79% | 115.62% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 2.08% | 1.49% |

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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

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

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP basis”). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2019:

| | | |
|--|----|--------------------|
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis | \$ | 750,942 |
| Appropriation of fund balance associated with increase in Education Budget | | (551,977) |
| On behalf state pension contribution - revenue | | 4,626,247 |
| On behalf state pension contribution - expenditures | | <u>(4,626,247)</u> |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis | \$ | <u>198,965</u> |

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

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

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

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

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 were determined from the July 1, 2017 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.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5 – SCHEDULE OF CHANGES IN NET OPEB LIABILITY – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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

Assumption Changes – The following changes in assumptions had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2019:

- Long term rate of return decreased from 7.00% to 4.00%
- Anticipated salary growth decreased from 2.75% to 2.50%
- Inflation rate decreased from 2.75% to 2.50%
- Mortality rates updated from Scale MP-2016 to Scale MP-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 fiscal years.

The July 1, 2018 actuarial valuation directly calculated the July 1, 2018 total OPEB liability. The July 1, 2018 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, 2019.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2019:

| | |
|-------------------------------|--------------------------------|
| 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-2018.

TOWN OF PLAINFIELD, CONNECTICUT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

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

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

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2019

| Grand List Year | Balance Uncollected June 30, 2018 | Current Levy | Lawful Corrections | | Transfers To Suspense | Balance To Be Collected | Collections | | | Balance Uncollected June 30, 2019 | |
|-----------------|-----------------------------------|----------------------|--------------------|-------------------|-----------------------|-------------------------|----------------------|-------------------|-----------------|-----------------------------------|---------------------|
| | | | Additions | Deductions | | | Taxes | Interest | Lien Fees | | Total |
| 2017 | \$ -- | \$ 27,821,922 | \$ 32,488 | \$ 92,651 | \$ 1,456 | \$ 27,760,303 | \$ 26,963,361 | \$ 118,403 | \$ 278 | \$ 27,082,042 | \$ 796,942 |
| 2016 | 825,339 | -- | 4,918 | 9,505 | 1,021 | 819,731 | 419,384 | 86,383 | 2,860 | 508,627 | 400,347 |
| 2015 | 328,055 | -- | 3,150 | 3,235 | 27,728 | 300,242 | 102,217 | 34,757 | 918 | 137,892 | 198,025 |
| 2014 | 162,695 | -- | 17 | -- | 4,798 | 157,914 | 35,474 | 23,099 | 389 | 58,962 | 122,440 |
| 2013 | 115,354 | -- | -- | -- | -- | 115,354 | 41,683 | 33,961 | 216 | 75,860 | 73,671 |
| 2012 | 95,712 | -- | 355 | -- | -- | 96,067 | 40,740 | 37,346 | 216 | 78,302 | 55,327 |
| 2011 | 61,960 | -- | -- | -- | -- | 61,960 | 8,277 | 10,479 | 72 | 18,828 | 53,683 |
| 2010 | 46,245 | -- | -- | -- | -- | 46,245 | 6,401 | 11,083 | -- | 17,484 | 39,844 |
| 2009 | 26,359 | -- | -- | -- | -- | 26,359 | 1,379 | 767 | 24 | 2,170 | 24,980 |
| 2008 | 22,409 | -- | 42 | -- | -- | 22,451 | -- | 999 | -- | 999 | 22,451 |
| 2007 | 18,785 | -- | -- | -- | -- | 18,785 | -- | -- | -- | -- | 18,785 |
| 2006 | 19,934 | -- | -- | -- | -- | 19,934 | -- | -- | -- | -- | 19,934 |
| 2005 | 16,266 | -- | -- | -- | -- | 16,266 | 1,434 | 967 | -- | 2,401 | 14,832 |
| 2004 | 22,416 | -- | -- | -- | -- | 22,416 | -- | -- | -- | -- | 22,416 |
| 2003 | 22,838 | -- | -- | 22,838 | -- | -- | -- | -- | -- | -- | -- |
| | <u>\$ 1,784,367</u> | <u>\$ 27,821,922</u> | <u>\$ 40,970</u> | <u>\$ 128,229</u> | <u>\$ 35,003</u> | <u>\$ 29,484,027</u> | <u>\$ 27,620,350</u> | <u>\$ 358,244</u> | <u>\$ 4,973</u> | <u>\$ 27,983,567</u> | <u>\$ 1,863,677</u> |

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)

FOR THE YEAR ENDED JUNE 30, 2019

Total cash collections for the year ended
June 30, 2019:

| | |
|---------------------------------|----------------------|
| Taxes | \$ 27,620,350 |
| Interest and lien fees | <u>363,217</u> |
| Total | 27,983,567 |
| Reimbursement for revenue loss: | |
| Tax relief (CGS 12-129d) | -- |
| Base | <u>\$ 27,983,567</u> |

| | General Purposes | Schools | Sewers | Urban Renewal | Pension Deficit |
|---|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| Debt limitation: | | | | | |
| 2-1/4 times base | \$ 62,963,026 | \$ -- | \$ -- | \$ -- | \$ -- |
| 4-1/2 times base | -- | 125,926,052 | -- | -- | -- |
| 3-3/4 times base | -- | -- | 104,938,376 | -- | -- |
| 3-1/4 times base | -- | -- | -- | 90,946,593 | -- |
| 3 times base | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>83,950,701</u> |
| Total debt limitation | <u>62,963,026</u> | <u>125,926,052</u> | <u>104,938,376</u> | <u>90,946,593</u> | <u>83,950,701</u> |
| Indebtedness: | | | | | |
| Bonds and notes payable | 5,399,720 | 2,290,000 | 4,980,363 | -- | -- |
| Authorized, unissued bonds | <u>86,265</u> | <u>2,494,805</u> | <u>1,697,994</u> | <u>--</u> | <u>--</u> |
| | 5,485,985 | 4,784,805 | 6,678,357 | -- | -- |
| Less: sewer assessments receivable | <u>--</u> | <u>--</u> | <u>66,842</u> | <u>--</u> | <u>--</u> |
| Total indebtedness | <u>5,485,985</u> | <u>4,784,805</u> | <u>6,611,515</u> | <u>--</u> | <u>--</u> |
| Debt limitation in excess of outstanding and authorized debt | <u>\$ 57,477,041</u> | <u>\$ 121,141,247</u> | <u>\$ 98,326,861</u> | <u>\$ 90,946,593</u> | <u>\$ 83,950,701</u> |
| Total capacity of borrowing (7 times base) | \$ 195,884,969 | | | | |
| Total present indebtedness | <u>16,882,305</u> | | | | |
| Margin for additional borrowing | <u>\$ 179,002,664</u> | | | | |

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

| | Nonmajor Special Revenue Funds | | | | | | | Total Nonmajor Special Revenue Funds |
|--|--------------------------------|-------------------------|-----------------------------|--------------------------------|--------------------------|-------------------|-----------------|--|
| | Dog Fund | School Lunch Fund | Education Grants Fund | Afterschool Program Fund | Marc Grondahl Fund | CDBG Fund | Police Fund | |
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 24,487 | \$ 49,494 | \$ -- | \$ 24,317 | \$ -- | \$ 193,963 | \$ 8,197 | \$ 300,458 |
| Receivables: | | | | | | | | |
| Grant and contracts | -- | 111,569 | 162,188 | -- | -- | -- | -- | 273,757 |
| Loans, net | -- | -- | -- | -- | -- | 752,608 | -- | 752,608 |
| Due from other funds | -- | -- | 83,598 | 169 | -- | -- | -- | 83,767 |
| Inventories | -- | 9,315 | -- | -- | -- | -- | -- | 9,315 |
| Total Assets | <u>\$ 24,487</u> | <u>\$ 170,378</u> | <u>\$ 245,786</u> | <u>\$ 24,486</u> | <u>\$ --</u> | <u>\$ 946,571</u> | <u>\$ 8,197</u> | <u>\$ 1,419,905</u> |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 1,410 | \$ 41,039 | \$ 15,197 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 57,646 |
| Accrued liabilities | 1,424 | -- | 96,805 | -- | -- | -- | -- | 98,229 |
| Unearned revenue | -- | -- | 140,648 | -- | -- | -- | -- | 140,648 |
| Due to other funds | <u>3,690</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>3,690</u> |
| Total Liabilities | <u>6,524</u> | <u>41,039</u> | <u>252,650</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>300,213</u> |
| Deferred Inflows of Resources | | | | | | | | |
| Deferred loans | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>752,609</u> | <u>--</u> | <u>752,609</u> |
| Fund Balances | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Inventories | -- | 9,315 | -- | -- | -- | -- | -- | 9,315 |
| Restricted for: | | | | | | | | |
| Social service programs | -- | -- | -- | -- | -- | 193,962 | -- | 193,962 |
| Committed to: | | | | | | | | |
| Capital improvements | -- | -- | -- | -- | -- | -- | -- | -- |
| Public safety | 17,963 | -- | -- | -- | -- | -- | 8,197 | 26,160 |
| Education | -- | 120,024 | -- | 24,486 | -- | -- | -- | 144,510 |
| Unrestricted | <u>--</u> | <u>--</u> | <u>(6,864)</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(6,864)</u> |
| Total Fund Balances | <u>17,963</u> | <u>129,339</u> | <u>(6,864)</u> | <u>24,486</u> | <u>--</u> | <u>193,962</u> | <u>8,197</u> | <u>367,083</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u>\$ 24,487</u> | <u>\$ 170,378</u> | <u>\$ 245,786</u> | <u>\$ 24,486</u> | <u>\$ --</u> | <u>\$ 946,571</u> | <u>\$ 8,197</u> | <u>\$ 1,419,905</u> |

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

| | Nonmajor Capital Projects Funds | | | | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---------------------------------|------------------------------------|-----------------------------|---------------------------|---|---|
| | Construction Fund | Open Space & Land Trust Fund | Medical Building Fund | School Project Fund | | |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 21,274 | \$ 438,792 | \$ 479,455 | \$ 19,405 | \$ 958,926 | \$ 1,259,384 |
| Receivables: | | | | | | |
| Grant and contracts | -- | -- | -- | -- | -- | 273,757 |
| Loans, net | -- | -- | -- | -- | -- | 752,608 |
| Due from other funds | -- | -- | -- | 10,319 | 10,319 | 94,086 |
| Inventories | -- | -- | -- | -- | -- | 9,315 |
| Total Assets | \$ 21,274 | \$ 438,792 | \$ 479,455 | \$ 29,724 | \$ 969,245 | \$ 2,389,150 |
| Liabilities | | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 57,646 |
| Accrued liabilities | -- | -- | -- | -- | -- | 98,229 |
| Unearned revenue | -- | -- | -- | -- | -- | 140,648 |
| Due to other funds | -- | -- | -- | -- | -- | 3,690 |
| Total Liabilities | -- | -- | -- | -- | -- | 300,213 |
| Deferred Inflows of Resources | | | | | | |
| Deferred loans | -- | -- | -- | -- | -- | 752,609 |
| Fund Balances | | | | | | |
| Nonspendable: | | | | | | |
| Inventories | -- | -- | -- | -- | -- | 9,315 |
| Restricted for: | | | | | | |
| Social service programs | -- | -- | -- | -- | -- | 193,962 |
| Committed to: | | | | | | |
| Capital improvements | 21,274 | 438,792 | 479,455 | 29,724 | 969,245 | 969,245 |
| Public safety | -- | -- | -- | -- | -- | 26,160 |
| Education | -- | -- | -- | -- | -- | 144,510 |
| Unrestricted | -- | -- | -- | -- | -- | (6,864) |
| Total Fund Balances | 21,274 | 438,792 | 479,455 | 29,724 | 969,245 | 1,336,328 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 21,274 | \$ 438,792 | \$ 479,455 | \$ 29,724 | \$ 969,245 | \$ 2,389,150 |

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | Nonmajor Special Revenue Funds | | | | | | | Total Nonmajor Special Revenue Funds |
|---|--------------------------------|-------------------------|-----------------------------|--------------------------------|--------------------------|-------------------|-----------------|--|
| | Dog Fund | School Lunch Fund | Education Grants Fund | Afterschool Program Fund | Marc Grondahl Fund | CDBG Fund | Police Fund | |
| Revenues | | | | | | | | |
| Grants and contracts | \$ -- | \$ 785,952 | \$ 1,740,377 | \$ -- | \$ -- | \$ -- | \$ 14,292 | \$ 2,540,621 |
| Licenses, permits and fees | 14,513 | 282,908 | -- | 125,866 | -- | -- | -- | 423,287 |
| Interest | 38 | -- | -- | -- | -- | 143 | -- | 181 |
| Other | <u>1,000</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>120,000</u> | <u>6,450</u> | <u>--</u> | <u>127,450</u> |
| Total Revenues | <u>15,551</u> | <u>1,068,860</u> | <u>1,740,377</u> | <u>125,866</u> | <u>120,000</u> | <u>6,593</u> | <u>14,292</u> | <u>3,091,539</u> |
| Expenditures | | | | | | | | |
| Public safety | 18,860 | -- | -- | -- | -- | -- | 7,585 | 26,445 |
| Education | <u>--</u> | <u>1,029,062</u> | <u>1,747,241</u> | <u>120,513</u> | <u>120,000</u> | <u>--</u> | <u>--</u> | <u>3,016,816</u> |
| Total Expenditures | <u>18,860</u> | <u>1,029,062</u> | <u>1,747,241</u> | <u>120,513</u> | <u>120,000</u> | <u>--</u> | <u>7,585</u> | <u>3,043,261</u> |
| Excess (deficiency) of revenues over expenditures | (3,309) | 39,798 | (6,864) | 5,353 | -- | 6,593 | 6,707 | 48,278 |
| Other Financing Sources | | | | | | | | |
| Transfers in | <u>16,050</u> | <u>--</u> | <u>--</u> | <u>18,964</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>35,014</u> |
| Total Other Financing Sources | <u>16,050</u> | <u>--</u> | <u>--</u> | <u>18,964</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>35,014</u> |
| Net change in fund balance | 12,741 | 39,798 | (6,864) | 24,317 | -- | 6,593 | 6,707 | 83,292 |
| Fund Balances - Beginning, as Restated | <u>5,222</u> | <u>89,541</u> | <u>--</u> | <u>169</u> | <u>--</u> | <u>187,369</u> | <u>1,490</u> | <u>283,791</u> |
| Fund Balances - Ending | <u>\$ 17,963</u> | <u>\$ 129,339</u> | <u>\$ (6,864)</u> | <u>\$ 24,486</u> | <u>\$ --</u> | <u>\$ 193,962</u> | <u>\$ 8,197</u> | <u>\$ 367,083</u> |

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | 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 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 2,540,621 |
| Licenses, permits and fees | -- | -- | -- | -- | -- | 423,287 |
| Interest | 454 | 9,799 | 10,779 | 41 | 21,073 | 21,254 |
| Other | -- | 16,350 | -- | -- | 16,350 | 143,800 |
| Total Revenues | <u>454</u> | <u>26,149</u> | <u>10,779</u> | <u>41</u> | <u>37,423</u> | <u>3,128,962</u> |
| Expenditures | | | | | | |
| Public safety | -- | -- | -- | -- | -- | 26,445 |
| Education | -- | -- | -- | -- | -- | 3,016,816 |
| Total Expenditures | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>3,043,261</u> |
| Excess (deficiency) of revenues over expenditures | 454 | 26,149 | 10,779 | 41 | 37,423 | 85,701 |
| Other Financing Sources | | | | | | |
| Transfers in | -- | -- | -- | -- | -- | 35,014 |
| Total Other Financing Sources | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>35,014</u> |
| Net change in fund balance | 454 | 26,149 | 10,779 | 41 | 37,423 | 120,715 |
| Fund Balances - Beginning, as Restated | <u>20,820</u> | <u>412,643</u> | <u>468,676</u> | <u>29,683</u> | <u>931,822</u> | <u>1,215,613</u> |
| Fund Balances - Ending | <u>\$ 21,274</u> | <u>\$ 438,792</u> | <u>\$ 479,455</u> | <u>\$ 29,724</u> | <u>\$ 969,245</u> | <u>\$ 1,336,328</u> |

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, 2019

| | Budgeted Amounts | | Actual | Variance With |
|--|------------------|--------------|--------------|------------------------------|
| | Original | Final | | Final Budget Over (Under) |
| Revenues | | | | |
| Sewer use charges | \$ 1,567,384 | \$ 1,567,384 | \$ 1,574,728 | \$ 7,344 |
| Lien charges | 500 | 500 | 1,714 | 1,214 |
| Interest charges | 15,000 | 15,000 | 24,810 | 9,810 |
| Investment income | -- | -- | 23,172 | 23,172 |
| Sewer permits | 100 | 100 | 160 | 60 |
| Sewer assessments | 20,000 | 20,000 | 51,773 | 31,773 |
| Pre industrial treatment | 105,000 | 105,000 | 133,018 | 28,018 |
| Other | 45,000 | 45,000 | 56,275 | 11,275 |
| Total Revenues | 1,752,984 | 1,752,984 | 1,865,650 | 112,666 |
| Expenditures | | | | |
| Personnel costs | 1,008,263 | 961,393 | 925,473 | (35,920) |
| Administration | 82,882 | 86,082 | 60,472 | (25,610) |
| Operations | 394,000 | 421,000 | 381,984 | (39,016) |
| Utilities | 212,000 | 225,570 | 233,966 | 8,396 |
| Vehicles | 33,000 | 36,100 | 22,679 | (13,421) |
| Equipment replacement | 22,839 | 22,839 | 21,149 | (1,690) |
| Depreciation expense | -- | -- | 477,705 | 477,705 |
| Interest expense | -- | -- | 193,482 | 193,482 |
| Total Expenditures | 1,752,984 | 1,752,984 | 2,316,910 | 563,926 |
| Excess (deficiency) revenues over expenditures | -- | -- | (451,260) | (451,260) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | -- | -- | 431,293 | 431,293 |
| Transfers out | -- | -- | (215,647) | (215,647) |
| Total Other Financing Sources (Uses) | -- | -- | 215,646 | 215,646 |
| Change in net position | \$ -- | \$ -- | \$ (235,614) | \$ (235,614) |

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF SEWER ASSESSMENTS COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2019

| | Uncollected Assessments July 1, 2018 | Current Assessments | Lawful Corrections | | Adjusted Assessments Collectible | Collections | | | Uncollected Assessments June 30, 2019 |
|---------------------|--|------------------------|--------------------|-----------------|--|--------------------------|------------------------------|------------------|---|
| | | | Additions | Deductions | | Assessments Collected | Interest and Lien Fees | Total | |
| Special Assessments | <u>\$ 71,317</u> | <u>\$ --</u> | <u>\$ 59,054</u> | <u>\$ 6,750</u> | <u>\$ 123,621</u> | <u>\$ 56,779</u> | <u>\$ 6,067</u> | <u>\$ 62,846</u> | <u>\$ 66,842</u> |

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF SEWER USAGE COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2019

| Grand List Year | Uncollected Charges July 1, 2018 | Current Billings | Lawful Corrections | | Transfer to Suspense | Adjusted Charges Collectible | Collections | | | Uncollected Charges June 30, 2019 |
|-----------------|----------------------------------|---------------------|--------------------|-----------------|----------------------|------------------------------|---------------------|------------------------|---------------------|-----------------------------------|
| | | | Additions | Deductions | | | Charges Collected | Interest and Lien Fees | Total | |
| 2017 | \$ -- | \$ 1,499,068 | \$ 75,503 | \$ 1,402 | \$ -- | \$ 1,573,169 | \$ 1,542,697 | \$ 5,781 | \$ 1,548,478 | \$ 30,472 |
| 2016 | 37,421 | -- | -- | 580 | -- | 36,841 | 22,699 | 5,649 | 28,348 | 14,142 |
| 2015 | 14,702 | -- | -- | -- | -- | 14,702 | 7,359 | 3,134 | 10,493 | 7,343 |
| 2014 | 8,910 | -- | -- | -- | -- | 8,910 | 3,272 | 1,662 | 4,934 | 5,638 |
| 2013 | 5,972 | -- | -- | -- | -- | 5,972 | 2,072 | 1,490 | 3,562 | 3,900 |
| 2012 | 5,073 | -- | -- | -- | -- | 5,073 | 1,963 | 240 | 2,203 | 3,110 |
| 2011 | 2,880 | -- | -- | -- | -- | 2,880 | 293 | 830 | 1,123 | 2,587 |
| 2010 | 1,032 | -- | -- | -- | -- | 1,032 | 342 | 53 | 395 | 690 |
| 2009 | 230 | -- | -- | -- | -- | 230 | -- | -- | -- | 230 |
| 2008 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2007 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2006 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2005 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2004 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2003 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2002 | (95) | -- | 95 | -- | -- | -- | -- | -- | -- | -- |
| 2001 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | <u>\$ 76,125</u> | <u>\$ 1,499,068</u> | <u>\$ 75,598</u> | <u>\$ 1,982</u> | <u>\$ --</u> | <u>\$ 1,648,809</u> | <u>\$ 1,580,697</u> | <u>\$ 18,839</u> | <u>\$ 1,599,536</u> | <u>\$ 68,112</u> |

TOWN OF PLAINFIELD, CONNECTICUT

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUNDS**

JUNE 30, 2019

| | Pension Trust Funds | OPEB Trust Funds | Total |
|--|------------------------|---------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 107,550 | \$ 5,658 | \$ 113,208 |
| Investments: | | | |
| Mutual funds | <u>23,291,968</u> | <u>597,156</u> | <u>23,889,124</u> |
| Total Assets | <u>\$ 23,399,518</u> | <u>\$ 602,814</u> | <u>\$ 24,002,332</u> |
| Net Position | | | |
| Held in trust for pension benefits and other purposes | <u>\$ 23,399,518</u> | <u>\$ 602,814</u> | <u>\$ 24,002,332</u> |

TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2019

| | Pension Trust Funds | OPEB Trust Funds | Total |
|--|------------------------|---------------------|----------------------|
| Additions | | | |
| Contributions: | | | |
| Employer | \$ 1,048,968 | \$ 475,101 | \$ 1,524,069 |
| Plan members | 115,599 | -- | 115,599 |
| Total Contributions | <u>1,164,567</u> | <u>475,101</u> | <u>1,639,668</u> |
| Investment income: | | | |
| Interest and dividends | 499,333 | 31,215 | 530,548 |
| Change in the fair value of investments, net | 478,156 | -- | 478,156 |
| Net investment income | <u>977,489</u> | <u>31,215</u> | <u>1,008,704</u> |
| Total Additions | <u>2,142,056</u> | <u>506,316</u> | <u>2,648,372</u> |
| Deductions | | | |
| Benefit payments | 1,148,983 | 375,101 | 1,524,084 |
| Administrative expenses | 96,528 | -- | 96,528 |
| Total Deductions | <u>1,245,511</u> | <u>375,101</u> | <u>1,620,612</u> |
| Change in net position | 896,545 | 131,215 | 1,027,760 |
| Net Position - Beginning, as Restated | <u>22,502,973</u> | <u>471,599</u> | <u>22,974,572</u> |
| Net Position - Ending | <u>\$ 23,399,518</u> | <u>\$ 602,814</u> | <u>\$ 24,002,332</u> |

TOWN OF PLAINFIELD, CONNECTICUT

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2019

| | Balance July 1, 2018 | Additions | Deletions | Balance June 30, 2019 |
|-------------------------------|-------------------------|-------------------|---------------------|--------------------------|
| Student Activity Funds | | | | |
| Assets | | | | |
| Cash and cash equivalents | <u>\$ 193,684</u> | <u>\$ 480,522</u> | <u>\$ (463,822)</u> | <u>\$ 210,384</u> |
| Total Assets | <u>\$ 193,684</u> | <u>\$ 480,522</u> | <u>\$ (463,822)</u> | <u>\$ 210,384</u> |
| Liabilities | | | | |
| Due to student groups | <u>\$ 193,684</u> | <u>\$ 480,522</u> | <u>\$ (463,822)</u> | <u>\$ 210,384</u> |
| Total Liabilities | <u>\$ 193,684</u> | <u>\$ 480,522</u> | <u>\$ (463,822)</u> | <u>\$ 210,384</u> |