

**TOWN OF PLAINFIELD, CONNECTICUT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

# TOWN OF PLAINFIELD, CONNECTICUT

## CONTENTS

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<b>Independent Auditors' Report</b> .....	4-6
---	-----

<b>Management's Discussion and Analysis</b> .....	7-17
---	------

### **Basic Financial Statements**

#### Government-wide Financial Statements:

Statement of Net Position .....	18-19
Statement of Activities.....	20

#### Fund Financial Statements:

##### Governmental Fund Financial Statements:

Balance Sheet .....	21
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances .....	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances of to the Government-Wide Statement of Activities.....	24

##### Proprietary Fund Financial Statements:

Statement of Net Position .....	25
Statement of Revenues, Expenditures and Changes in Fund Net Position .....	26
Statement of Cash Flows .....	27

##### Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position .....	28
Statement of Changes in Fiduciary Net Position .....	29

<b>Notes to Basic Financial Statements</b> .....	30-86
--	-------

### **Required Supplementary Information:**

#### Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual – General Fund – Budgetary Basis .....	87
Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund – Budgetary Basis .....	88-89
Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund – Budgetary Basis.....	90-91
Schedule of the Town's Proportionate Share of Net Pension Liability – Connecticut State Teachers' Retirement System .....	92
Schedule of Changes in Net Pension Liability and Related Ratios – Town Pension Plan .....	93

# TOWN OF PLAINFIELD, CONNECTICUT

## CONTENTS

---

### Required Supplementary Information (Continued):

Schedule of Contributions and Investment Returns – Town Pension Plan .....	94
Schedule of Changes in Net OPEB Liability and Related Ratios – Other Post-Employment Benefits Plan .....	95
Schedule of Contributions and Investment Returns – Other Post-Employment Benefits Plan .....	96
Schedule of the Town’s Proportionate Share of Net OPEB Liability – Connecticut State Teachers’ Retirement System .....	97

<b>Notes to Required Supplementary Information</b> .....	98-103
--	--------

### Combining and Individual Fund Statements and Schedules:

#### Governmental Funds:

##### General Fund:

Schedule of Property Taxes Levied, Collected and Outstanding .....	104
--	-----

##### Nonmajor Governmental Funds:

Combining Balance Sheet.....	105-106
Combining Statement of Revenues, Expenditures and Changes In Fund Balances.....	107-108

##### Proprietary Fund:

Schedule of Revenues, Expenses and Changes in Net Position – Budget And Actual Budgetary Basis – Proprietary Fund .....	109
Schedule of Sewer Assessments Collections.....	110
Schedule of Sewer Usage Collections .....	111

##### Fiduciary Funds:

Combining Statement of Fiduciary Net Position – Employee Benefit Trust Funds .....	112
Combining Statement of Changes in Fiduciary Net Position – Employee Benefit Trust Funds.....	113
Combining Statement of Changes in Fiduciary Assets and Liabilities Agency Funds .....	114

## 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, 2020, 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, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 7 through 17, and required supplementary information presented on pages 87 through 103, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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 114, 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 114 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 114 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 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  
December 30, 2020

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020.

#### 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 \$67,109,623 (net position).
- The Town's total net position increased by \$1,185,538 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,213,551, an increase of \$472,164 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$8,772,944 or 18.11% of the fiscal year 2020 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.2 months of operating expenditures.
- The Town's total long-term bonded debt (governmental and business type activities combined) decreased by \$1,546,600 or 13.14% during the current fiscal year due to current year principal payments.
- The Town's business-type activities, which consists solely of the Water Pollution Control Authority fund, ended the fiscal year with net position of \$8,075,334, a decrease of \$120,643 from the prior year. Of the total net position, \$749,193 or 9.28% is classified as unrestricted.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020

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

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

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

**TOWN OF PLAINFIELD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**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 114 of this report.

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE YEAR ENDED JUNE 30, 2020**

### 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 \$67,109,623 as of June 30, 2020 and \$66,044,728 as of June 30, 2019, and is summarized as follows:

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	% Variance
Current and other assets	\$ 19,843,651	\$ 1,009,211	\$ 20,852,862	\$ 19,399,600	\$ 1,453,262	7.49%
Capital assets	<u>65,636,503</u>	<u>11,884,851</u>	<u>77,521,354</u>	<u>79,272,354</u>	<u>(1,751,000)</u>	-2.21%
Total assets	<u>85,480,154</u>	<u>12,894,062</u>	<u>98,374,216</u>	<u>98,671,954</u>	<u>(297,738)</u>	-0.30%
Deferred outflows of resources	<u>2,077,914</u>	--	<u>2,077,914</u>	<u>914,655</u>	<u>1,163,259</u>	127.18%
Current and other liabilities	5,644,096	530,528	6,174,624	5,972,052	202,572	3.39%
Long-term liabilities	<u>19,705,382</u>	<u>4,236,485</u>	<u>23,941,867</u>	<u>25,065,322</u>	<u>(1,123,455)</u>	-4.48%
Total liabilities	<u>25,349,478</u>	<u>4,767,013</u>	<u>30,116,491</u>	<u>31,037,374</u>	<u>(920,883)</u>	-2.97%
Deferred inflows of resources	<u>3,770,393</u>	<u>51,715</u>	<u>3,822,108</u>	<u>2,504,507</u>	<u>1,317,601</u>	52.61%
Net Position:						
Net investment in capital assets	59,318,621	7,326,141	66,644,762	66,921,684	(276,922)	-0.41%
Restricted	141,737	--	141,737	193,962	(52,225)	-26.93%
Unrestricted	<u>(1,022,161)</u>	<u>749,193</u>	<u>(272,968)</u>	<u>(1,070,918)</u>	<u>797,950</u>	-74.51%
Total net position	<u>\$ 58,438,197</u>	<u>\$ 8,075,334</u>	<u>\$ 66,513,531</u>	<u>\$ 66,044,728</u>	<u>\$ 468,803</u>	0.71%

Total assets of the Town at June 30, 2020 and 2019 were \$98,374,216 and \$98,671,954, respectively, a decrease of .30%. 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, 2020

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

#### Net Position (Continued)

Total liabilities of the Town at June 30, 2020 and 2019 were \$30,116,491 and \$31,037,374, respectively, a decrease of 2.97%. 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 2020, the Town's deferred outflows increased by \$1,163,259 and deferred inflows increased by \$1,317,601. 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 \$797,950, or 74.51%, for the fiscal year.

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED JUNE 30, 2020

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

#### Changes in Net Position

Changes in net position for the years ended June 30, 2020 and 2019 are as follows:

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Total	\$ Variance	% Variance
Revenues						
Program revenues:						
Charges for services	\$ 840,791	\$ 1,776,881	\$ 2,617,672	\$ 3,614,348	\$ (996,676)	-27.58%
Operating grants and contributions	24,285,099	--	24,285,099	23,081,040	1,204,059	5.22%
Capital grants and contributions	86,395	--	86,395	293,178	(206,783)	-70.53%
General revenues						
Property taxes	28,369,092	--	28,369,092	28,067,121	301,971	1.08%
Grants and contributions not restricted to specific programs	637,245	--	637,245	1,116,541	(479,296)	-42.93%
Unrestricted investment earnings	214,769	14,893	229,662	315,040	(85,378)	-27.10%
Total revenues	<u>54,433,391</u>	<u>1,791,774</u>	<u>56,225,165</u>	<u>56,487,268</u>	<u>(262,103)</u>	<u>-0.46%</u>
Program expenses:						
Education	44,796,791	--	44,796,791	45,155,350	(358,559)	-0.79%
General government	2,473,398	--	2,473,398	2,667,168	(193,770)	-7.27%
Public safety	2,613,010	--	2,613,010	2,629,631	(16,621)	-0.63%
Public works	2,039,064	--	2,039,064	2,180,956	(141,892)	-6.51%
Social services	426,746	--	426,746	400,106	26,640	6.66%
Administration	1,024,114	--	1,024,114	883,763	140,351	15.88%
Interest	256,150	--	256,150	290,051	(33,901)	-11.69%
Sewer	--	2,127,089	2,127,089	2,316,910	(189,821)	-8.19%
Total Expenses	<u>53,629,273</u>	<u>2,127,089</u>	<u>55,756,362</u>	<u>56,523,935</u>	<u>(767,573)</u>	<u>-1.36%</u>
Change in net position before transfers	804,118	(335,315)	468,803	(36,667)	505,470	-1378.54%
Transfers	<u>(214,672)</u>	<u>214,672</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.00%</u>
Change in net position	<u>\$ 589,446</u>	<u>\$ (120,643)</u>	<u>\$ 468,803</u>	<u>\$ (36,667)</u>	<u>\$ 505,470</u>	<u>-1378.54%</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

#### Change in Net Position (Continued)

Governmental activities increased the Town's net position by \$589,446. Business-type activities decreased the Town's net position by \$120,643.

Total revenues generated by the Town decreased by \$262,103 or .46% in comparison to revenues reported in the prior year. The increase in revenues was primarily related to increases in property tax revenues and operating grants, offset by a decrease in charges for services.

Expenses incurred by the Town decreased \$767,573 or 1.36% in comparison to expenses reported the prior year. The decrease is driven by a decrease in education expenses due to the closing of schools in March 2020 in response to the COVID-19 pandemic.

### 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 \$12,213,551. Of this amount, \$8,772,944 is unassigned and available for spending at the discretion of the Town.

#### General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,772,944. 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 18.11% of the fiscal year 2020 General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.2 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$364,726 during the current fiscal year.

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

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### GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$735,554. Expenditures were \$1,147,812 less than budgeted and revenues were \$266,045 less than budgeted. Reductions in State-aid relating to adult education, special education and of \$355,059 were offset by favorable property tax collections and interest income of \$340,038. The Town saw savings in employee benefit expenditures and education. See page 87 for the detailed comparison of budget versus actual for the year ended June 30, 2020.

### 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, 2020 there were no additional appropriations made to the budget. The budget for 2020 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 \$120,643. Expenditures were \$366,484 more than budgeted due to depreciation and interest expense and revenues were \$31,169 higher than expected.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The Town's investment in capital assets as of June 30, 2020 and 2019 totaled \$77,521,355 and \$79,093,354, 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 \$1,571,999 or 1.99%. This decrease consisted of capital asset additions of \$1,123,648 offset by current year depreciation expense of \$2,695,647. Major capital asset events during the current fiscal year consisted of approximately \$369,410 in educational equipment, \$175,000 for a highway roof, \$77,300 for police doors and \$180,000 for the purchase of a highway vehicle. The Town's sewer improvement project was still ongoing resulting in additional increases to construction in progress in the amount of \$178,948.

# TOWN OF PLAINFIELD, CONNECTICUT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE YEAR ENDED JUNE 30, 2020**

### 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					
	2020	2019	2020	2019	2020	2019		
Land	\$ 3,201,836	\$ 3,201,836	\$ 31,740	\$ 31,740	\$ 3,233,576	\$ 3,233,576	\$ --	0.00%
Buildings and improvements	38,757,347	39,965,880	723,686	783,993	39,481,033	40,749,873	(1,268,840)	-3.11%
Machinery and equipment	1,503,824	1,254,842	871	18,251	1,504,695	1,273,093	231,602	18.19%
Infrastructure	22,173,497	22,645,216	5,721,871	5,963,861	27,895,368	28,609,077	(713,709)	-2.49%
Construction in progress	--	--	5,406,683	5,227,735	5,406,683	5,227,735	178,948	3.42%
<b>Total</b>	<b>\$ 65,636,504</b>	<b>\$ 67,067,774</b>	<b>\$ 11,884,851</b>	<b>\$ 12,025,580</b>	<b>\$ 77,521,355</b>	<b>\$ 79,093,354</b>	<b>\$ (1,571,999)</b>	<b>-1.99%</b>

#### Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$10,227,979. 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 \$1,546,600 or 13.14% 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					
	2020	2019	2020	2019	2020	2019		
General obligation bonds	\$ 5,875,000	\$ 7,015,000	\$ 4,084,107	\$ 4,410,046	\$ 9,959,107	\$ 11,425,046	\$ (1,465,939)	-12.83%
Notes payable	--	--	268,872	349,533	268,872	349,533	(80,661)	-23.08%
<b>Total</b>	<b>\$ 5,875,000</b>	<b>\$ 7,015,000</b>	<b>\$ 4,352,979</b>	<b>\$ 4,759,579</b>	<b>\$ 10,227,979</b>	<b>\$ 11,774,579</b>	<b>\$ (1,546,600)</b>	<b>-13.14%</b>



# **TOWN OF PLAINFIELD, CONNECTICUT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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### **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 2021, 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.
- A delay in property taxes was established due to COVID 19. Residents were allowed to extend the grace period of taxes. Taxes can be paid without penalty until October 1, 2020.

All of these factors were considered in preparing the Town's budget for fiscal year 2021. The Town's fiscal year 2021 General Fund budget was approved on May 4, 2020. The approved General Fund budgetary expenditure appropriation totaled \$48,528,552, an increase of \$87,917 over fiscal year 2020.

### **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, 2020

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 15,403,658	\$ 672,641	\$ 16,076,299
Receivables:			
Property taxes and interest, net	1,279,827	--	1,279,827
Grants and contracts	281,821	--	281,821
Usage charges	--	77,980	77,980
Sewer assessments	--	65,696	65,696
Other	165,233	--	165,233
Loans, net	785,973	--	785,973
Inventories	45,393	--	45,393
Internal balances	(141,183)	141,183	--
<b>Total Current Assets</b>	<b>17,820,722</b>	<b>957,500</b>	<b>18,778,222</b>
<b>Noncurrent Assets</b>			
Sewer assessments	--	51,711	51,711
Claims deposit	2,022,929	--	2,022,929
Capital assets not being depreciated	3,201,836	5,438,423	8,640,259
Capital assets, net of accumulated depreciation	62,434,667	6,446,428	68,881,095
<b>Total Noncurrent Assets</b>	<b>67,659,432</b>	<b>11,936,562</b>	<b>79,595,994</b>
<b>Total Assets</b>	<b>85,480,154</b>	<b>12,894,062</b>	<b>98,374,216</b>
<b>Deferred Outflows of Resources</b>			
Deferred charges on refunding	356,945	--	356,945
Deferred charges on pension expense	1,699,245	--	1,699,245
Deferred charges on OPEB expense	21,724	--	21,724
<b>Total Deferred Outflows of Resources</b>	<b>2,077,914</b>	<b>--</b>	<b>2,077,914</b>

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

# TOWN OF PLAINFIELD, CONNECTICUT

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	3,320,588	37,934	3,358,522
Accrued interest	109,565	74,447	184,012
Other liabilities	164,250	--	164,250
Claims payable	413,000	--	413,000
Unearned revenue	211,973	--	211,973
Current portion of compensated absences	164,906	9,592	174,498
Current portion of general obligation bonds and notes	1,175,000	408,555	1,583,555
Current portion of capital lease obligations	84,814	--	84,814
<b>Total Current Liabilities</b>	<b>5,644,096</b>	<b>530,528</b>	<b>6,174,624</b>
<b>Noncurrent Liabilities</b>			
Compensated absences, net	1,484,149	86,330	1,570,479
General obligation bonds and notes, net	5,328,555	4,150,155	9,478,710
Capital lease obligations, net	86,458	--	86,458
Net pension liability	4,471,657	--	4,471,657
Net OPEB liability	8,334,563	--	8,334,563
<b>Total Noncurrent Liabilities</b>	<b>19,705,382</b>	<b>4,236,485</b>	<b>23,941,867</b>
<b>Total Liabilities</b>	<b>25,349,478</b>	<b>4,767,013</b>	<b>30,116,491</b>
<b>Deferred Inflows of Resources</b>			
Deferred sewer assessment charges	--	51,715	51,715
Deferred loans	785,973	--	785,973
Deferred charges on pension expense	1,291,750	--	1,291,750
Deferred charges on OPEB expense	1,692,670	--	1,692,670
<b>Total Deferred Inflows of Resources</b>	<b>3,770,393</b>	<b>51,715</b>	<b>3,822,108</b>
<b>Net Position</b>			
Net investment in capital assets	59,318,621	7,326,141	66,644,762
Restricted for:			
Social service programs	141,737	--	141,737
Unrestricted	(1,022,161)	749,193	(272,968)
<b>Total Net Position</b>	<b>\$ 58,438,197</b>	<b>\$ 8,075,334</b>	<b>\$ 66,513,531</b>

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

# TOWN OF PLAINFIELD, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Changes in Net Position			
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Governmental Activities:</b>								
General government	\$ 2,473,398	\$ 257,562	\$ 48,111	\$ --	\$ (2,167,725)		\$ (2,167,725)	
Public safety	2,613,010	63,272	22,214	--	(2,527,524)		(2,527,524)	
Public works	2,039,064	167,162	--	86,395	(1,785,507)		(1,785,507)	
Social services	426,746	83,281	--	--	(343,465)		(343,465)	
Administration	1,024,114	--	--	--	(1,024,114)		(1,024,114)	
Education	44,796,791	269,514	24,214,774	--	(20,312,503)		(20,312,503)	
Interest expense	<u>256,150</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(256,150)</u>		<u>(256,150)</u>	
<b>Total Governmental Activities</b>	<u>53,629,273</u>	<u>840,791</u>	<u>24,285,099</u>	<u>86,395</u>	<u>(28,416,988)</u>		<u>(28,416,988)</u>	
<b>Business-Type Activities:</b>								
Water pollution control authority	<u>2,127,089</u>	<u>1,776,881</u>	<u>--</u>	<u>--</u>		\$ (350,208)	<u>(350,208)</u>	
<b>Total Business-Type Activities</b>	<u>2,127,089</u>	<u>1,776,881</u>	<u>--</u>	<u>--</u>		<u>(350,208)</u>	<u>(350,208)</u>	
<b>Total</b>	<u>\$ 55,756,362</u>	<u>\$ 2,617,672</u>	<u>\$ 24,285,099</u>	<u>\$ 86,395</u>	<u>(28,416,988)</u>	<u>(350,208)</u>	<u>(28,767,196)</u>	
<b>General Revenues:</b>								
Property taxes					28,369,092	--	28,369,092	
Grants and contributions not restricted to specific programs					637,245	--	637,245	
Unrestricted investment earnings					214,769	14,893	229,662	
Transfers					<u>(214,672)</u>	<u>214,672</u>	<u>--</u>	
<b>Total General Revenues and transfers</b>					<u>29,006,434</u>	<u>229,565</u>	<u>29,235,999</u>	
					Change in net position	589,446	(120,643)	468,803
					<b>Net position - beginning</b>	<u>57,848,751</u>	<u>8,195,977</u>	<u>66,044,728</u>
					<b>Net position - ending</b>	<u>\$ 58,438,197</u>	<u>\$ 8,075,334</u>	<u>\$ 66,513,531</u>

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

# TOWN OF PLAINFIELD, CONNECTICUT

## BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 13,711,983	\$ 1,691,675	\$ 15,403,658
Receivables:			
Property taxes, net	1,279,827	--	1,279,827
Grants and contracts	19,261	262,560	281,821
Loans, net	--	785,973	785,973
Other	165,233	--	165,233
Due from other funds	40,543	29,746	70,289
Inventories	5,460	39,933	45,393
<b>Total Assets</b>	<u>\$ 15,222,307</u>	<u>\$ 2,809,887</u>	<u>\$ 18,032,194</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 3,163,885	\$ 156,703	\$ 3,320,588
Other	164,250	--	164,250
Unearned revenue	--	211,973	211,973
Due to other funds	--	211,472	211,472
<b>Total Liabilities</b>	<u>3,328,135</u>	<u>580,148</u>	<u>3,908,283</u>
<b>Deferred Inflows of Resources</b>			
Deferred loans	--	785,973	785,973
Unavailable revenue-property taxes and interest	1,124,387	--	1,124,387
<b>Total Deferred Inflows of Resources</b>	<u>1,124,387</u>	<u>785,973</u>	<u>1,910,360</u>
<b>Fund Balances</b>			
Nonspendable	5,460	39,933	45,393
Restricted	--	141,737	141,737
Committed	--	1,262,096	1,262,096
Assigned	1,991,381	--	1,991,381
Unassigned	8,772,944	--	8,772,944
<b>Total Fund Balances</b>	<u>10,769,785</u>	<u>1,443,766</u>	<u>12,213,551</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 15,222,307</u>	<u>\$ 2,809,887</u>	<u>\$ 18,032,194</u>

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

# TOWN OF PLAINFIELD, CONNECTICUT

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

JUNE 30, 2020

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**Total Fund Balances for Governmental Funds** \$ 12,213,551

**Total Net Position Reported for Governmental Activities in  
the Statement of Net Position is Different Because:**

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

Land	\$ 3,201,836
Land improvements	1,021,529
Buildings and improvements	69,925,213
Machinery and equipment	10,445,053
Infrastructure	35,378,950
Less: accumulated depreciation and amortization	<u>(54,336,077)</u>

**Total Capital Assets, Net** 65,636,504

Internal service fund activity for self insurance with ECHIP is not recorded within the governmental funds. 1,609,929

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. 1,124,387

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	(5,875,000)
Unamortized bond premium	(628,555)
Deferred amount on refunding's	356,945
Obligations under capital lease	(171,272)
Accrued interest payable	(109,565)

**Other Long-Term Liabilities:**

Compensated absences	(1,649,055)
Net pension liability	(4,471,657)
Net OPEB liability	<u>(8,334,563)</u>

**Total Long-Term Liabilities** (20,882,722)

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. (1,263,452)

**Net Position of Governmental Activities** \$ 58,438,197

*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, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 28,892,980	\$ --	\$ 28,892,980
Grants and contracts	21,931,921	2,632,952	24,564,873
Licenses, permits and fees	545,417	285,548	830,965
Interest	198,773	15,295	214,068
Other	450,423	3,270	453,693
	<u>52,019,514</u>	<u>2,937,065</u>	<u>54,956,579</u>
<b>Total Revenue</b>			
<b>Expenditures</b>			
<b>Current</b>			
General Government	4,036,008	--	4,036,008
Public safety	2,449,549	32,803	2,482,352
Public works	1,410,951	52,916	1,463,867
Social services	401,566	--	401,566
Administration	1,010,797	--	1,010,797
Education	39,954,645	2,759,658	42,714,303
<b>Capital outlays</b>	944,700	--	944,700
<b>Debt Service</b>			
Principal payments	1,140,000	--	1,140,000
Interest and other charges	256,150	--	256,150
	<u>51,604,366</u>	<u>2,845,377</u>	<u>54,449,743</u>
<b>Total Expenditures</b>			
<b>Excess of Revenues over Expenditures</b>	415,148	91,688	506,836
<b>Other Financing Sources (Uses)</b>			
Capital lease financing	180,000	--	180,000
Transfers in	214,672	15,750	230,422
Transfers out	(445,094)	--	(445,094)
	<u>(50,422)</u>	<u>15,750</u>	<u>(34,672)</u>
<b>Total Other Financing Sources (Uses)</b>			
<b>Net Change in Fund Balances</b>	364,726	107,438	472,164
<b>Fund Balances - Beginning</b>	<u>10,405,059</u>	<u>1,336,328</u>	<u>11,741,387</u>
<b>Fund Balances - Ending</b>	<u>\$ 10,769,785</u>	<u>\$ 1,443,766</u>	<u>\$ 12,213,551</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, 2020**

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Net change in fund balances - for governmental funds	\$	472,164
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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	\$	944,700
Depreciation and amortization expense		<u>(2,375,970)</u>
Net adjustment		(1,431,270)

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.

(523,889)

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		(180,000)
Principle repayments:		
Bonds and notes payable		1,140,000
Capital leases		<u>107,939</u>
		1,067,939

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		(125,437)
Contract payable		32,542
Net pension liability		(108,674)
Net OPEB liability		(256,665)
Amortization of deferred charge on bond refunding		(61,679)
Amortization of bond premium		46,165
Accrued interest		<u>15,675</u>
		(458,073)

Changes in activity for internal service fund		1,535,915
---	--	-----------

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.

(73,340)

Change in net position of governmental activities	\$	<u>589,446</u>
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*The accompanying notes are an integral part of these financial statements.*



# TOWN OF PLAINFIELD, CONNECTICUT

## STATEMENT OF NET POSITION PROPRIETARY FUND

JUNE 30, 2020

	Business-type Activity Enterprise Fund Water Pollution Control Authority	Internal Service Funds
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 672,641	\$ --
Receivables:		
Sewer assessments	65,696	--
Usage charges	77,980	--
Claim deposits	--	2,022,929
Due from other funds	141,183	--
<b>Total Current Assets</b>	<b>957,500</b>	<b>2,022,929</b>
<b>Noncurrent Assets:</b>		
Sewer assessments receivable, net of current portion	51,711	--
Capital assets:		
Non-depreciable	5,438,423	--
Depreciable, net	6,446,428	--
<b>Total Noncurrent Assets</b>	<b>11,936,562</b>	<b>--</b>
<b>Total Assets</b>	<b>12,894,062</b>	<b>2,022,929</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	37,934	413,000
Accrued interest	74,447	--
Compensated absences	9,592	--
Bonds and note payable	408,555	--
<b>Total Current Liabilities</b>	<b>530,528</b>	<b>413,000</b>
<b>Noncurrent Liabilities:</b>		
Compensated absences, net of current portion	86,330	--
Bonds and note payable, net of current portion	4,150,155	--
<b>Total Liabilities</b>	<b>4,767,013</b>	<b>413,000</b>
<b>Deferred Inflows of Resources</b>		
Deferred sewer assessment charges	51,715	--
<b>Total Deferred Inflows of Resources</b>	<b>51,715</b>	<b>--</b>
<b>Net Position</b>		
Net investment in capital assets	7,326,141	--
Unrestricted	749,193	1,609,929
<b>Total Net Position</b>	<b>\$ 8,075,334</b>	<b>\$ 1,609,929</b>

*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, 2020**

	Business-type Activity - Enterprise Fund	Internal Service Funds
	Water Pollution Control Authority	
<b>Operating Revenues</b>		
Charges for services	\$ 1,776,881	\$ --
Employer contributions	--	7,241,858
Employee contributions	--	1,810,464
<b>Total Operating Revenues</b>	1,776,881	9,052,322
<b>Operating Expenses</b>		
Personnel services	926,545	--
Operations and maintenance	736,156	--
Employee benefits	--	7,386,559
Administrative expenses	--	130,549
Depreciation	319,677	--
<b>Total Operating Expenses</b>	1,982,378	7,517,108
<b>Operating (Loss) Income</b>	(205,497)	1,535,214
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	14,893	701
Interest expense, net	(144,711)	--
<b>(Loss) Income Before Transfers</b>	(335,315)	1,535,915
Transfer in	429,344	--
Transfer out	(214,672)	--
<b>Change in Net Position</b>	(120,643)	1,535,915
<b>Net Position - Beginning</b>	8,195,977	74,014
<b>Net Position - Ending</b>	\$ 8,075,334	\$ 1,609,929

*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, 2020**

	Business-type Activity - Enterprise Fund	Internal Service Funds
	Water Pollution Control Authority	
<b>Cash Flows From Operating Activities</b>		
Cash received for the following:		
Charges for services	\$ 1,598,976	\$ 7,608,760
Cash paid for the following:		
Personnel services	(915,597)	--
Operations and maintenance	(696,497)	--
Self-insurance claims	--	(7,609,461)
<b>Net Cash Used In Operating Activities</b>	<b>(13,118)</b>	<b>(701)</b>
<b>Cash Flows Provided by Noncapital Financing Activities</b>		
Interfund activity	186,734	--
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of capital assets	(178,948)	--
Principal paid on capital debt	(406,600)	--
Interest paid on capital debt	(135,327)	--
Amortization of premium	(15,053)	--
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(735,928)</b>	<b>--</b>
<b>Cash Flows Provided by Investing Activities</b>		
Interest and dividends	14,893	701
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(547,419)</b>	<b>--</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,220,060</b>	<b>--</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 672,641</b>	<b>\$ --</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities:</b>		
Operating (Loss) Income	\$ (205,497)	\$ 1,535,214
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	319,677	--
Decrease (increase) in assets:		
Accounts receivable	(177,905)	(1,443,562)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	39,659	(92,353)
Accrued liabilities	10,948	--
<b>Net Cash Used In Operating Activities</b>	<b>\$ (13,118)</b>	<b>\$ (701)</b>

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

# TOWN OF PLAINFIELD, CONNECTICUT

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

JUNE 30, 2020

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 195,369	\$ 8,532	\$ 283,030
Investments:			
Mutual funds	24,483,397	--	--
Fixed annuity contract	<u>--</u>	<u>87,941</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 24,678,766</u>	<u>\$ 96,473</u>	<u>\$ 283,030</u>
<b>Liabilities</b>			
Due to student groups	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 283,030</u>
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>\$ 283,030</u>
<b>Net Position</b>			
Held in trust for pension benefits and other purposes	<u>\$ 24,678,766</u>	<u>\$ 96,473</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, 2020**

	Employee Benefit Trust Funds	Private Purpose Trust Funds
<b>Additions</b>		
Contributions:		
Employer	\$ 1,205,727	\$ --
Plan members	91,477	--
Other revenue	53,106	--
Total Contributions	1,350,310	--
Investment income:		
Interest and dividends	479,461	5,827
Change in the fair value of investments, net	337,801	--
Net Investment Income (Loss)	817,262	5,827
<b>Total Additions</b>	2,167,572	5,827
<b>Deductions</b>		
Benefit payments	1,395,556	--
Administrative expenses	95,582	5,700
<b>Total Deductions</b>	1,491,138	5,700
<b>Change in Net Position</b>	676,434	127
<b>Net Position - Beginning</b>	24,002,332	96,346
<b>Net Position - Ending</b>	\$ 24,678,766	\$ 96,473

*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, 2020

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### 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, 2020

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### 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, 2020

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### 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, 2020 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, 2020

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#### 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>
<b>Major:</b>	
General Fund:	See above for description
<b>Proprietary Funds:</b>	
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, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MAJOR AND NON-MAJOR FUNDS (CONTINUED)*

##### *Non Major:*

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

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

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

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

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

- (a) All governmental funds utilize a current financial resources measurement focus and a modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary fund utilizes an economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- (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, 2020

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### 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, 2020

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### 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, 2020

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### 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, 2020 the Town's Sewer fund also reported assessments receivable of \$117,407.

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, 2020 the Town has estimated the allowance for doubtful accounts for delinquent taxes of \$585,833.

##### *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, 2020

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### 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, 2020

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### 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, 2020.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020

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### 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, 2020 the Town reported \$1,720,969 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, 2020 the Town also reported \$356,945 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, 2020 the Town reported \$2,984,420 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, 2020 the Town also reported in the Government-wide statement of net position \$51,715 of deferred inflows related to deferred sewer assessments and \$785,973 of deferred inflows related to deferred loans.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020 the Town also had an item qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue of \$1,124,387 at June 30, 2020 represents property taxes receivables which are assessed on October 31, 2018 and prior and are not collected within 60 days of June 30, 2020.

##### *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, 2020

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### 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, 2020

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### 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, 2020

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### 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, 2020 the Town did not implement any new accounting standards that would impact its financial reporting.

##### *SUBSEQUENT EVENTS*

Management has evaluated subsequent events through December 30, 2020, which is the date these financial statements were available to be issued. As of this date, there are no events requiring recognition or disclosure into these financial statements.

##### *USE OF ESTIMATES*

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

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### NOTE 2 – CASH DEPOSITS AND INVESTMENTS

#### *CASH DEPOSITS*

A reconciliation of the Town's cash and cash equivalents as of June 30, 2020 is as follows:

Government-wide statement of net position:

Cash and cash equivalents \$ 15,403,658

Statement of fiduciary net position:

Cash and cash equivalents 291,562

Less: cash equivalents considered investments

for disclosure purposes (12,953,222)

Net cash deposits \$ 2,741,998

#### *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, 2020, \$4,228,425 of the Town's bank balance of \$5,012,065 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$ 210,797

Uninsured and collateralized 4,017,628

\$ 4,228,425

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

**TOWN OF PLAINFIELD, CONNECTICUT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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

*INVESTMENTS*

A reconciliation of the Town’s investments as of June 30, 2020 is as follows:

Statement of fiduciary net position:

Investments	\$ 24,571,338
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Plus: cash equivalents considered investments for disclosure purposes	<u>12,953,222</u>
---	-------------------

	<u><u>\$ 37,524,560</u></u>
--	-----------------------------

Interest Rate Risk

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

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

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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

##### *INVESTMENTS (CONTINUED)*

Investment Type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) <u>Less Than 1</u>
<b>Debt Securities:</b>				
<i>Governmental activities:</i>				
Connecticut Short-term Investment Fund	Net Asset Value	AAA	\$ 12,185,278	\$ 12,185,278
<i>Business-type activities</i>				
Connecticut Short-term Investment Fund	Net Asset Value	AAA	572,575	572,575
<i>Fiduciary</i>				
Money Market Mutual Fund	Net Asset Value	Unrated	195,369	195,369
			<u>\$ 12,953,222</u>	<u>12,953,222</u>
<b>Other Investments:</b>				
<i>Fiduciary:</i>				
Fixed annuity contract	Contract Value			87,941
Mutual funds	Fair Value			<u>24,483,397</u>
				<u>\$ 37,524,560</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, 2020

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### 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, 2020

#### 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, 2020, 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, 2020, 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	\$ 6,764,039	27.53%

#### 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, 2020, 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	\$ 24,483,397	\$ --	\$ --	\$ 24,483,397
Fixed annuity contracts	87,941	--	--	87,941
	<u>\$ 24,571,338</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 24,571,338</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2020**

### 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, 2020:

Loans receivable	\$	785,973
Less deferred loans		<u>(785,973)</u>
Total	\$	<u><u>          --</u></u>

### NOTE 5 – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2020 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
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	288,695	--	69,925,213
Machinery and equipment	9,789,048	656,005	--	10,445,053
Infrastructure	<u>35,378,950</u>	<u>          --</u>	<u>          --</u>	<u>35,378,950</u>
Total capital assets, being depreciated	<u>115,826,045</u>	<u>944,700</u>	<u>          --</u>	<u>116,770,745</u>
Less accumulated depreciation for:				
Land improvements	(1,021,529)	--	--	(1,021,529)
Buildings and improvements	(29,670,638)	(1,497,228)	--	(31,167,866)
Machinery and equipment	(8,534,206)	(407,023)	--	(8,941,229)
Infrastructure	<u>(12,733,734)</u>	<u>(471,719)</u>	<u>          --</u>	<u>(13,205,453)</u>
Total accumulated depreciation	<u>(51,960,107)</u>	<u>(2,375,970)</u>	<u>          --</u>	<u>(54,336,077)</u>
Total capital assets, being depreciated, net	<u>63,865,938</u>	<u>(1,431,270)</u>	<u>          --</u>	<u>62,434,668</u>
Governmental activities capital assets, net	<u>\$ 67,067,774</u>	<u>\$ (1,431,270)</u>	<u>\$ --</u>	<u>\$ 65,636,504</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2020**

### NOTE 5 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

Education	\$ 1,617,690
Public safety	91,946
Public works	641,154
Social services	25,180
Total depreciation expense - governmental activities	\$ 2,375,970

Capital asset activity for business-type activities for the year ended June 30, 2020 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 31,740	\$ --	\$ --	\$ 31,740
Construction in progress	5,227,735	178,948	--	5,406,683
Total capital assets, being depreciated	5,259,475	178,948	--	5,438,423
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	(1,929,825)	(60,307)	--	(1,990,132)
Machinery and equipment	(956,430)	(17,380)	--	(973,810)
Infrastructure	(13,039,638)	(241,990)	--	(13,281,628)
Total accumulated depreciation and amortization	(15,925,893)	(319,677)	--	(16,245,570)
Total capital assets, being depreciated, net	6,766,105	(319,677)	--	6,446,428
Business-type activities capital assets, net	\$ 12,025,580	\$ (140,729)	\$ --	\$ 11,884,851

**TOWN OF PLAINFIELD, CONNECTICUT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 6 – INTERFUND RECEIVABLES AND PAYABLE**

Interfund receivable and payable balances at June 30, 2020 are as follows:

Funds	Due From	Due To
<b>Governmental Funds</b>		
Dog Fund	\$ --	\$ 3,798
Education Grants Fund	--	188,249
Construction Fund	--	19,425
General Fund	211,472	170,929
School Project Fund	29,746	--
	241,218	382,401
<b>Business-type Activities</b>		
Water Pollution Control Fund	141,183	--
 Total due from/to other funds	 \$ 382,401	 \$ 382,401

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, 2020 consisted of the following:

Funds	Transfer In	Transfer Out
<b>Governmental Funds</b>		
Dog Fund	\$ 15,750	\$ --
General Fund	214,672	445,094
	230,422	445,094
<b>Business-type Activities</b>		
Water Pollution Control Fund	429,344	214,672
 Total due from/to other funds	 \$ 659,766	 \$ 659,766

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, 2020**

### NOTE 8 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 7,015,000	\$ --	\$ (1,140,000)	\$ 5,875,000	\$ 1,175,000
Unamortized bond premium	<u>674,720</u>	<u>--</u>	<u>(46,165)</u>	<u>628,555</u>	<u>--</u>
Total bonds and note payable	7,689,720	--	(1,186,165)	6,503,555	1,175,000
Other liabilities:					
Capital leases	99,211	180,000	(107,939)	171,272	84,814
Compensated absences	1,523,618	504,591	(379,154)	1,649,055	164,906
Claims and judgements	505,353	--	(92,353)	413,000	413,000
Contract payable	32,642	--	(32,642)	--	--
Net pension liability	4,362,983	108,674	--	4,471,657	--
Net OPEB liability	<u>8,077,898</u>	<u>256,665</u>	<u>--</u>	<u>8,334,563</u>	<u>--</u>
Total governmental activities	<u>\$ 22,291,425</u>	<u>\$ 1,049,930</u>	<u>\$ (1,798,253)</u>	<u>\$ 21,543,102</u>	<u>\$ 1,837,720</u>
<b>Business-type Activities</b>					
General obligation bonds	\$ 4,160,000	\$ --	\$ (280,000)	\$ 3,880,000	\$ 280,000
USDA bonds payable	250,046	--	(45,939)	204,107	47,891
Clean Water notes payable	349,533	--	(80,661)	268,872	80,664
Unamortized bond premium	<u>220,784</u>	<u>--</u>	<u>(15,053)</u>	<u>205,731</u>	<u>--</u>
Total bonds and notes payable	4,980,363	--	(421,653)	4,558,710	408,555
Other liabilities:					
Compensated absences	<u>85,244</u>	<u>12,319</u>	<u>(1,641)</u>	<u>95,922</u>	<u>9,592</u>
Total business-type activities	<u>\$ 5,065,607</u>	<u>\$ 12,319</u>	<u>\$ (423,294)</u>	<u>\$ 4,654,632</u>	<u>\$ 418,147</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

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

#### ***BONDS AND NOTES PAYABLE***

A summary of bonds and notes payable outstanding at June 30, 2020 is as follows:

#### **Governmental Activities:**

	Date of Issuance	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding June 30, 2019	Additions	Retirements	Balance Outstanding June 30, 2020	Amounts Due Within One Year
<b>General Obligation Bonds and Notes Payable:</b>									
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	\$ 175,000
General obligation bonds, Issue of 2017	7/15/2017	<u>3,580,000</u>	2.00-5.00%	7/15/2021	<u>2,290,000</u>	<u>--</u>	<u>1,140,000</u>	<u>1,150,000</u>	<u>1,000,000</u>
		8,305,000			7,015,000	--	1,140,000	5,875,000	1,175,000
Deferred bond premium		<u>860,577</u>			<u>674,720</u>	<u>--</u>	<u>46,165</u>	<u>628,555</u>	<u>--</u>
<b>Total Governmental Activities Bonds and Notes Payable</b>		<u>\$ 9,165,577</u>			<u>\$ 7,689,720</u>	<u>\$ --</u>	<u>\$ 1,186,165</u>	<u>\$ 6,503,555</u>	<u>\$ 1,175,000</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, 2020**

**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, 2019	Additions	Retirements	Balance Outstanding June 30, 2020	Amounts Due Within One Year
<b>General Obligation Bonds and Notes Payable:</b>									
General obligation bonds, 2014, Series A	7/15/2015	\$ 5,275,000	2.00-4.00%	7/15/2033	\$ 4,160,000	\$ --	\$ 280,000	\$ 3,880,000	\$ 280,000
USDA Sewer Bond, 2003	8/1/2015	752,000	4.25%	8/1/2023	250,046	--	45,939	204,107	47,891
Clean Water Fund 417-C	10/30/2004	<u>1,606,152</u>	2.00%	10/30/2024	<u>349,533</u>	<u>--</u>	<u>80,661</u>	<u>268,872</u>	<u>80,664</u>
		7,633,152			4,759,579	--	406,600	4,352,979	408,555
Deferred bond premium		<u>301,068</u>			<u>220,784</u>	<u>--</u>	<u>15,053</u>	<u>205,731</u>	<u>--</u>
<b>Total Business-Type Activities Bonds and Notes Payable</b>		<b><u>\$ 7,934,220</u></b>			<b><u>\$ 4,980,363</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 421,653</u></b>	<b><u>\$ 4,558,710</u></b>	<b><u>\$ 408,555</u></b>



# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

##### *BONDS AND NOTES PAYABLE (CONTINUED)*

Year Ending June 30,	Principal	Interest	Total
<b>Governmental Activities:</b>			
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	1,100,000	37,900	1,137,900
2026	<u>320,000</u>	<u>5,200</u>	<u>325,200</u>
	<u>\$ 5,875,000</u>	<u>\$ 677,775</u>	<u>\$ 6,552,775</u>
<b>Business-Type Activities:</b>			
2021	\$ 408,555	\$ 154,257	\$ 562,812
2022	410,585	140,808	551,393
2023	412,710	125,873	538,583
2024	361,129	111,161	472,290
2025	280,000	97,544	377,544
2026-2030	1,380,000	341,597	1,721,597
2031-2034	<u>1,100,000</u>	<u>87,655</u>	<u>1,187,655</u>
	<u>\$ 4,352,979</u>	<u>\$ 1,058,895</u>	<u>\$ 5,411,874</u>

#### Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2020 totaled \$86,265 for general purposes, \$2,494,805 for school purposes, and \$1,697,994 for sewer purposes.

#### Legal Debit Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2020.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

#### Legal Debit Limit (Continued)

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

Total cash collections for the year ended

June 30, 2020:

Taxes	\$ 28,255,509
Interest and lien fees	319,618
Total	<u>28,575,127</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	--
Base	<u>\$ 28,575,127</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 64,294,036	\$ --	\$ --	\$ --	\$ --
4-1/2 times base	--	128,588,072	--	--	--
3-3/4 times base	--	--	107,156,726	--	--
3-1/4 times base	--	--	--	92,869,163	--
3 times base	--	--	--	--	85,725,381
Total debt limitation	<u>64,294,036</u>	<u>128,588,072</u>	<u>107,156,726</u>	<u>92,869,163</u>	<u>85,725,381</u>
Indebtedness:					
Bonds and notes payable	5,353,555	1,150,000	4,558,710	--	--
Authorized, unissued bonds	86,265	2,494,805	1,697,994	--	--
	<u>5,439,820</u>	<u>3,644,805</u>	<u>6,256,704</u>	--	--
Less: sewer assessments receivable	--	--	65,696	--	--
Total indebtedness	<u>5,439,820</u>	<u>3,644,805</u>	<u>6,191,008</u>	--	--
Debt limitation in excess of outstanding and authorized debt	<u>\$ 58,854,216</u>	<u>\$ 124,943,267</u>	<u>\$ 100,965,718</u>	<u>\$ 92,869,163</u>	<u>\$ 85,725,381</u>
Total capacity of borrowing (7 times base)	<u>\$ 200,025,889</u>				

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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#### NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

##### *CAPITAL LEASES*

A summary of assets under capital leases as of June 30, 2020 are as follows:

	Governmental Activities
Equipment	\$ 469,693
Less: accumulated amortization	186,997
	<u>\$ 282,696</u>

Depreciation expense relative to leased property under capital leases totaled \$74,920 for the year ended June 30, 2020 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, 2020 are as follows:

	Governmental Activities
Year Ending June 30:	
2021	\$ 88,217
2022	81,660
2023	<u>6,524</u>
Total minimum lease payments	176,401
Less: amount representing interest	<u>5,129</u>
Present value of minimum lease payments	<u>\$ 171,272</u>

##### *CONTRACT PAYABLE*

The Town entered into a long-term contract in 2016 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, 2020, the balance of the contract totaled \$0.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2020**

### NOTE 9 – FUND BALANCE

The various components of fund balance at June 30, 2020 are as follows:

	General Funds	Nonmajor Governmental Funds	Totals
Nonspendable:			
Inventories	\$ 5,460	\$ 39,933	\$ 45,393
Restricted for:			
Social services	--	141,737	141,737
Committed for:			
Public safety	--	31,749	31,749
Capital improvements	--	987,004	987,004
Education	--	243,343	243,343
Assigned to:			
Conservation	300,000	--	300,000
Revaluation	32,542	--	32,542
Capital improvements	800,000	--	800,000
Debt service	200,000	--	200,000
Education	658,839	--	658,839
Unassigned	8,772,944	--	8,772,944
	\$ 10,769,785	\$ 1,443,766	\$ 12,213,551

### 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, 2020

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#### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

##### *DEFINED BENEFIT PLAN (CONTINUED)*

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

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

The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	142
Inactive plan members entitled to but not yet receiving benefits	125
Active plan members	133
	<hr/>
	400
	<hr/>

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

*Contributions* – The Town establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the actuarially determined rate. Police participants are required to contribute 7% of their base monthly earnings. For the year ended June 30, 2020, the Town contributed \$1,200,543 or 20.16% of covered annual payroll.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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#### 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, 2020

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#### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

##### *DEFINED BENEFIT PLAN (CONTINUED)*

*Concentrations* – As of June 30, 2020, more than 10% of the Town’s Plan investments are invested in the following:

Issuer	Investment	Value	% of Plan Investments
Fidelity	Fidelity 500 Index Fund	\$ 6,764,039	27.53%

Rate of return – For the year ended June 30, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.00%. 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, 2020 were as follows:

Total pension liability	\$ 28,529,529
Plan fiduciary net position	<u>24,057,872</u>
Town's net pension liability - Town Plan	<u>\$ 4,471,657</u>

Plan fiduciary net position as a percentage of the total pension liability	84.33%
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# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 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, 2020, were as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balance as of July 1, 2019	\$ 27,762,501	\$ 23,399,518	\$ 4,362,983
<b>Changes for the year:</b>			
Service cost	701,569	--	701,569
Interest	1,946,472	--	1,946,472
Differences between expected and actual experience	(1,515,667)	--	(1,515,667)
Changes of assumptions	971,920	--	971,920
Contributions - employer	--	1,200,543	(1,200,543)
Contributions - employee	--	91,477	(91,477)
Net investment income	--	704,100	(704,100)
Benefit payments, including refunds	(1,337,266)	(1,337,266)	--
Administrative expense	--	(500)	500
<b>Net changes</b>	<u>767,028</u>	<u>658,354</u>	<u>108,674</u>
Balance as of June 30, 2020	<u>\$ 28,529,529</u>	<u>\$ 24,057,872</u>	<u>\$ 4,471,657</u>

*Actuarial assumptions* – The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases, including inflation	4.50%
Investment rate of return	7.00%
Discount rate	6.50%



# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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#### 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, 2020 are summarized in the following table:

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

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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#### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

##### *DEFINED BENEFIT PLAN (CONTINUED)*

##### Net Pension Liability (Continued)

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

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the Town, calculated using the discount rate of 6.5%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%).

	1% Decrease 5.50%	Current Discount 6.50%	1% Increase 7.50%
Town's plan net pension liability	\$ 7,771,581	\$ 4,471,657	\$ 1,697,583

##### Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, the Town recognized pension expense related to the Town Plan of \$1,222,464. At June 30, 2020, 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, 2020

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### 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	\$ 840,935	\$ --
Changes of assumptions	809,933	(28,694)
Differences between expected and actual experience	<u>48,377</u>	<u>(1,263,056)</u>
Total	<u>\$ 1,699,245</u>	<u>\$ (1,291,750)</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:

<u>Year ended June 30,</u>	
2021	\$ (13,793)
2022	181,359
2023	234,720
2024	95,836
2025	<u>(90,627)</u>
	<u>\$ 407,495</u>

Payable to the Town

The Town does not have a reported payable liability to the Town Plan as of June 30, 2020.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020

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### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (CONTINUED)*

##### Benefit Provisions (Continued)

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

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

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

##### Contributions

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

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

##### Administrative Expenses

Administrative costs of the plan are funded by the State.

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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#### 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 2019, 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, 2019. The portion of the collective pension expense allocated to the Town totaled \$4,572,176. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2020.

The total collective net pension liability of participating employers for the TRS was approximately \$177.072 billion as of June 30, 2019 measurement date. The portion attributed to the Town totaled \$60,402,877 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, 2020

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#### 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, 2018 rolled forward to the measurement date of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the 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, 2020

#### NOTE 10 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

##### *CONNECTICUT STATE TEACHERS’ RETIREMENT SYSTEM (CONTINUED)*

##### Long-Term Rate of Return (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equity - US Equity	20.00%	8.10%
Public Equity - International Developed Equity	11.00%	8.58%
Public Equity - Emerging Market Equity	9.00%	10.40%
Fixed Income - Core Fixed Income	16.00%	4.60%
Fixed Income - Inflation Linked Bonds	5.00%	3.60%
Fixed Income - High Yield	6.00%	6.50%
Fixed Income - Emergin Market Debt	5.00%	5.20%
Private Equity	10.00%	9.80%
Real Estate	10.00%	7.00%
Alternative Investments - Real Assets	4.00%	8.20%
Alternative Investments - Hedge Funds	3.00%	5.40%
Liquidity Fund	1.00%	2.90%
	100.00%	

##### Discount Rate

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



**TOWN OF PLAINFIELD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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, 2019 measurement date, calculated using a discount rate of 6.90%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease 5.90%	Current Discount 6.90%	1% Increase 7.90%
Town's proportionate share of the State's total net pension liability	\$ 75,346,768	\$ 60,402,877	\$ 47,839,538

**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, 2020**

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**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 \$5,184 for the year ended June 30, 2020 and represented .03% of covered payroll.

Net OPEB Liability

The Town's net OPEB liability reported as of June 30, 2020 totaled \$8,334,563. The net OPEB liability was measured as of June 30, 2020 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, 2020

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#### 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, 2020 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, 2020 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, 2020

#### 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, 2019	\$ 8,680,712	\$ 602,814	\$ 8,077,898
<b>Changes for the year:</b>			
Service cost	98,883	--	98,883
Interest	612,566	--	612,566
Differences between expected and actual experience	(378,414)	--	(378,414)
Contributions - employer	--	5,184	(5,184)
Contributions - TRB subsidy	--	53,106	(53,106)
Net investment income	--	18,080	(18,080)
Benefit payments, including refunds	(58,290)	(58,290)	--
<b>Net changes</b>	<u>274,745</u>	<u>18,080</u>	<u>256,665</u>
Balance as of June 30, 2020	<u>\$ 8,955,457</u>	<u>\$ 620,894</u>	<u>\$ 8,334,563</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 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	\$ 9,267,146	\$ 8,334,563	\$ 7,532,791

*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
	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 7,348,432	\$ 8,334,563	\$ 9,491,711

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

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#### 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, 2020, the Town recognized OPEB expense of \$421,944. At June 30, 2020, 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	\$ 21,724	\$ --
Changes of assumptions	--	(715,141)
Differences between expected and actual experience	--	(977,529)
Total	<u>\$ 21,724</u>	<u>\$ (1,692,670)</u>

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

<u>Year Ended June 30,</u>	
2021	\$ (194,203)
2022	(194,204)
2023	(193,850)
2024	(194,895)
2025	(199,719)
Thereafter	(694,075)
	<u>\$ (1,670,946)</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020

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#### 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, 2020

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#### 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 2019, 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, 2020

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#### 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, 2019 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	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.25%-6.50%, including inflation
Investment rate of return	3.00%, net of investment related expense
Healthcare cost trend rates:	
Pre-Medicare	5.95% for 2018 decreasing to an ultimate rate of 4.75% by 2025
Medicare	5.00% for 2018 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, 2020

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#### 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, 2020

#### 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, 2019 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 State's total 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, 2019 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Town's proportionate share of the State's total net OPEB liability	\$ 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 2020, 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, 2020

#### 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, 2020. 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, 2020, 2019 and 2018 are as follows:

Year Ended June 30,	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2020	\$ 505,353	\$ 7,294,206	\$ 7,386,559	\$ 413,000
2019	\$ 362,202	\$ 6,364,061	\$ 6,220,910	\$ 505,353
2018	\$ 356,714	\$ 6,184,975	\$ 6,179,487	\$ 362,202

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### NOTE 13 – COMMITMENTS AND CONTINGENCIES

#### *GRANTS AND CONTRACTS*

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

#### *LITIGATION*

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

### NOTE 14 – ECONOMIC UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business across the country for non-essential services. 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.

# 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, 2020**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Over (Under)
<b>Revenues</b>				
Property taxes	\$ 28,552,942	\$ 28,552,942	\$ 28,892,980	\$ 340,038
Intergovernmental	16,350,116	16,350,116	15,792,054	(558,062)
Licenses, permits and fees	565,653	565,653	545,417	(20,236)
Interest	100,000	100,000	198,773	98,773
Out of town tuition	1,390,643	1,390,643	1,442,730	52,087
Other	629,068	629,068	450,423	(178,645)
<b>Total Revenues</b>	<u>47,588,422</u>	<u>47,588,422</u>	<u>47,322,377</u>	<u>(266,045)</u>
<b>Expenditures</b>				
General government	4,203,929	4,186,273	4,051,758	(134,515)
Public safety	2,516,283	2,406,851	2,449,549	42,698
Public works	1,508,273	1,416,274	1,356,135	(60,139)
Social services	415,599	410,520	401,566	(8,954)
Administration	1,057,215	1,178,613	1,010,797	(167,816)
Capital outlays	963,322	1,159,589	999,516	(160,073)
Education	35,930,347	35,916,347	35,257,508	(658,839)
Debt service	1,845,668	1,825,668	1,825,494	(174)
<b>Total Expenditures</b>	<u>48,440,636</u>	<u>48,500,135</u>	<u>47,352,323</u>	<u>(1,147,812)</u>
<b>(Deficiency) Excess of Revenues Over Expenditures</b>	(852,214)	(911,713)	(29,946)	881,767
<b>Other Financing Sources (Uses)</b>				
Fund Balance - Town revaluation	32,542	32,542	32,542	--
Capital lease proceeds	--	--	180,000	180,000
WPCA Bond Payment	214,672	214,672	214,672	--
Fund balance - police cars	60,000	60,000	60,000	--
Fund balance - highway truck	65,000	65,000	65,000	--
Fund balance - animal	30,000	30,000	30,000	--
Cap Fund - Road Construction	300,000	300,000	8,286	(291,714)
Fund balance - roof	150,000	150,000	175,000	25,000
Anticipated surplus	--	59,499	--	(59,499)
<b>Total Other Financing Sources (Uses)</b>	<u>852,214</u>	<u>911,713</u>	<u>765,500</u>	<u>(146,213)</u>
<b>Net Change in Fund Balances</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 735,554</u>	<u>\$ 735,554</u>

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

# TOWN OF PLAINFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>Property Taxes</b>				
Property taxes	\$ 27,902,942	\$ 27,902,942	\$ 28,034,202	\$ 131,260
Interest and lien fees	225,000	225,000	318,239	93,239
Back taxes & interest	<u>425,000</u>	<u>425,000</u>	<u>540,539</u>	<u>115,539</u>
<b>Total Property Taxes</b>	<u>28,552,942</u>	<u>28,552,942</u>	<u>28,892,980</u>	<u>340,038</u>
<b>Intergovernmental</b>				
Educational equalization	15,163,177	15,163,177	14,992,044	(171,133)
Adult education	108,611	108,611	--	(108,611)
Special education grant - state budget	315,251	315,251	68,803	(246,448)
Town aid road	289,013	289,013	288,859	(154)
Telephone access lines	37,003	37,003	35,882	(1,121)
Local capital improvements	122,512	122,512	86,395	(36,117)
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	3,299	3,299	2,768	(531)
PILOT - Veterans exemption	6,236	6,236	6,162	(74)
MRSA - Grant Municipal	144,803	144,803	144,803	--
Emergency Mgt. Asst.	7,538	7,538	7,567	29
Other state revenue	<u>10,000</u>	<u>10,000</u>	<u>16,098</u>	<u>6,098</u>
<b>Total Intergovernmental Revenues</b>	<u>16,350,116</u>	<u>16,350,116</u>	<u>15,792,054</u>	<u>(558,062)</u>
<b>Licenses, Permits, and Fees</b>				
Pool receipts	113,496	113,496	55,513	(57,983)
Recreation receipts	30,000	30,000	11,734	(18,266)
Building permits	80,000	80,000	137,305	57,305
Planning and zoning fees	25,000	25,000	29,857	4,857
Town clerk fees	225,935	225,935	209,261	(16,674)
Town clerk - copies	14,000	14,000	10,935	(3,065)
Assessor - copies	1,000	1,000	308	(692)
Police - other duty	35,000	35,000	50,464	15,464
F/M Services - Canterbury	5,872	5,872	6,252	380
Town Hall rental	2,500	2,500	937	(1,563)
Cell Tower rental	<u>32,850</u>	<u>32,850</u>	<u>32,851</u>	<u>1</u>
<b>Total Licenses, Permits and Fees</b>	<u>565,653</u>	<u>565,653</u>	<u>545,417</u>	<u>(20,236)</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, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>Investment - Interest</b>	100,000	100,000	198,773	98,773
<b>Out of Town Tuition</b>	<u>1,390,643</u>	<u>1,390,643</u>	<u>1,442,730</u>	<u>52,087</u>
<b>Other</b>				
Tuition - special revenue	434,068	434,068	387,665	(46,403)
Other local revenue	140,000	140,000	48,111	(91,889)
Industrial park lot sales	45,000	45,000	--	(45,000)
Police - miscellaneous revenue	<u>10,000</u>	<u>10,000</u>	<u>14,647</u>	<u>4,647</u>
<b>Total Other</b>	<u>629,068</u>	<u>629,068</u>	<u>450,423</u>	<u>178,645</u>
<b>Total Revenues</b>	<u>47,588,422</u>	<u>47,588,422</u>	<u>47,322,377</u>	<u>266,045</u>
<b>Other Financing Sources</b>				
Fund balance - Town revaluation	32,542	32,542	--	(32,542)
Capital lease proceeds	--	--	180,000	180,000
WPCA Bond Payment	214,672	214,672	214,672	--
Fund balance - police cars	60,000	60,000	--	(60,000)
Fund balance - highway truck	65,000	65,000	--	(65,000)
Fund balance - animal	30,000	30,000	--	(30,000)
Cap Fund - Road Construction	300,000	300,000	--	(300,000)
Fund balance - roof	150,000	150,000	--	(150,000)
Anticipated surplus	--	<u>59,499</u>	--	<u>(59,499)</u>
<b>Total Other Financing Sources</b>	<u>852,214</u>	<u>911,713</u>	<u>394,672</u>	<u>(517,041)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 48,440,636</u>	<u>\$ 48,500,135</u>	<u>\$ 47,717,049</u>	<u>\$ (250,996)</u>

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

# TOWN OF PLAINFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>General Government</b>				
First Selectman	\$ 144,516	\$ 148,516	\$ 147,667	\$ (849)
Finance	248,362	273,462	273,252	(210)
Assessor	171,806	171,805	164,359	(7,446)
Tax Collector	135,485	135,485	126,523	(8,962)
Town Clerk	189,856	196,900	195,951	(949)
Election and registrars	46,520	46,520	42,831	(3,689)
Employee benefits	<u>3,267,384</u>	<u>3,213,585</u>	<u>3,101,175</u>	<u>(112,410)</u>
<b>Total General Government</b>	<u>4,203,929</u>	<u>4,186,273</u>	<u>4,051,758</u>	<u>(134,515)</u>
<b>Public Safety</b>				
Fire Marshal	57,121	57,121	55,390	(1,731)
Police Department	2,139,867	2,001,367	2,051,582	50,215
Building Inspector	84,945	114,013	109,329	(4,684)
Planning and Engineering	172,253	172,253	170,888	(1,365)
Animal Control	<u>62,097</u>	<u>62,097</u>	<u>62,360</u>	<u>263</u>
<b>Total Public Safety</b>	<u>2,516,283</u>	<u>2,406,851</u>	<u>2,449,549</u>	<u>42,698</u>
<b>Public Works</b>				
Building and grounds	292,197	309,097	283,199	(25,898)
Highway	927,063	818,164	784,077	(34,087)
Town Aid Road	<u>289,013</u>	<u>289,013</u>	<u>288,859</u>	<u>(154)</u>
<b>Total Public Works</b>	<u>1,508,273</u>	<u>1,416,274</u>	<u>1,356,135</u>	<u>(60,139)</u>
<b>Social Services</b>				
Recreation	343,274	338,195	329,241	(8,954)
Libraries	<u>72,325</u>	<u>72,325</u>	<u>72,325</u>	<u>--</u>
<b>Total Social Services</b>	<u>415,599</u>	<u>410,520</u>	<u>401,566</u>	<u>(8,954)</u>

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

# TOWN OF PLAINFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>Administration</b>				
Telephone	43,313	37,313	36,942	(371)
Legal fees	110,000	110,000	84,679	(25,321)
Postage	25,000	29,000	27,197	(1,803)
Computer	150,000	248,500	248,393	(107)
Computer salary	44,258	49,258	50,160	902
Probate	8,022	8,022	8,022	--
Copy machines	27,000	30,500	29,575	(925)
Claims	1,000	1,000	--	(1,000)
Tax refunds	13,000	13,000	9,804	(3,196)
Board and commissions	25,500	24,750	9,233	(15,517)
Purchased services	414,366	440,410	438,383	(2,027)
Contributions	4,146	4,496	4,381	(115)
Engineering firm	33,000	32,003	32,000	(3)
Adult education (BOE supplement)	108,610	108,611	--	(108,611)
Contingency	<u>50,000</u>	<u>41,750</u>	<u>32,028</u>	<u>(9,722)</u>
<b>Total Administration</b>	<u>1,057,215</u>	<u>1,178,613</u>	<u>1,010,797</u>	<u>(167,816)</u>
Capital Outlays	<u>963,322</u>	<u>1,159,589</u>	<u>999,516</u>	<u>(160,073)</u>
Education	<u>35,930,347</u>	<u>35,916,347</u>	<u>35,257,508</u>	<u>(658,839)</u>
<b>Debt Services</b>				
Principal payments	1,440,174	1,420,174	1,420,000	(174)
Interest and fiscal charges	<u>405,494</u>	<u>405,494</u>	<u>405,494</u>	<u>--</u>
<b>Total Debt Services</b>	<u>1,845,668</u>	<u>1,825,668</u>	<u>1,825,494</u>	<u>(174)</u>
<b>Transfer out</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Expenditures</b>	<u>\$ 48,440,636</u>	<u>\$ 48,500,135</u>	<u>\$ 47,352,323</u>	<u>\$ (1,147,812)</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 SIX FISCAL YEARS**

	2020	2019	2018	2017	2016	2015
Proportion of net pension liability attributed to the Town	0.354%	0.354%	0.365%	0.366%	0.370%	0.370%
Town's proportionate share of the net pension liability	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State's proportionate share of the net pension liability attributed to the town	<u>60,402,877</u>	<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>\$ 60,402,877</u>	<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	\$ 14,861,000	\$ 14,770,000	\$ 14,679,000	\$ 14,588,000	\$ 12,917,000	\$ 14,388,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	24.60%	31.71%	29.76%	28.03%	31.85%	38.39%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	55.93%	55.93%	55.93%	55.93%	55.93%

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

# TOWN OF PLAINFIELD, CONNECTICUT

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

### LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 701,569	\$ 704,671	\$ 629,011	\$ 601,924	\$ 598,576	\$ 572,800	\$ 548,134
Interest	1,946,472	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	(1,515,667)	--	774,017	--	(1,013,041)	--	--
Changes of assumptions	971,920	--	(459,113)	--	1,055,717	--	--
Benefit payments, including refunds	<u>(1,337,266)</u>	<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	767,028	1,410,146	1,615,098	1,321,592	1,448,606	1,326,576	1,243,280
Total pension liability - beginning	<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>	<u>19,397,203</u>
Total pension liability - ending	<u>28,529,529</u>	<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>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	1,200,543	1,048,968	1,151,600	1,153,732	1,125,405	1,174,169	706,969
Contributions - members	91,477	115,599	92,183	102,613	94,173	54,905	57,049
Net Investment Income	704,100	881,311	1,715,655	2,341,480	140,367	72,030	2,396,885
Benefit payments, including refunds	(1,337,266)	(1,148,983)	(1,067,718)	(929,579)	(870,763)	(807,487)	(772,316)
Administrative expense	<u>(500)</u>	<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	658,354	896,545	1,891,220	2,667,946	417,774	485,973	2,383,237
Plan fiduciary net position - beginning	<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>	<u>14,656,823</u>
Plan fiduciary net position - ending	<u>24,057,872</u>	<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>
<b>Town's Net Pension Liability</b>	<u>\$ 4,471,657</u>	<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	84.33%	84.28%	85.39%	83.32%	76.63%	79.78%	82.56%
Covered Payroll	\$ 5,956,319	\$ 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	75.07%	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 SEVEN FISCAL YEARS

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

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

# TOWN OF PLAINFIELD, CONNECTICUT

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

### LAST FOUR FISCAL YEARS

	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 98,883	\$ 109,629	\$ 122,205	\$ 194,502
Interest	612,566	639,253	598,463	492,015
Differences between expected and actual experience	(378,414)	(739,958)	(45,625)	(185,789)
Changes of assumptions	--	(160,035)	(812,951)	(2,956,730)
Benefit payments, including refunds	(58,290)	(375,101)	(335,060)	(122,705)
Net change in total OPEB liability	274,745	(526,212)	(472,968)	(2,578,707)
Total OPEB liability - beginning	8,680,712	9,206,924	9,679,892	12,258,599
Total OPB liability - ending	8,955,457	8,680,712	9,206,924	9,679,892
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	5,184	416,850	381,666	61,401
Contributions - TRB subsidy	53,106	58,251	53,394	61,304
Net investment income	18,080	31,215	26,278	31,395
Benefit payments, including refunds	(58,290)	(375,101)	(335,060)	(122,705)
Administrative expense	--	--	--	(972)
Net change in change in plan fiduciary net position	18,080	131,215	126,278	30,423
Plan fiduciary net position - beginning	602,814	471,599	345,321	314,898
Plan fiduciary net position - ending	620,894	602,814	471,599	345,321
<b>Town's Net OPEB Liability</b>	\$ 8,334,563	\$ 8,077,898	\$ 8,735,325	\$ 9,334,571
Plan fiduciary net position as a percentage of total OPEB liability				
Covered payroll	\$ 17,560,387	\$ 17,132,085	\$ 18,953,011	\$ 18,445,753
Town's net OPEB liability as a percentage of covered payroll	47.46%	47.15%	46.09%	50.61%

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

**TOWN OF PLAINFIELD, CONNECTICUT**

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

**LAST FOUR FISCAL YEARS**

	2020	2019	2018	2017
Actuarially determined contribution	\$ 716,821	\$ 913,974	\$ 908,368	\$ 1,104,300
Contributions in relation to the actuarially determined contribution	<u>5,184</u>	<u>416,850</u>	<u>381,666</u>	<u>61,401</u>
Contribution deficiency	<u>\$ 711,637</u>	<u>\$ 497,124</u>	<u>\$ 526,702</u>	<u>\$ 1,042,899</u>
Covered employee payroll	\$ 17,560,387	\$ 17,132,085	\$ 18,953,011	\$ 18,445,753
Contributions as a percentage of covered employee payroll	0.03%	2.43%	2.01%	0.33%
Annual money-weighted rate of return, net of investment expense	3.00%	5.63%	6.02%	9.99%

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



**TOWN OF PLAINFIELD, CONNECTICUT**

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

**LAST THREE FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability attributed to the Town	0.354%	0.354%	0.365%
Town's proportionate share of the net OPEB liability	\$ --	\$ --	\$ --
State's proportionate share of the net OPEB liability attributed to the Town	<u>9,420,169</u>	<u>9,420,169</u>	<u>12,696,000</u>
Total	<u>\$ 9,420,169</u>	<u>\$ 9,420,169</u>	<u>\$ 12,696,000</u>
Town's covered payroll	\$ 14,861,000	\$ 14,770,000	\$ 14,679,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	157.76%	156.79%	115.62%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	2.08%	1.49%

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

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2020

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#### 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, 2020

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#### 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, 2020:

<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis</b>	\$	735,554
Use of fund balance for capital items		(370,828)
On behalf state pension contribution - revenue		4,697,137
On behalf state pension contribution - expenditures		<u>(4,697,137)</u>
<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis</b>	\$	<u>364,726</u>

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2020

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

- Inflation rate is assumed to be 2.50%, previously 2.75%
- Investment rate of return is assumed to be 6.63%, previously 7.00%
- Discount rate is assumed to be 6.50%, previously 7.00%

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2020

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

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

Actuarial determined contribution rates are calculated as of July 1, two fiscal years prior to the fiscal year in which contributions are reported. Actuarial contributions for fiscal year ending June 30, 2020 were determined from the July 1, 2019 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	2.50%
Investment rate of return	6.63%
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 4 – SCHEDULE OF CHANGES IN NET OPEB LIABILITY – OTHER POST-EMPLOYMENT BENEFITS PLAN**

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

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

# TOWN OF PLAINFIELD, CONNECTICUT

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

The Town began to report this schedule when it implemented GASB Statement No. 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, 2020.

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	2.50%
Investment rate of return	6.73%
Healthcare cost trend rates	7.50%, current 4.50%, 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, 2020

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

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 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, 2020**

Grand List Year	Balance Uncollected June 30, 2019	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections				Balance Uncollected June 30, 2020
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2018	\$ --	\$ 28,557,830	\$ 28,914	\$ 50,636	\$ 18,505	\$ 28,517,603	\$ 27,689,698	\$ 127,684	\$ 446	\$ 27,817,828	\$ 827,905
2017	796,942	--	1,272	5,132	46,045	747,037	365,581	80,252	2,314	448,147	381,456
2016	400,347	--	656	94	125,443	275,466	108,619	45,081	932	154,632	166,847
2015	198,025	--	--	--	38,907	159,118	41,270	18,150	480	59,900	117,848
2014	122,440	--	--	--	35,529	86,911	16,217	9,195	210	25,622	70,694
2013	73,670	--	--	--	10,885	62,785	8,057	6,395	72	14,524	54,728
2012	55,327	--	--	--	--	55,327	6,929	6,392	96	13,417	48,398
2011	53,683	--	--	--	--	53,683	9,373	13,822	96	23,291	44,310
2010	39,844	--	--	--	--	39,844	7,158	5,610	96	12,864	32,686
2009	24,980	--	--	--	--	24,980	866	513	24	1,403	24,114
2008	22,451	--	--	--	--	22,451	848	251	--	1,099	21,603
2007	18,784	--	--	--	--	18,784	--	--	--	--	18,784
2006	19,933	--	--	--	--	19,933	--	1,444	--	1,444	19,933
2005	14,831	--	--	--	--	14,831	893	39	24	956	13,938
2004	22,416	--	--	--	--	22,416	--	--	--	--	22,416
	<u>\$ 1,863,673</u>	<u>\$ 28,557,830</u>	<u>\$ 30,842</u>	<u>\$ 55,862</u>	<u>\$ 275,314</u>	<u>\$ 30,121,169</u>	<u>\$ 28,255,509</u>	<u>\$ 314,828</u>	<u>\$ 4,790</u>	<u>\$ 28,575,127</u>	1,865,660

Allowance for doubtful accounts (585,833)

Total receivable for general fund at year end \$ 1,279,827



# TOWN OF PLAINFIELD, CONNECTICUT

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2020

	Nonmajor Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Dog Fund	School Lunch Fund	Education Grants Fund	Afterschool Program Fund	CDBG Fund	Police Fund	
<b>Assets</b>							
Cash and cash equivalents	\$ 31,610	\$ 90,208	\$ 398,880	\$ 42,188	\$ 141,738	\$ 10,368	\$ 714,992
Receivables:							
Grant and contracts	--	162,321	100,239	--	--	--	262,560
Loans, net	--	--	--	--	785,973	--	785,973
Due from other funds	--	--	--	--	--	--	--
Inventories	--	39,933	--	--	--	--	39,933
<b>Total Assets</b>	<b><u>\$ 31,610</u></b>	<b><u>\$ 292,462</u></b>	<b><u>\$ 499,119</u></b>	<b><u>\$ 42,188</u></b>	<b><u>\$ 927,711</u></b>	<b><u>\$ 10,368</u></b>	<b><u>\$ 1,803,458</u></b>
<b>Liabilities</b>							
Accounts payable	\$ 6,431	\$ 51,374	\$ 9,828	\$ --	\$ --	\$ --	\$ 67,633
Accrued liabilities	--	--	89,069	--	--	--	89,069
Unearned revenue	--	--	211,973	--	--	--	211,973
Due to other funds	3,798	--	188,249	--	--	--	192,047
<b>Total Liabilities</b>	<b><u>10,229</u></b>	<b><u>51,374</u></b>	<b><u>499,119</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>560,722</u></b>
<b>Deferred Inflows of Resources</b>							
Deferred loans	--	--	--	--	785,974	--	785,974
<b>Fund Balances</b>							
Nonspendable:							
Inventories	--	39,933	--	--	--	--	39,933
Restricted for:							
Social service programs	--	--	--	--	141,737	--	141,737
Committed to:							
Capital improvements	--	--	--	--	--	--	--
Public safety	21,381	--	--	--	--	10,368	31,749
Education	--	201,155	--	42,188	--	--	243,343
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balances</b>	<b><u>21,381</u></b>	<b><u>241,088</u></b>	<b><u>--</u></b>	<b><u>42,188</u></b>	<b><u>141,737</u></b>	<b><u>10,368</u></b>	<b><u>456,762</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u>\$ 31,610</u></b>	<b><u>\$ 292,462</u></b>	<b><u>\$ 499,119</u></b>	<b><u>\$ 42,188</u></b>	<b><u>\$ 927,711</u></b>	<b><u>\$ 10,368</u></b>	<b><u>\$ 1,803,458</u></b>

**TOWN OF PLAINFIELD, CONNECTICUT**

**COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2020**

	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		
<b>Assets</b>						
Cash and cash equivalents	\$ 41,056	\$ 448,805	\$ 486,822	\$ --	\$ 976,683	\$ 1,691,675
Receivables:						
Grant and contracts	--	--	--	--	--	262,560
Loans, net	--	--	--	--	--	785,973
Due from other funds	--	--	--	29,746	29,746	29,746
Inventories	--	--	--	--	--	39,933
<b>Total Assets</b>	<u>\$ 41,056</u>	<u>\$ 448,805</u>	<u>\$ 486,822</u>	<u>\$ 29,746</u>	<u>\$ 1,006,429</u>	<u>\$ 2,809,887</u>
<b>Liabilities</b>						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 67,633
Accrued liabilities	--	--	--	--	--	89,069
Unearned revenue	--	--	--	--	--	211,973
Due to other funds	19,425	--	--	--	19,425	211,472
<b>Total Liabilities</b>	<u>19,425</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,425</u>	<u>580,147</u>
<b>Deferred Inflows of Resources</b>						
Deferred loans	--	--	--	--	--	785,974
<b>Fund Balances</b>						
Nonspendable:						
Inventories	--	--	--	--	--	39,933
Restricted for:						
Social service programs	--	--	--	--	--	141,737
Committed to:						
Capital improvements	21,631	448,805	486,822	29,746	987,004	987,004
Public safety	--	--	--	--	--	31,749
Education	--	--	--	--	--	243,343
Unassigned	--	--	--	--	--	--
<b>Total Fund Balances</b>	<u>21,631</u>	<u>448,805</u>	<u>486,822</u>	<u>29,746</u>	<u>987,004</u>	<u>1,443,766</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 41,056</u>	<u>\$ 448,805</u>	<u>\$ 486,822</u>	<u>\$ 29,746</u>	<u>\$ 1,006,429</u>	<u>\$ 2,809,887</u>

# TOWN OF PLAINFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2020

	Nonmajor Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Dog Fund	School Lunch Fund	Education Grants Fund	Afterschool Program Fund	CDBG Fund	Police Fund	
<b>Revenues</b>							
Grants and contracts	\$ --	\$ 842,860	\$ 1,756,455	\$ 27,081	\$ --	\$ 6,556	\$ 2,632,952
Licenses, permits and fees	16,034	198,248	--	71,266	--	--	285,548
Interest	52	--	--	63	691	--	806
Other	--	--	--	--	--	--	--
<b>Total Revenues</b>	<u>16,086</u>	<u>1,041,108</u>	<u>1,756,455</u>	<u>98,410</u>	<u>691</u>	<u>6,556</u>	<u>2,919,306</u>
<b>Expenditures</b>							
Public safety	28,418	--	--	--	--	4,385	32,803
Public works	--	--	--	--	52,916	--	52,916
Education	--	929,359	1,749,591	80,708	--	--	2,759,658
<b>Total Expenditures</b>	<u>28,418</u>	<u>929,359</u>	<u>1,749,591</u>	<u>80,708</u>	<u>52,916</u>	<u>4,385</u>	<u>2,845,377</u>
Excess (deficiency) of revenues over expenditures	(12,332)	111,749	6,864	17,702	(52,225)	2,171	73,929
<b>Other Financing Sources</b>							
Transfers in	15,750	--	--	--	--	--	15,750
<b>Total Other Financing Sources</b>	<u>15,750</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,750</u>
Net change in fund balance	3,418	111,749	6,864	17,702	(52,225)	2,171	89,679
<b>Fund Balances - Beginning</b>	<u>17,963</u>	<u>129,339</u>	<u>(6,864)</u>	<u>24,486</u>	<u>193,962</u>	<u>8,197</u>	<u>367,083</u>
<b>Fund Balances - Ending</b>	<u>\$ 21,381</u>	<u>\$ 241,088</u>	<u>\$ --</u>	<u>\$ 42,188</u>	<u>\$ 141,737</u>	<u>\$ 10,368</u>	<u>\$ 456,762</u>

**TOWN OF PLAINFIELD, CONNECTICUT**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	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	
<b>Revenues</b>						
Grants and contracts	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,632,952
Licenses, permits and fees	--	--	--	--	--	285,548
Interest	357	6,743	7,367	22	14,489	15,295
Other	--	3,270	--	--	3,270	3,270
<b>Total Revenues</b>	<u>357</u>	<u>10,013</u>	<u>7,367</u>	<u>22</u>	<u>17,759</u>	<u>2,937,065</u>
<b>Expenditures</b>						
Public safety	--	--	--	--	--	32,803
Public works	--	--	--	--	--	52,916
Education	--	--	--	--	--	2,759,658
<b>Total Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,845,377</u>
Excess (deficiency) of revenues over expenditures	357	10,013	7,367	22	17,759	91,688
<b>Other Financing Sources</b>						
Transfers in	--	--	--	--	--	15,750
<b>Total Other Financing Sources</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,750</u>
Net change in fund balance	357	10,013	7,367	22	17,759	107,438
<b>Fund Balances - Beginning</b>	<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>
<b>Fund Balances - Ending</b>	<u>\$ 21,631</u>	<u>\$ 448,805</u>	<u>\$ 486,822</u>	<u>\$ 29,746</u>	<u>\$ 987,004</u>	<u>\$ 1,443,766</u>

# TOWN OF PLAINFIELD, CONNECTICUT

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

### PROPRIETARY FUND

**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Over (Under)
<b>Revenues</b>				
Sewer use charges	\$ 1,575,005	\$ 1,575,005	\$ 1,570,874	\$ (4,131)
Lien charges	500	500	647	147
Interest charges	15,000	15,000	21,277	6,277
Investment income	--	--	14,893	14,893
Sewer permits	100	100	110	10
Sewer assessments	20,000	20,000	28,875	8,875
Pre industrial treatment	105,000	105,000	95,586	(9,414)
Other	45,000	45,000	59,512	14,512
<b>Total Revenues</b>	<u>1,760,605</u>	<u>1,760,605</u>	<u>1,791,774</u>	<u>31,169</u>
<b>Expenditures</b>				
Personnel costs	990,403	990,403	926,545	(63,858)
Administration	85,652	85,652	66,347	(19,305)
Operations	419,100	419,100	394,929	(24,171)
Utilities	199,550	199,550	190,384	(9,166)
Vehicles	35,000	35,000	18,481	(16,519)
Equipment replacement	30,900	30,900	66,015	35,115
Depreciation expense	--	--	319,677	319,677
Interest expense	--	--	144,711	144,711
<b>Total Expenditures</b>	<u>1,760,605</u>	<u>1,760,605</u>	<u>2,127,089</u>	<u>366,484</u>
Excess (deficiency) revenues over expenditures	--	--	(335,315)	(335,315)
<b>Other Financing Sources (Uses)</b>				
Transfers in	--	--	429,344	429,344
Transfers out	--	--	(214,672)	(214,672)
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>214,672</u>	<u>214,672</u>
Change in net position	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (120,643)</u>	<u>\$ (120,643)</u>

**TOWN OF PLAINFIELD, CONNECTICUT**

**SCHEDULE OF SEWER ASSESSMENTS COLLECTIONS**

**FOR THE YEAR ENDED JUNE 30, 2020**

	Uncollected Assessments July 1, 2019	Current Assessments	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments June 30, 2020
			Additions	Deductions		Assessments Collected	Interest and Lien Fees	Total	
Special Assessments	<u>\$ 66,842</u>	<u>\$ --</u>	<u>\$ 33,910</u>	<u>\$ --</u>	<u>\$ 100,752</u>	<u>\$ 35,056</u>	<u>\$ 5,838</u>	<u>\$ 40,894</u>	<u>\$ 65,696</u>

**TOWN OF PLAINFIELD, CONNECTICUT**

**SCHEDULE OF SEWER USAGE COLLECTIONS**

**FOR THE YEAR ENDED JUNE 30, 2020**

Grand List Year	Uncollected Charges July 1, 2019	Current Billings	Lawful Corrections		Transfer to Suspense	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2020
			Additions	Deductions			Charges Collected	Interest and Lien Fees	Total	
2018	\$ --	\$ 1,504,767	\$ 77,614	\$ --	\$ --	\$ 1,582,381	\$ 1,544,807	\$ 6,443	\$ 1,551,250	\$ 37,574
2017	30,472	--	--	--	--	30,472	14,886	4,788	19,674	15,586
2016	14,142	--	--	--	--	14,142	5,732	2,544	8,276	8,410
2015	7,343	--	--	--	--	7,343	2,123	1,263	3,386	5,220
2014	5,638	--	--	--	--	5,638	1,578	1,111	2,689	4,060
2013	3,900	--	--	--	--	3,900	1,040	1,023	2,063	2,860
2012	3,110	--	--	--	--	3,110	960	1,121	2,081	2,150
2011	2,587	--	--	--	--	2,587	1,387	1,375	2,762	1,200
2010	690	--	--	--	--	690	--	--	--	690
2009	230	--	--	--	--	230	--	--	--	230
2008	--	--	--	--	--	--	--	--	--	--
2007	--	--	--	--	--	--	--	--	--	--
2006	--	--	--	--	--	--	--	--	--	--
2005	--	--	--	--	--	--	--	--	--	--
2004	--	--	--	--	--	--	--	--	--	--
2003	--	--	--	--	--	--	--	--	--	--
2002	--	--	--	--	--	--	--	--	--	--
	<u>\$ 68,112</u>	<u>\$ 1,504,767</u>	<u>\$ 77,614</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,650,493</u>	<u>\$ 1,572,513</u>	<u>\$ 19,668</u>	<u>\$ 1,592,181</u>	<u>\$ 77,980</u>

**TOWN OF PLAINFIELD, CONNECTICUT**

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

**JUNE 30, 2020**

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	Pension Trust Funds	OPEB Trust Funds	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 191,613	\$ 3,756	\$ 195,369
Investments:			
Mutual funds	<u>23,866,259</u>	<u>617,138</u>	<u>24,483,397</u>
<b>Total Assets</b>	<u>\$ 24,057,872</u>	<u>\$ 620,894</u>	<u>\$ 24,678,766</u>
<b>Net Position</b>			
Held in trust for pension benefits and other purposes	<u>\$ 24,057,872</u>	<u>\$ 620,894</u>	<u>\$ 24,678,766</u>



# TOWN OF PLAINFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	Pension Trust Funds	OPEB Trust Funds	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 1,200,543	\$ 5,184	\$ 1,205,727
Plan members	91,477	--	91,477
Other revenue	--	53,106	53,106
<b>Total Contributions</b>	<u>1,292,020</u>	<u>58,290</u>	<u>1,350,310</u>
Investment income:			
Interest and dividends	461,381	18,080	479,461
Change in the fair value of investments, net	337,801	--	337,801
Net investment income	<u>799,182</u>	<u>18,080</u>	<u>817,262</u>
<b>Total Additions</b>	<u>2,091,202</u>	<u>76,370</u>	<u>2,167,572</u>
<b>Deductions</b>			
Benefit payments	1,337,266	58,290	1,395,556
Administrative expenses	95,582	--	95,582
<b>Total Deductions</b>	<u>1,432,848</u>	<u>58,290</u>	<u>1,491,138</u>
Change in net position	658,354	18,080	676,434
<b>Net Position - Beginning</b>	<u>23,399,518</u>	<u>602,814</u>	<u>24,002,332</u>
<b>Net Position - Ending</b>	<u>\$ 24,057,872</u>	<u>\$ 620,894</u>	<u>\$ 24,678,766</u>

**TOWN OF PLAINFIELD, CONNECTICUT**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Student Activity Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 210,384	\$ 356,794	\$ (284,148)	\$ 283,030
<b>Total Assets</b>	<u>\$ 210,384</u>	<u>\$ 356,794</u>	<u>\$ (284,148)</u>	<u>\$ 283,030</u>
<b>Liabilities</b>				
Due to student groups	\$ 210,384	\$ 356,794	\$ (284,148)	\$ 283,030
<b>Total Liabilities</b>	<u>\$ 210,384</u>	<u>\$ 356,794</u>	<u>\$ (284,148)</u>	<u>\$ 283,030</u>