

OFFICIAL STATEMENT DATED MARCH 14, 2017

REFUNDING / NEW MONEY ISSUE:

MOODY'S RATING: Aa3

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; the Bonds are "qualified tax-exempt obligations"; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B - "Form of Opinion of Bond Counsel and Tax Exemption" herein.)

TOWN OF PLAINFIELD, CONNECTICUT

\$3,580,000

GENERAL OBLIGATION BONDS, ISSUE OF 2017

(BANK QUALIFIED)

BOOK-ENTRY-ONLY

Dated: Date of Delivery

Due: July 15, 2017-2021, as shown below

The Bonds will be general obligations of the Town of Plainfield, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein). The Bonds will bear interest payable semiannually on July 15 and January 15 in each year until maturity, commencing July 15, 2017. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry Transfer System" herein).

The Bonds are NOT subject to redemption prior to maturity.

The Certifying, Registrar, Transfer, Paying and Escrow Agent for the Bonds will be U.S. Bank National Association, in Hartford, Connecticut.

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest		Yield	CUSIP (1)
		Rate			
2017	\$ 170,000	3.000%		0.900%	726209QA0
2018	1,120,000	3.000		1.000	726209QB8
2019	1,140,000	3.000		1.300	726209QC6
2020	1,000,000	3.000		1.500	726209QD4
2021	150,000	3.000		1.700	726209QE2

PiperJaffray

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that the Bonds in definitive form will be available for delivery in New York, New York on or about March 29, 2017.

- (1) Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Town of Plainfield, Connecticut (the "Town"), to give any information or to make representations not contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – "Audited Financial Statements" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than matters expressly set forth in Appendix B - "Form of Opinion of Bond Counsel and Tax Exemption" herein, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

This Official Statement is in a form "deemed final" by the Town for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board through its EMMA system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed in substantially the form of Appendix C to this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page and appendices, is provided only in connection with the initial offering and sale of \$3,580,000 General Obligation Bonds, Issue of 2017 (the "Bonds") to present certain financial and supplementary economic and demographic data relevant to the Town of Plainfield, Connecticut (the "Town"), and may not be reproduced or used in whole or in part for any other purpose.

The Bonds will be general obligations of the Town for which its full faith and credit are pledged. They are not guaranteed by the State of Connecticut (the "State") or any other entity. The security for the Bonds is more fully described under the caption "Security and Remedies" herein.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion in Appendix B) and they make no representation that they have independently verified the same.

Description of the Bonds

The Bonds will be issued in an aggregate amount of \$3,580,000, of which \$2,855,000 (the "Refunding Bonds") will be used to advance refund all or a portion of the outstanding principal amounts of the Town's \$16,295,000 General Obligation Bonds, Issue of 2007, dated July 1, 2007 (the "Refunded Bonds"). (See "Plan of Refunding" herein). The remaining amount of \$725,000 (the "Capital Projects Bonds") will be used to finance various school projects of the Town. (See "Authorization and Purpose of the Capital Projects Bonds" herein).

The Bonds will be dated the date of delivery and will mature on July 15 in each of the years and in the principal amounts set forth on the cover page hereof. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable July 15, 2017 and semiannually thereafter on January 15 and July 15 in each year until maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owner of the Bonds as of the close of business on the last business day of June and December in each year. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying, Registrar, Transfer, Paying and Escrow Agent will be the U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103. The Bonds SHALL BE designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. The legal opinion on the Bonds will be rendered by Day Pitney LLP, of Hartford, Connecticut, in substantially the form set forth in Appendix B to this Official Statement. **The Bonds are NOT subject to redemption prior to maturity.**

Authorization and Purpose of the Capital Projects Bonds

The Capital Projects Bonds are being issued pursuant to Title 7 and Title 10 of the Connecticut General Statutes, as amended, the Charter of the Town, and a bond resolution adopted by the voters at a referendum and Town Meetings described as follows.

Various Schools Capital Improvements: The Capital Projects Bonds are being issued pursuant to an appropriation and borrowing authorization totaling \$4,000,000 to fund the design, construction and installation of various capital improvements at Shepard Hill Elementary School, Moosup Elementary School, Plainfield Central School, Plainfield Memorial School, Early Childhood Center and Plainfield High School approved by the voters of the Town at referendum on December 10, 2013.

Proceeds of the Capital Projects Bonds will be used to finance the following capital project (the "Project"):

Projects	Amount of Total Authorization	Notes Maturing March 29, 2017	Additions / (Reductions)	The Capital Projects Bonds (This Issue)
Various schools capital improvements	\$ 4,000,000	\$ 2,000,000	\$(1,275,000)	\$ 725,000

Plan of Refunding

The Refunding Bonds are authorized and issued pursuant to Section 7-370c of the General Statutes of Connecticut, as amended and a refunding resolution adopted by the Town's Board of Selectmen at a meeting held February 27, 2017 authorizing the issuance of refunding bonds in an amount not to exceed \$3,000,000. The Refunding Bonds are being issued to advance refund all or a portion of the outstanding maturities of the Town's outstanding bonds as listed below.

The refunding is contingent upon delivery of the Refunding Bonds.

Issue	Dated Date	Maturity Date	Amount Outstanding	Interest Rate	Redemption Date	Redemption Price
2007	7/1/2007	7/15/2018	\$ 975,000	4.125%	7/17/2017	100.00%
2007	7/1/2007	7/15/2019	1,000,000	4.250	7/17/2017	100.00
2007	7/1/2007	7/15/2020	875,000	4.250	7/17/2017	100.00
			<u>\$ 2,850,000</u>			

Upon delivery of the Refunding Bonds, a portion of the proceeds will be deposited in an irrevocable escrow deposit fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") dated as of March 29, 2017 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the government of the United States of America, including United States Treasury State and Local Government Series ("SLGS") securities (the "Escrow Securities"), all of which shall not be callable or pre-payable at the option of the issuer thereof. The principal of and interest on the Escrow Securities, when due, will provide amounts sufficient to pay the principal, interest and redemption premium, if any, on the Refunded Bonds to the redemption dates (the "Escrow Requirements"). All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Refunding Bonds will be used to pay costs of issuance and Underwriter's discount.

Verification of Mathematical Computations

Barthe & Wahrman, a Professional Association, will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Refunding Bonds: (1) of the computations that the anticipated receipts from the Escrow Securities and cash deposits set forth in the Underwriter's schedules, will be sufficient to pay, when due, the principal, interest and applicable call premium, payment requirements, if any, of the Refunded Bonds, and (2) the computations of yield on the Bonds and the Escrow Securities contained in the provided schedules. Barthe & Wahrman, a Professional Association, will express no opinion on the assumptions provided to them.

Estimated Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:

Par Amount	\$ 3,580,000.00
Net Original Issue Premium	129,472.90
Total Sources	<u>\$ 3,709,472.90</u>

Uses:

Deposit to Capital Projects Fund	\$ 745,142.55
Deposit to Escrow Deposit Fund	2,903,883.21
Underwriter's Discount	24,165.00
Costs of Issuance	36,282.14
Total Uses	<u>\$ 3,709,472.90</u>

Ratings

The Bonds have been rated "Aa3" by Moody's Investors Service, Inc. ("Moody's"). The rating on the Town's outstanding general obligation bonds has recently been affirmed as "Aa3" by Moody's. Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's outstanding bonds and notes, including the Bonds.

Security and Remedies

The Bonds will be general obligations of the Town of Plainfield, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from the general property tax revenues of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. There were no acres of such certified forest land on the last completed grand list of the Town. The Town may place a lien on the property for the amount of the relief granted plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the Statutes upon its power to tax such dwelling houses of qualified elderly persons of low income.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds. There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues or property to secure the Bonds or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such bonds or notes of the Town would also be subject to the applicable provisions of Federal bankruptcy laws, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

THE TOWN OF PLAINFIELD, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Qualification for Financial Institutions

The Bonds SHALL be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of calculating the deduction by financial institutions for interest expense allocable to the Bonds.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

Replacement Bonds

The Town will provide for the issuance of fully-registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Underwriting

The Bonds are being purchased by Piper Jaffray & Co. (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Town at the net aggregate purchase price of \$3,685,307.90, (consisting of the principal amount of \$3,580,000, plus net original issue premium of \$129,472.90, and less underwriter's discount of \$24,165.00). The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has entered into a distribution agreement (the "CS & Co. Distribution Agreement") with Charles Schwab & Co., Inc. ("CS & Co.") for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the CS & Co. Distribution Agreement, CS & Co. will purchase the Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS & Co. sells.

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SECTION II - THE ISSUER

Description of the Town

The Town of Plainfield was originally settled in 1689 as Quinebaug Plantation. The Town was incorporated in 1699 and renamed Plainfield by the Governor in 1700. Covering 42.3 square miles in Windham County, Plainfield lies about forty-nine miles east of Hartford and is adjacent to the Town of Sterling on the east, Voluntown and Griswold to the south, Canterbury and Brooklyn to the west, and Killingly to the north. State Routes 12, 14, 14A, 205 and 169 serve the Town. Interstate 395, a limited-access four-lane highway with three Plainfield exits, provides north-south commercial and passenger roadway access and connects the Town with the Massachusetts Turnpike to the north and to Norwich, Interstate 95, and the Connecticut shore to the south. Freight rail service is provided by Providence & Worcester Railroad Company.

Plainfield is in close proximity to a technical high school, two community colleges, a technical college, and two state universities.

Quinebaug Valley Fish Hatchery located in Plainfield is one of the largest and most modern fish hatcheries in the northeast. Activities at the Hatchery include trout genetics and Atlantic salmon culture. A visitors' lobby and special viewing ponds are open to the public seven days a week.

There are four distinct villages known as Central Village, Moosup, Plainfield and Wauregan, each with its own identity. Each district has the distinction of having a National Register Historic District. The National Register is the official list of historic properties recognized by the Federal government as worthy of preservation for their significance in American history. The National Register districts are the Central Village Historic Village, the Lawton Mills Historic District, Plainfield Street, and the Wauregan Historic District, including the First Congregational Church in Plainfield, the Aldrich Free Library in Moosup, the Glen Falls Bridge and the Packerville Bridge.

Form of Government

Plainfield is governed under a Selectmen/Town Meeting form of government with an elected Board of Finance. A three-member Board of Selectmen supervises all affairs of the Town, including the First Selectman who serves as the Town's Chief Executive Officer. Selectmen are elected biennially for two-year terms. The Board of Finance is responsible for budget making. The Finance Director oversees the Town's day-to-day financial operations.

Municipal Officials

Office	Name	Term	Date Service Began
First Selectman	Paul E. Sweet	2 Years -- Elected	11/20/07
Selectman	Virginia Sampietro	2 Years -- Elected	04/26/16
Selectman	George J. Krecidlo	2 Years -- Elected	11/20/07
Town Clerk	Louisa Trakas	4 Years -- Elected	11/20/05
Treasurer / Finance Director	Kelly Vachon	Appointed / indefinite	02/06/06
Assessor	Joyce Stangeland, CCMA II	Appointed / indefinite	03/03/97
Tax Collector	Nadine Hoyt	2 Years -- Elected	11/18/09
Superintendent of Schools	Ken DiPetro, EdD	Appointed / indefinite	11/15/10
Economic Development Coordinator	Shelly Hopkins	Appointed / indefinite	02/01/10

Summary of Municipal Services

Police: The Plainfield Police Department was organized in 1982 based upon a Town ordinance establishing a Board of Police Commissioners and the department itself. The department's operational manager is the Chief of Police who is responsible for supervising a deputy chief, sergeants, detectives, officers, and clerk/dispatchers. The department also has an in-house mechanic who maintains the department's vehicles. The department is large enough to respond to any situation yet small enough to see and understand the needs of the community.

Fire: Plainfield has four incorporated fire districts: Atwood Hose, Central Village, Moosup, and Plainfield. The fire districts are taxing entities separate from the Town. Fire district debt, if any, represents underlying debt of the Town of Plainfield (see "Overlapping/Underlying Debt" herein). Each fire district has its own Director and governing committee. There are a total of 21 pieces of equipment and roughly 175 volunteer members among the four districts. All volunteer fire department members are required to attend regular training drills.

Highway Department: The Highway Department maintains 95 miles of Town-owned roads including snow removal, ice control, pothole patching, paving, brush and limb cutting, sign replacement, repair and replacement of box culverts and catch basins, road sweeping, and mowing roadside grass. The department employees pick up bagged leaves and brush in the spring and fall and assist in maintaining schools, the Police Department, Little League fields, and the Recreation Department.

Emergency Medical Assistance: In the Town of Plainfield EMS transport services are provided by the American Legion Ambulance Fund, also known as the Moosup/Plainfield Ambulance. The ambulance service has both paid and volunteer Emergency Medical technician and Emergency Medical Responders that provide 24 hour, 7 day a week coverage. They operate 3 ambulances out of a new ambulance headquarters located on Norwich Road in the Central Village section of Plainfield. With the construction of a new satellite emergency room facility by William W. Backus Hospital in Plainfield transport time to a 24 hour MD staffed ER has been reduced to 10 minutes or less. Day Kimball Hospital is 12 miles to the north in Putnam, CT and the main campus of William W. Backus Hospital is 14 miles south in Norwich, CT.

Solid/Bulky Waste: Willimantic Waste operates the Town's transfer station under permit from the State Department of Environmental Protection. Residents can receive annual bulky waste passes to bring in bulky waste materials from July 1st to June 30th. The Town of Plainfield expends approximately \$188,000 annually to Willimantic Waste.

Sewer: The Plainfield sewer system consists of approximately 47 miles of gravity sewers and five miles of forced mains. The sewer system has 5,735 users which are residential and commercial users. The sewer line services much of the Town's central business district and approximately 15,400 residents. The Facilities Plan for the Village and the North Wastewater Treatment Plants have been approved by the Department of Environmental Protection. The Town is currently starting a renovation project on the Village and North Wastewater Treatment Plants created by the engineering firm, Fuss & O'Neill.

Water: Connecticut Water Company provides water to the densely populated central district. The provider bills users directly. Residents not served by the company have private wells.

Recreation: The Plainfield Recreation Department, located at the Community Services Complex, provides over 70 recreational and leisure activities for adults and children under the supervision of a Recreation Director. Sample services include aerobics, adult open gym, youth soccer and basketball, fun runs, track and field, social events, family outings, summer all-day activities, and teen activities. All-day child care is provided at the Community Services Complex. Before-school and after-school programs are available. Recreational facilities include an Olympic-sized swimming pool located in the basement of the Town Hall and an auditorium. The Town also provides tennis courts and Little League, Babe Ruth, softball fields, a skate park and walking tracks.

Senior Services: The Plainfield Senior Citizen Center serving nearly 500 seniors registered for its activities. Hot lunch is served four days a week. Weekly activities include crafts, cards, chorus, billiards, sewing, social activities, educational programs, and trips. The Center offers a well-stocked library of current books, videos, and educational material, weekly free legal advice, and a nurse practitioner to deal with medical concerns. The elderly also enjoy the use of a seven-passenger handicapped-accessible van as needed for trips to the doctor. In 2012, the Town constructed a new room for the Historical Society at the Community Service Complex.

Libraries: Library services are provided by one library located in Plainfield: the Aldrich Free Public Library. The library offers the public internet access, books and serials, and over 800 audiotapes. A few of the many programs offered include stories and music, holiday crafts, summer reading, book discussions, clown workshop, the Book Buddy program, and reading one-on-one. Technology is highlighted through Electric Library, Galenet, and ReQuest. Future emphasis will feature books on stress, health problems, natural remedies, parenting, and books on tape.

Utilities: Eversource provides electric power and natural gas to Plainfield residents.

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Educational System

The Town of Plainfield Public School system provides educational programs to students pre-kindergarten through twelfth grade and also provides adult education courses to members of the community. The grade structure for the public school system is preschool to grade four through five, grades six through eight, and nine through twelve. The district operates an early childhood center, three elementary schools, one middle school and one high school. Enrollments stand at approximately 2,500 students. The certificated teaching staff averages over 14 years' experience, 95 percent of whom have a master's degree or above. The Board of Education is comprised of nine members elected to overlapping six-year terms. The Board's responsibility is to develop the policy that gives broad direction to the public school system's professional staff.

Educational Facilities

Schools	Grades	Date Occupied	Additions/ Renovations	Number of Classrooms	Enrollment 10/01/16	Capacity
Early Childhood Center	Readiness	1927	1974, 2000	12	20	233
Moosup Elementary	PK-3	1966	1992	18	309	416
Memorial Elementary	4-5	1969	1992	22	344	544
Shepherd Hill Elementary	PK-3	1992		29	425	650
Central Middle	6-8	1982	1992	28	506	760
Plainfield High	9-12	2005		87	669	848
Total					<u>2,273</u>	<u>3,451</u>

Source: Superintendent of Schools.

School Enrollment

As of October 1	Actual			
	K-5	6 - 8	9 - 12	Total
2007-08	1,274	572	916	2,762
2008-09	1,270	560	873	2,703
2009-10	1,297	573	852	2,722
2010-11	1,249	585	792	2,626
2011-12	1,214	595	758	2,567
2012-13	1,166	587	740	2,493
2013-14	1,158	593	700	2,451
2014-15	1,068	567	682	2,317
2015-16	1,066	532	695	2,293
2016-17	1,098	506	669	2,273

Source: Superintendent of Schools.

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Municipal Employment
(Full-time Equivalent)

<u>Fiscal Year</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government	74	74	74	70	66	70	74
Board of Education	314	319	327	345	350	356	374
Total	<u>388</u>	<u>393</u>	<u>401</u>	<u>415</u>	<u>416</u>	<u>426</u>	<u>448</u>

Source: Town Officials and Superintendent of Schools.

Municipal Employees Bargaining Organizations

The following table sets forth a breakdown of employee representation by collective bargaining agent and the dates of expiration of the various collective bargaining agreements:

<u>Employees</u>	<u>Number of Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Town Employees, clerical and maintenance	12	Local 1303-185, AFSCME Council 4, AFL-CIO	6/30/2017
Town Employees, other	7	Local 818, AFSCME Council 4, AFL-CIO	6/30/2017
Police	16	United Public Service Employees Union	6/30/2018
Highway Department	11	United Public Service Employees Union	6/30/2018
Sewer Department	10	Local 1303-164, AFSCME Council 4, AFL-CIO	6/30/2017
Dispatchers	9	Local 1303-358, AFSCME Council 4, AFL-CIO	6/30/2020
Subtotal	<u>65</u>		
Non-Bargaining	9	Non-affiliated	N/A
Total General Government	<u>74</u>		
<u>BOARD OF EDUCATION</u>			
Administrators	10	Plainfield Association of School Administrators	6/30/2019
Teachers	195	Plainfield Education Association	6/30/2017
School Nurses	7	Plainfield School Nurses' Association	6/30/2017
Secretaries	19	Plainfield Association of Educational Secretaries	6/30/2019
Custodians	24	Plainfield Custodians' Association	6/30/2017
Paraprofessionals	124	Paraprofessionals' Association	6/30/2019
Subtotal	<u>379</u>		
Non-Bargaining	44	Non-affiliated	N/A
Total Board of Education	<u>423</u>		
Total	<u>497</u>		

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Current Economic Information

Plainfield is located geographically at the midpoint of the Interstate 395 corridor running from Interstate 90 in Auburn, Massachusetts to Interstate 95 in Waterford, Connecticut. Approximately 40,000 vehicles per day travel through the community.

The Economic Development Commission ("EDC") works to further the quality and diversification of development within the Town in an effort to recruit and encourage business and industry to locate or remain in Plainfield. Target businesses and industries identified in the Town's Economic Development Plan include warehousing/distribution, trucking, railroad transportation, beverages, water-based products, tourism, retail and entertainment. This strategy is supported by an excellent source and abundance of high quality water, accessible highway and rail system, and natural resources. A variety of programs and incentives are available. Properties located in the Enterprise Zone are entitled to benefits including tax abatements, tax credits, low-cost loans and job training benefits.

The Lowe's Distribution Center opened in the fall of 2005 with an \$80,000,000 investment in building and equipment. It currently employs approximately 400 people in a range of positions and has generated over \$1,000,000 in taxes for the Town.

Another nationally known business in town is Staples, Inc., which sited one of its distribution centers in Plainfield. Staples is one of the top 5 employers in Plainfield as well as one of the top 25 employers in Windham County.

The Plainfield Industrial Park, completed in 1990, consists of more than 100 acres divided into thirty sites. The Industrial Park has connections for water, sewer, natural gas, and underground telecommunications and electricity. The Industrial Park is located in the Enterprise Zone. All but six lots, collectively appraised at approximately \$300,000 have been sold. The Industrial Park counts among its occupants Westminster Tool, which manufactures custom engineered injection molds for the aerospace/defense and medical device/pharmaceuticals markets; BGR Radiator, a global supplier of commercial and industrial radiators and coolers; and Linemaster Switch, a leading OEM supplier of foot switches for a broad array of industries. Recent newcomers to the Industrial Park include Scope Technologies, a manufacturer of fiberscopes and video scopes for use in such industries as mining, law enforcement and surveillance, and industrial engineering; and Connecticut Mop, a third generation family business that has operated in Plainfield for 50 years.

Plainfield Renewable Energy has built a \$130 million biomass generation facility capable of producing 37.5 MW of electricity. Power will be generated through the use of clean wood derived from construction and demolition waste. The plant will generate enough electricity to provide 15% of the renewable energy that the State of Connecticut is required by statute to produce. Construction was completed in September 2013. The facility generates approximately \$1.6 million in annual tax revenues.

Plainfield has extended a Water Main down Lathrop Road Extension creating the area as an Industrial Development. ARS Products, a SATCOM, DATACOM and TELECOM company came to Plainfield in 2016 due to this Industrial Development. ARS Products was founded in 2003 to provide innovative state-of-the-art RF Switching and Signal Conditioning products to the communications industry, both commercial and military. ARS has created about 50 jobs since opening.

Backus Hospital has started construction on a 40,000 square foot medical building. This project will be completed in 2017. The assessed value of this project is \$3,700,000. This new medical building will be a women care medical facility and will create new jobs in the Town.

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Population Trends

Year	Town of Plainfield	Windham County	State of Connecticut
1980	12,794	92,312	3,107,564
1990	14,363	102,525	3,287,116
2000	14,619	105,237	3,405,565
2010	15,405	109,091	3,475,097
2015	15,207	117,470	3,593,222

Source: U.S. Census Bureau, Census 1980 – 2010 and 2011-2015 American Community Survey.

Age Characteristics of Population

Age	Town of Plainfield	Windham County	State of Connecticut
Under 5	785	6,107	191,445
5 - 9	1,011	7,008	214,983
10 - 14	939	6,994	231,075
15 - 19	964	8,573	255,286
20 - 24	724	8,402	237,578
25 - 34	1,786	14,233	436,678
35 - 44	2,497	14,934	448,840
45 - 54	2,252	18,412	556,454
55 - 59	1,114	8,691	259,565
60 - 64	822	7,526	219,040
65 - 74	1,144	9,369	291,955
75 - 84	797	4,913	162,332
85 and over	372	2,308	87,991
Total	15,207	117,470	3,593,222

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

Selected Wealth and Income Indicators

	Median Family Income		Per Capita Income	
	(2000)	(2015)	(2000)	(2015)
Town of Plainfield	\$ 47,447	\$ 79,942	\$ 18,706	\$ 27,137
Windham County	52,490	72,358	20,443	28,140
Connecticut	65,521	89,031	28,766	38,803
United States	49,600	66,011	21,690	28,930

Source: U.S. Census Bureau, Census 2000 and 2011-2015 American Community Survey.

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Income Distribution

	Town of Plainfield		Windham County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	28	0.7	1,045	3.5	30,926	3.5
10,000 to 14,999	55	1.4	554	1.9	18,063	2.0
15,000 to 24,999	320	8.0	1,947	6.6	46,085	5.1
25,000 to 34,999	389	9.7	2,574	8.7	55,716	6.2
35,000 to 49,999	384	9.6	3,642	12.3	83,173	9.3
50,000 to 74,999	1,020	25.5	5,627	19.0	139,724	15.6
75,000 to 99,999	763	19.1	5,175	17.4	126,557	14.1
100,000 to 149,999	676	16.9	5,857	19.7	183,030	20.4
150,000 to 199,999	274	6.9	2,230	7.5	94,575	10.6
200,000 or more	90	2.3	1,023	3.4	117,791	13.2
Total	3,999	100.0	29,674	100.0	895,640	100.0

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

Educational Attainment

	Town of Plainfield		Windham County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	402	3.7	3,257	4.1	105,725	4.3
9th to 12th grade	928	8.6	6,182	7.7	144,132	5.9
High School Graduate	4,451	41.3	27,569	34.3	673,973	27.4
Some College	2,516	23.3	17,399	21.6	430,129	17.5
Associate Degree	804	7.5	7,383	9.2	183,289	7.4
Bachelor Degree	1,069	9.9	11,156	13.9	516,001	21.0
Graduate or Professional Degree	614	5.7	7,440	9.3	409,606	16.6
Total	10,784	100.0	80,386	100.0	2,462,855	100.0
Total high school graduate or higher (%)		87.7%		88.3%		89.9%
Total bachelor degree or higher (%)		15.6%		23.1%		37.6%

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

Employment by Industry

Employment Sector	Town of Plainfield		Windham County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining	16	0.2	1,075	1.8	7,214	0.4
Construction	585	7.8	3,524	6.0	100,593	5.6
Manufacturing	972	12.9	7,422	12.6	191,286	10.7
Wholesale Trade	194	2.6	1,641	2.8	44,581	2.5
Retail Trade	1,326	17.6	7,966	13.5	193,799	10.9
Transportation, Warehousing & Utilities	434	5.8	2,771	4.7	66,850	3.8
Information	99	1.3	811	1.4	41,486	2.3
Finance, Insurance & Real Estate	305	4.1	2,663	4.5	163,822	9.2
Professional, Scientific & Management	426	5.7	4,542	7.7	199,942	11.2
Educational, health & social services	1,754	23.3	16,077	27.3	471,587	26.5
Arts, Entertainment, Recreation & Food Services	905	12.0	5,855	10.0	153,516	8.6
Other Service (including nonprofit)	251	3.3	2,315	3.9	79,998	4.5
Public Administration	255	3.4	2,180	3.7	66,743	3.7
Total	7,522	100.0	58,842	100.0	1,781,417	100.0

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

Major Employers

Name of Employer	Nature of Entity	Estimated Number of Employees
Town of Plainfield	Municipal government	497
Lowe's Distribution Center	Bldg supplies distribution center	400
Big Y	Supermarket	120
Village Manor Association	Nursing home	120
Staples	Office supplies distribution center	100
Griswold Rubber	Rubber products	90

Source: Town Officials

Unemployment Rate Statistics

Yearly Average	Town of Plainfield Percent	Danielson-Northeast Labor Market Percent	State of Connecticut Percent	United States Percent
2006	5.6	5.4	4.3	4.6
2007	5.9	5.4	4.5	4.6
2008	7.3	6.6	5.7	5.8
2009	10.4	9.4	8.0	9.3
2010	11.7	10.7	9.0	9.6
2011	11.1	10.0	8.8	9.0
2012	10.6	9.6	8.3	8.1
2013	10.4	8.9	7.9	7.4
2014	8.6	7.5	6.7	6.2
2015	7.0	6.1	5.6	5.3

2016 Monthly

January	7.4	6.7	6.0	5.3
February	7.4	6.7	6.0	5.2
March	7.5	6.8	6.2	5.1
April	6.5	6.0	5.6	4.7
May	6.1	5.6	5.4	4.5
June	6.4	5.8	5.9	5.1
July	6.6	5.7	5.6	5.1
August	6.5	5.6	5.6	5.0
September	5.6	5.2	5.1	4.8
October	5.1	4.7	4.5	4.7
November	4.3	3.9	3.7	4.4
December	4.6	4.0	3.9	4.5

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

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Number and Value of Building Department Permits

Fiscal Year	Residential		Commercial		Other		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2016	11	\$ 1,824,000	3	\$ 650,000	559	\$ 7,936,437	573	\$ 10,410,437
2015	15	1,581,000	4	4,945,399	620	8,840,279	639	15,366,678
2014	16	1,533,000	3	79,000	484	7,223,112	503	8,835,112
2013	11	1,286,000	3	821,000	425	4,204,421	439	6,311,421
2012	9	1,148,000	6	135,446,896	449	4,575,705	464	141,170,601
2011	11	1,329,000	3	3,796,500	483	10,147,570	497	15,273,070
2010	13	953,000	1	200,000	439	4,589,717	453	5,742,717
2009	9	797,000	3	6,925,000	364	3,241,135	376	10,963,135
2008	15	2,324,400	2	1,380,000	488	4,848,336	505	8,552,736
2007	33	4,863,800	7	1,050,330	488	4,894,608	528	10,808,738

Source: Town of Plainfield, Building Official.

Characteristics of Housing Units

Value of Owner Occupied Units	Town of Plainfield		Windham County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
\$ 0 to \$ 50,000	196	4.7	1,067	3.4	24,620	2.7
50,000 to 99,999	129	3.1	1,326	4.3	28,771	3.2
100,000 to 149,999	815	19.7	4,881	15.7	78,066	8.6
150,000 to 199,999	1,593	38.5	8,722	28.0	140,544	15.5
200,000 to 299,999	1,088	26.3	9,631	30.9	251,106	27.7
300,000 to 499,999	285	6.9	4,738	15.2	235,670	26.0
500,000 to 999,999	31	0.7	675	2.2	106,965	11.8
1,000,000 and over	0	0.0	144	0.5	40,485	4.5
Total	4,137	100.0	31,184	100.0	906,227	100.0
Median Value	\$171,600		\$197,500		\$270,500	

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

Age Distribution of Housing

Year Structure Built	Town of Plainfield		Windham County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1939 or earlier	1,983	30.7	13,210	26.9	331,829	22.2
1940 – 1949	369	5.7	2,308	4.7	105,253	7.1
1950 – 1959	534	8.3	4,802	9.8	230,868	15.5
1960 – 1969	771	11.9	5,104	10.4	200,380	13.4
1970 – 1979	831	12.8	6,702	13.6	199,447	13.4
1980 – 1989	1,066	16.5	7,812	15.9	193,595	13.0
1990 – 1999	469	7.3	4,136	8.4	115,076	7.7
2000 – 2009	410	6.3	4,721	9.6	103,911	7.0
2010 – 2013	22	0.3	368	0.7	10,812	0.7
2014 or later	13	0.2	13	0.0	615	0.0
Total Housing	6,468	100.0	49,176	100.0	1,491,786	100.0

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit As of March 29, 2017 (Pro Forma)

Total Receipts for fiscal year ended June 30, 2016 (including interest and lien fees)	\$ 26,125,042
State Reimbursement for Revenue Loss on: Tax Relief for Elderly	<u>122,831</u>
Base for Establishing Debt Limit	<u><u>\$ 26,247,873</u></u>

Debt Limit

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base)	\$ 59,057,714					
(4.50 times base)		\$118,115,429				
(3.75 times base)			\$ 98,429,524			
(3.25 times base)				\$ 85,305,587		
(3.00 times base)					\$ 78,743,619	
(7.00 times base)						\$183,735,111

Indebtedness (Including the Bonds)

Bonds Payable	\$ 2,565,400	\$ 5,984,600	\$ 4,715,000	\$ -	\$ -	\$ 13,265,000
The Capital Projects Bonds	-	725,000	-			725,000
The Refunded Bonds	(750,000)	(2,100,000)				(2,850,000)
The Refunding Bonds	752,000	2,103,000				2,855,000
DECD Note Payable	40,351	-	-	-	-	40,351
USDA Bond Payable	-	-	336,382	-	-	336,382
State of Connecticut Clean Water Fund Project Loan Obligation ("PLO")	-	-	537,743	-	-	537,743
Authorized but Unissued Debt	86,265	2,494,805	1,697,994	-	-	4,279,064
Total Indebtedness	2,694,016	9,207,405	7,287,119	-	-	19,188,540
Less receivable:						
Self-supporting debt (1)	-	-	(874,125)	-	-	(874,125)
School grants (2)	-	(1,757,336)	-	-	-	(1,757,336)
Total Net Indebtedness	2,694,016	7,450,069	6,412,994	-	-	16,557,079
Underlying Indebtedness (1)	792,347	-	-	-	-	792,347
Total Net and Underlying Indebtedness	3,486,363	7,450,069	6,412,994	-	-	17,349,426
Excess of Limit Over Outstanding and Authorized Debt	<u>\$ 55,571,351</u>	<u>\$110,665,360</u>	<u>\$ 92,016,530</u>	<u>\$ 85,305,587</u>	<u>\$ 78,743,619</u>	<u>\$166,385,685</u>

Under Connecticut General Statutes, total indebtedness for all classes cannot exceed seven times the base, or \$183,735,111.

(1) As of June 30, 2016.

(2) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$3,000,000 during the construction of the projects. As of March 29, 2017, the Town has received \$1,242,664 in progress payments. (See "State School Construction Grants" in Section I herein).

Source: Town Officials.

Calculation of Net Direct Indebtedness

As of March 29, 2017 (Pro Forma)

Long-Term Indebtedness	
The Capital Projects Bonds	\$ 725,000
The Refunded Bonds	(2,850,000)
The Refunding Bonds	2,855,000
General Purpose	2,565,400
Schools	5,984,600
Sewers	4,715,000
DECD Note	40,351
USDA Bond	336,382
State of Connecticut CWF Project Loan Obligation	537,743
Total Long-Term Indebtedness	<u>14,909,476</u>
Short-Term Indebtedness	
Notes Payable	-
Total Direct Indebtedness	<u>14,909,476</u>
Exclusions:	
(Sewer assessments receivable) (2)	(107,819)
(Self-supporting debt)	(874,125)
Net Direct Indebtedness	<u>13,927,532</u>
Underlying debt	792,347
Total Net Direct and Underlying Indebtedness	<u><u>\$ 14,719,879</u></u>

- (1) Does not include authorized but unissued debt of \$4,279,064. See "Authorized but Unissued Debt" herein for a complete list of all projects currently authorized by the Town.

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Current Debt Ratios

As of March 29, 2017 (Pro Forma)

Total Direct Indebtedness	\$14,909,476
Total Net Direct Indebtedness	\$13,927,532
Total Net Direct and Underlying Indebtedness	\$14,719,879

Population (1)	15,207
Net Taxable Grand List (10/1/15)	\$937,221,060
Estimated Full Value	\$1,338,887,229
Equalized Net Taxable Grand List (2014) (2)	\$1,315,005,038
Per Capita Income (2015) (1)	\$27,137

Total Direct Indebtedness:

Per Capita	\$980.44
To Net Taxable Grand List	1.59%
To Estimated Full Value	1.11%
To Equalized Net Taxable Grand List	1.13%
Per Capita to Per Capita Income	3.61%

Total Net Direct Indebtedness:

Per Capita	\$915.86
To Net Taxable Grand List	1.49%
To Estimated Full Value	1.04%
To Equalized Net Taxable Grand List	1.06%
Per Capita to Per Capita Income	3.37%

Total Net Direct and Underlying Indebtedness:

Per Capita	\$967.97
To Net Taxable Grand List	1.57%
To Estimated Full Value	1.10%
To Equalized Net Taxable Grand List	1.12%
Per Capita to Per Capita Income	3.57%

(1) U.S. Census Bureau, 2011-2015 American Community Survey.

(2) Office of Policy and Management, State of Connecticut

Historical Debt Statement

	2015-16	2014-15	2013-14	2012-13	2011-12
Population (1)	15,207	15,207	15,207	15,207	15,207
Net taxable grand list	\$ 910,620,960	\$ 906,913,230	\$ 837,643,610	\$ 1,034,850,740	\$ 1,030,619,800
Estimated full value	\$ 1,300,887,086	\$ 1,295,590,329	\$ 1,196,633,729	\$ 1,478,358,200	\$ 1,472,314,000
Equalized net taxable grand list (2)	\$ 1,315,005,038	\$ 1,327,203,231	\$ 1,194,642,329	\$ 1,139,986,603	\$ 1,382,986,125
Per capita income (1)	\$ 27,137	\$ 27,137	\$ 27,137	\$ 27,137	\$ 27,137
Short-term debt	\$ 2,000,000	\$ 2,500,000	\$ 2,000,000	\$ -	\$ -
Long-term debt	15,523,909	16,893,699	17,877,753	13,900,375	15,144,627
Total Direct Indebtedness	\$ 17,523,909	\$ 19,393,699	\$ 19,877,753	\$ 13,900,375	\$ 15,144,627
Net Direct Indebtedness	\$ 16,555,464	\$ 18,197,880	\$ 18,670,873	\$ 12,577,047	\$ 13,707,220
Underlying Indebtedness	792,347	936,974	500,929	-	-
Total Net Direct and Underlying Indebtedness	\$ 17,347,811	\$ 19,134,854	\$ 19,171,802	\$ 12,577,047	\$ 13,707,220

(1) U.S. Census Bureau, 2011-2015 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

Historical Debt Ratios

	2015-16	2014-15	2013-14	2012-13	2011-12
Total Direct Indebtedness:					
Per capita	\$1,152.36	\$1,275.31	\$1,307.14	\$914.08	\$995.90
To net taxable grand list	1.92%	2.14%	2.37%	1.34%	1.47%
To estimated full value	1.35%	1.50%	1.66%	0.94%	1.03%
To equalized net taxable grand list	1.33%	1.46%	1.66%	1.22%	1.10%
Debt per capita to per capita income	4.25%	4.70%	4.82%	3.37%	3.67%
Net Direct Indebtedness:					
Per capita	\$1,088.67	\$1,196.68	\$1,227.78	\$827.06	\$901.38
To net taxable grand list	1.82%	2.01%	2.23%	1.22%	1.33%
To estimated full value	1.27%	1.40%	1.56%	0.85%	0.93%
To equalized net taxable grand list	1.26%	1.37%	1.56%	1.10%	0.99%
Debt per capita to per capita income	4.01%	4.41%	4.52%	3.05%	3.32%
Net Direct and Underlying Indebtedness:					
Per capita	\$1,140.78	\$1,258.29	\$1,260.72	\$827.06	\$901.38
To net taxable grand list	1.91%	2.11%	2.29%	1.22%	1.33%
To estimated full value	1.33%	1.48%	1.60%	0.85%	0.93%
To equalized net taxable grand list	1.32%	1.44%	1.60%	1.10%	0.99%
Debt per capita to per capita income	4.01%	4.41%	4.52%	3.05%	3.32%

Outstanding Short-Term Indebtedness

The Town will have no outstanding short-term bond anticipation notes upon closing of this issue.

Overlapping and Underlying Indebtedness

The Town of Plainfield has no overlapping debt. There are four fire districts within the Town, all of which have the authority to levy taxes and issue debt. Outstanding debt of the fire districts represents underlying debt of the Town of Plainfield, but the Town bears no obligation to repay fire district debt. The outstanding debt of each fire district as of June 30, 2016 is detailed below:

District	Outstanding Indebtedness
Atwood	\$ -
Central Village	435,000
Moosup	339,626
Wauregan	17,721
Total	<u>\$ 792,347</u>

Capital Leases

The Town has outstanding lease agreements in the amount of \$92,103 as of June 30, 2016. These payments are not included in the outstanding bonded debt. (See Appendix A – “Audited Financial Statements”).

Clean Water Fund Program

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan, and denitrification projects which are funded by a 30% grant and a 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs ("Interim Funding Obligation"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality. The Town currently has one PLO outstanding which are secured solely by a pledge of sewer assessments and sewer use charges.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the project completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following Clean Water Fund loan outstanding:

Project	Original 2%	Amount Outstanding
	Loan Amount	As of March 29, 2017
CWF PLO 417-C	\$ 1,606,152	\$ 537,743

Legal Requirements for Approval of Borrowing

Upon recommendation of the Board of Selectmen and the Board of Finance, and approval by a Town Meeting, the Town may issue temporary bonds and notes. For all appropriations that exceed \$50,000, the Town may issue bonds and notes only after approval by a majority of voters voting by machine vote referendum. Refunding bonds only need to be approved by the Board of Selectmen.

State School Construction Grants

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996 (the "Current Program").

Under the Current Program, the State of Connecticut is making proportional progress payments for eligible construction costs during project construction. The State grants are paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality issues its bonds only for its share of project costs.

The following projects will be reimbursed at the estimated reimbursement rate shown below:

Project	Amount of	Estimated	Reimbursement	Estimated
	Total	Eligible Cost		
	Authorization	For Reimbursement	Rate (%)	Grant (1)
Various Schools Capital Improvements	\$ 4,000,000	\$ 4,000,000	75.00	\$ 3,000,000

(1) Estimated grants for total project. Eligible costs to be determined upon completion of the project audit, and are likely to change.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes may be funded beyond ten years from their initial borrowing if a written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Authorized but Unissued Debt

Projects	Amount Authorized	Prior Financings	BANs Outstanding	Paydowns/ Grants	The Capital Projects Bonds	Authorized But Unissued
New Plainfield High School	\$ 50,241,000	\$ 12,567,000	\$ -	\$ 37,161,531	\$ -	\$ 512,469
Moosup Pond Area Sewers	2,900,000	-	-	1,454,166	-	1,445,834
Plainfield Pike Water Main Extension	191,700	105,435	-	-	-	86,265
Sanitary Sewer Inflow/Infiltration	2,000,000	1,606,152	-	366,688	-	27,160
Wastewater Treatment System Upgrade	5,500,000	5,275,000	-	-	-	225,000
Various Schools Capital Improvements	4,000,000	-	2,000,000	1,292,664	725,000	1,982,336
Total	\$ 64,832,700	\$ 19,553,587	\$ 2,000,000	\$ 40,275,049	\$ 725,000	\$ 4,279,064

Capital Improvement Program

The Town prepares a Capital Improvement Program ("CIP") each year that includes a comprehensive list of capital equipment and improvements needed to carry out the operating programs in the next and ensuing five years. The CIP includes the following projects that have been authorized:

- \$5,500,000 Wastewater Treatment System Upgrades project that was authorized by referendum on December 10, 2013. This project started construction in the spring of 2014.
- \$200,000 Small Town Economic Assistance Program ("STEAP") grant received from State of Connecticut in September 2015. This grant provided a public water system improvement which was completed in 2015.
- \$500,000 Bridge Improvement Project will be completed in 2017. This is a bridge replacement on Lathrop Road over Lathrop Brook.
- \$85,000 Bridge Improvement Project was completed in 2016. This is a bridge replacement on Kate Downing Road over Millbrook.
- \$800,000 Bridge Improvement Project was completed in 2016. This is a bridge replacement on Sterling Hill Road over Ekonk Brook.

Schedule of Long Term Debt through Maturity – General Fund and Enterprise Fund
As of March 29, 2017 (Pro Forma)

Fiscal Year	Principal Payments (1,2)	Interest Payments	Total Debt Service (1,2)	Refunded Bonds Principal Payments	The Bonds Principal Payments	The Capital Projects Bonds Principal Payments	All Issues Principal (1,3)
2016-17	\$ 1,371,382	\$ 583,073	\$ 1,954,455	\$ -	\$ -	\$ -	\$ 1,371,382
2017-18	1,398,105	532,011	1,930,116	-	25,000	145,000	1,568,105
2018-19	1,394,905	481,005	1,875,910	(975,000)	980,000	140,000	1,539,905
2019-20	1,406,600	429,209	1,835,809	(1,000,000)	995,000	145,000	1,546,600
2020-21	1,458,553	375,650	1,834,203	(875,000)	855,000	145,000	1,583,553
2021-22	1,455,588	320,958	1,776,546	-	-	150,000	1,605,588
2022-23	1,452,710	264,323	1,717,033	-	-	-	1,452,710
2023-24	1,406,127	202,686	1,608,813	-	-	-	1,406,127
2024-25	1,380,000	135,444	1,515,444	-	-	-	1,380,000
2025-26	600,000	92,594	692,594	-	-	-	600,000
2026-27	275,000	78,203	353,203	-	-	-	275,000
2027-28	275,000	68,750	343,750	-	-	-	275,000
2028-29	275,000	58,781	333,781	-	-	-	275,000
2029-30	275,000	48,469	323,469	-	-	-	275,000
2030-31	275,000	38,156	313,156	-	-	-	275,000
2031-32	275,000	27,500	302,500	-	-	-	275,000
2032-33	275,000	16,500	291,500	-	-	-	275,000
2032-34	275,000	5,500	280,500	-	-	-	275,000
	<u>\$ 15,523,970</u>	<u>\$ 3,758,812</u>	<u>\$19,282,782</u>	<u>\$ (2,850,000)</u>	<u>\$ 2,855,000</u>	<u>\$ 725,000</u>	<u>\$ 16,253,970</u>

- (1) Total includes principal payments of \$1,344,495 made between July 1, 2016 and March 29, 2017.
- (2) Includes Refunded Bonds, excludes the Bonds.
- (3) Includes the Bonds, excludes Refunded Bonds.

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SECTION V - FINANCIAL DATA

Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to the Audited Financial Statements in Appendix A.

Basis of Accounting

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to the Audited Financial Statements in Appendix A.

Audit

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Mahoney Sabol, of Glastonbury, Connecticut, is the Town's auditor, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The General Fund is the primary operating fund of the Town and operates under a legal budget. Other major governmental funds include the High School Construction Fund and the Construction Fund, which accounts for various road and bridge projects. The Enterprise Fund is maintained to account for the operation of the Water Pollution Control Authority. The Town's General Fund accounting records are maintained on a modified accrual basis, with major revenues recorded when susceptible to accrual or earned and expenditures recorded when incurred. Proprietary Fund type revenues and expenses are recognized on the accrual basis of accounting whereby revenues and expenses are recognized when incurred. The accounting policies of the Town conform with generally accepted accounting principles as applied to governmental units. (See Appendix A – "Audited Financial Statements, Notes to Financial Statements" herein.)

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Budgetary Procedures

The annual budget-making process is outlined in Chapter 10, Section 10-2, of the Plainfield Town Charter. Specific timetables for certain budget-preparation activities are also detailed in the Town Charter. Final budget approval rests with the vote of the Town Meeting. Debt and contract obligations are required to be paid, as per the Charter and State statutes, and are not subject to reduction by the Town Meeting. The procedure for the Town's budget-making process follows:

<u>Deadline</u>	<u>Action</u>
	All Town agencies and departments supported by Town revenues or a specific appropriation, except for the Board of Education, present estimated expenditures and estimated revenues to the First Selectman.
At least two weeks prior to submission to the Board of Finance:	<p>The First Selectman presents the Town operating budget to the Board of Selectmen.</p> <p>The Board of Selectmen presents to the Board of Finance the Town's operating budget itemizing expenditures and expected revenues for all agencies and departments of the Town, except for the Board of Education.</p> <p>The Board of Education presents its estimates of expenditures and revenues to the Board of Finance.</p> <p>The Board of Finance holds budget meetings with all department and agency heads of the Town, revises its estimates, and prepares the Town budget.</p>
Not less than 14 days before the Annual Town Meeting:	The Board of Finance holds one or more public hearings on the budget.
Not less than five days before the Annual Town Meeting:	The Board of Finance revises the budget as necessary, prepares a budget message, distributes copies of the budget, and publishes the proposed budget.
Third Monday in May:	If there is a mill rate increase, the budget is decided by referendum. If there is no mill rate increase or if there is a decrease, the budget is determined by Town Meeting.
Not more than 15 days after adoption of the Annual Town Budget:	The Board of Finance meets and levies a tax based on the approved Annual Town and Board of Education Operating Budget.

The Town Operating Budget and the Board of Education Operating Budget are voted on separately, but both budgets must be successful for the total Town Budget to be approved. If the Town Budget fails to be adopted, a referendum is held within 14 days thereafter until approved. If the Town Budget is still not approved by July 1, the immediate preceding year's budget is used on a monthly basis until a new Town Budget is approved.

In determining the mill rate, the Board of Finance estimates tax collections at 99% of the current year October 1 net taxable grand list. Supplemental motor vehicle taxes to be levied and collected the following January 1, prorated new residential property taxes, and uncollected tax collections are not included in determining the current year levy revenue figure to be included in the Town Budget. As a result, the Town achieves over 99% of its anticipated revenues on a budgetary basis even though current year tax collections are usually less than the 99% anticipated collection rate.

Section 207 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 42 of Public Act No. 16-2 (May 2016 Spec. Sess.) and Section 189(h) of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the Act. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the Act and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills.

Employee Pension Systems

The Town is the administrator of a single-employer contributory, defined benefit plan (the "Plan") which covers the full-time members of the Police Department. In addition, new employees of the Town who have completed 2 years of service and are at least age 21 and full-time employees of the Board of Education not covered by a collective bargaining agreement, and nurses, custodians, secretaries and bus drivers and paraprofessionals, who became eligible on July 1, 1995 with service credited for periods after July 1, 1984, are eligible for benefits. The Plan is closed to employees of the Police Department hired after November 27, 2012 and employees of the Highway Department after October 16, 2012. The Town establishes rates based on an actuarially determined rate recommended by an independent actuary. Police participants are required to contribute 7% of their basic monthly earnings.

All teachers and certified administrators employed by the Town participate in a contributory defined benefit plan (the "Benefit Plan") established under Chapter 167a of the Connecticut General Statutes which is administered by the Connecticut State Teachers' Retirement Board. Certain part-time and all full-time certified teachers are eligible to participate in the Benefit Plan and are required to contribute 7.25% of their annual earnings to the Benefit Plan. The retirement system is funded by the State based on the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The State does not allocate its contribution by school system, and accordingly, the contribution relating to the Town is not available. The Town does not and is not legally responsible to contribute to the Benefit Plan.

The Town has implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30, 2016 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2015. The date of the Town's most recent actuarial valuation was July 1, 2015.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town as of June 30 were as follows:

	Town Pension Plan		
	2016	2015	2014
Total pension liability	\$ 23,415,665	\$ 21,967,059	\$ 20,640,483
Plan fiduciary net position	17,943,807	17,526,033	17,040,060
Net pension liability	<u>\$ 5,471,858</u>	<u>\$ 4,441,026</u>	<u>\$ 3,600,423</u>
Plan fiduciary net position as a % of total pension liability	76.6%	79.8%	82.6%

The following represents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease	Current	1% Increase
	6.00%	Discount Rate 7.00%	8.00%
Town Pension Plan Net Pension Liability	\$ 8,228,326	\$ 5,471,858	\$ 3,141,455

Based upon a July 1, 2015 actuarial valuation, the funding level of the defined benefit plan was as follows:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AL) (b)	Unfunded AL (UAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
7/1/2007	\$ 10,299,619	\$ 11,864,443	\$ 1,564,824	86.8%	\$ 6,259,820	25.0%
7/1/2009	11,540,470	14,054,791	2,514,321	82.1%	6,335,418	39.7%
7/1/2011	11,828,961	16,122,833	4,293,872	73.4%	6,875,098	62.5%
7/1/2013	13,757,860	18,529,678	4,771,818	74.2%	6,273,578	76.1%
7/1/2015	16,662,983	21,577,639	4,914,656	77.2%	6,365,897	77.2%

Schedule of Employer Contributions

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2017 (1)	\$ 1,538,873	\$ 1,093,000	71.0%
2016	1,472,606	1,125,405	76.4%
2015	1,448,874	1,174,169	81.0%
2014	1,448,874	706,969	48.8%
2013	1,377,341	932,018	67.7%
2012	1,377,341	571,052	41.5%

(1) As budgeted for fiscal year 2016-17.

For additional information, see Appendix A – Notes to Financial Statements, Note K pages 47 and 53.

Other Post-Employment Benefits

The Town of Plainfield Board of Education 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 (the "Plan"). 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 Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
7/1/2008	\$ -	\$ 13,057,675	\$ 13,057,675	0.0%	\$ 19,023,719	68.6%
7/1/2010	-	10,515,600	10,515,600	0.0%	19,604,388	53.6%
7/1/2012	-	11,964,800	11,964,800	0.0%	23,612,118	50.7%
7/1/2014	-	14,122,809	14,122,809	0.0%	17,769,914	79.5%

Schedule of Employer Contributions

Year Ended June 30	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2017 (1)	\$ 1,092,600	\$ 100,000	9.2%
2016	1,092,600	395,242	36.2%
2015	1,021,900	254,768	24.9%
2014	1,008,800	230,862	22.9%
2013	909,800	269,629	29.6%

(1) Estimated actuarial required contribution and amount budgeted for fiscal year 2016-17.

For additional information, see Appendix A – Notes to Financial Statements, Note L pages 53 to 55.

Investment Policies and Procedures

The Town does not have a formal credit risk policy. Therefore, the Town follows State statutes. State statutes allow deposits that can include demand and savings accounts and certificates of deposit. The Town's custodial credit risk policy follows the State of Connecticut requirement that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

Town policy for eligible investments is governed by State of Connecticut statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government-sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut, or political subdivision rated within the top three rating categories of any nationally recognized rating service.

The Connecticut General Statutes (Section 7-402) controls the deposit of public funds. Deposits may be made in a "qualified public depository" as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an "out-of state bank," as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in obligations of the United States and its agencies, highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated investment companies (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut STIF. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the laws applicable to fiduciaries and the provisions of the applicable plan generally control investment of such funds.

Assessment Practices

Public Act 04-02 (section 12-62 of the Connecticut General Statutes) changes the revaluation cycle, requiring a revaluation every five years based on generally accepted mass appraisal methods and a revaluation based on a physical inspection of all real properties every ten years, with the first such inspection no later than 2009. Prior to the completion of each revaluation, the Assessor is required to conduct a field review. The Town of Plainfield completed its last statistical revaluation for the assessment year commencing October 1, 2012. The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following July 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

The Assessor's Office is also responsible for the administration of several property exemption and payment-in-lieu-of-taxes programs which include, but are not limited to, the following: special veterans programs; elderly tax relief for homeowners and renters; farm, forest and open space; blind and disabled taxpayers; manufacturing exemptions; and State-owned property reimbursement programs.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 8% of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amount is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has approved and uses this abatement provision.

Tax Collection Procedure

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real property taxes are generally payable in two equal installments on July 1 and January 1 following the levy date and personal property and motor vehicle taxes are payable in one installment on July 1 following the levy date, although a 30-day grace period is provided. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes, which are deemed to be uncollectible.

Motor Vehicle Property Tax Rate

Section 206 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 187 of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. Notwithstanding any mill rate for motor vehicles set by a municipality before the effective date of the Act, for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37.00 mills, except in the case of a municipality that set a mill rate before the effective date of the Act for motor vehicles of 32.00 mills for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall be the lesser of 37.00 mills, the mill rate set before the effective date of the Act for real property and personal property other than motor vehicles for such municipality for the assessment year commencing October 1, 2015, or a mill rate for motor vehicles set by a municipality after the effective date of the Act that is less than 37.00 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.00 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of the Act. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37.00 mills for the assessment year commencing October 1, 2015, provided in the case of a district or borough that set a mill rate before the effective date of the Act for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located resulted in a combined motor vehicle mill rate of 32.00 mills for the assessment year commencing October 1, 2015, the mill rate on motor vehicles for any such district or borough for such assessment year shall be the lesser of (A) a mill rate for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate of 37.00, (B) the mill rate set before the effective date of the Act for the assessment year commencing October 1, 2015, on real property and personal property other than motor vehicles for such borough or district, or (C) a mill rate for motor vehicles set by a borough or district after the effective date of the Act that is less than 37.00 mills when combined with the motor vehicle mill rate of the municipality in which such district or borough is located, or (2) above 32.00 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The mill rate for motor vehicles for the Town for the assessment year commencing October 1, 2015 (the fiscal year ending June 30, 2017) is 29.05 mills.

Tax Levies and Collections

FY Ending 6/30	Net Taxable Grand List (1)	Total Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/2016
2017 (1)	\$ 937,221,060	29.05	\$ 26,420,963	In Process	In Process	In Process
2016	910,620,960	28.36	25,855,061	97.8	\$ 608,764	\$ 608,764
2015	906,913,230	28.36	25,813,988	97.3	721,362	254,918
2014 (2)	837,643,610	28.36	23,766,415	96.7	794,835	145,497
2013	1,034,850,740	21.52	22,289,566	97.0	698,187	96,101
2012	1,030,619,800	20.79	21,383,467	96.8	680,003	68,824
2011	1,010,404,732	20.19	20,407,365	96.5	708,765	49,557
2010	1,008,195,320	19.94	20,116,296	96.4	728,862	33,813
2009	1,007,056,237	19.94	20,173,681	96.3	755,733	20,075

(1) Adopted budgets.

(2) The Town last revalued all property effective the grand list of October 1, 2012.

Source: Town Officials.

Taxable Grand List (1)

Grand List Dated	Residential	Commercial	All Other Land Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
	Real Property Percent	and Industrial Real Property Percent						
10/01/15	55.2	18.3	2.6	14.6	9.3	\$ 970,294,730	\$ 33,073,670	\$ 937,221,060
10/01/14	54.8	18.3	2.6	15.3	9.0	973,794,870	63,173,910	910,620,960
10/01/13	54.7	18.3	2.7	15.4	8.9	970,829,470	63,916,240	906,913,230
10/01/12	59.1	19.9	3.0	8.5	9.5	893,915,550	56,271,940	837,643,610
10/01/11	69.7	18.8	8.2	6.7	7.8	1,093,858,630	59,007,890	1,034,850,740
10/01/10	62.8	16.2	7.0	6.4	7.6	1,082,889,640	52,269,840	1,030,619,800
10/01/09	63.0	16.3	6.8	6.5	7.4	1,077,081,345	66,676,613	1,010,404,732
10/01/08	62.8	16.3	6.4	7.1	7.4	1,078,993,030	70,797,710	1,008,195,320
10/01/07	62.6	16.1	6.1	7.3	7.9	1,081,371,527	74,315,290	1,007,056,237
10/01/06	57.6	17.6	2.6	11.1	11.1	767,282,060	75,972,100	691,309,960
10/01/05	58.5	18.0	2.7	9.8	11.0	743,201,370	63,375,760	679,825,610

(1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Tax Review determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation (Grand List of 10/1/12).

Source: Town Officials

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Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town per the Grand List dated October 1, 2015.

Name of Taxpayer	Nature of Property	Grand List Amount
Greenleaf Power	Biomass Power Plant	\$ 55,833,640
Lowes Home Centers Inc.	Distribution Center	48,868,870
Plainfield Renewable Energy LLC	Biomass Power Plant	14,026,720
Eversource	Utility	12,585,560
NIP Owner II LLC	Warehouse Space	11,446,900
Connecticut Water Company	Utility	5,838,480
Plainfield Parkade Inc.	Shopping Center	4,453,470
BVS Plainfield Investors LLC	Former CT Yankee Greyhound	4,263,330
Tilcon Minerals Inc.	Manufacturing	3,696,080
Vesta Moosup LLC	Apartment Complex	2,940,000
Total		<u>\$ 163,953,050</u> (1)

(1) Represents 17.49% of the net taxable grand list dated October 1, 2015 of \$937,221,060.

Source: Tax Assessor.

Revenues

The Town derives its revenues from a direct tax levy on property, State and Federal aid, various fees and charges, and certain miscellaneous sources. Town revenues are summarized for fiscal years ended 2012 – 2016, see "Statement of Revenues, Expenditures, and Changes in Fund Balance" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax As a % of General Fund Revenues
2017 (Adopted Budget)	\$ 46,283,134	\$ 26,570,963	57.4
2016	50,690,564	26,039,694	51.4
2015	51,239,143	26,169,980	51.1
2014	48,893,663	23,881,192	48.8
2013	47,189,996	22,460,749	47.6
2012	47,856,935	21,769,554	45.5
2011	44,594,066	20,653,189	46.3
2010	44,570,590	20,280,718	45.5
2009	44,662,423	20,245,338	45.3

Source: Annual audited financial statements; Adopted Budget for fiscal year 2016-17.

Intergovernmental Revenues

Fiscal Year	General Fund Revenues	Intergovernmental	Aid As a % of General Fund Revenue
2017 (Adopted Budget)	\$ 46,283,134	\$ 17,370,921	37.5
2016	50,690,564	19,064,764	37.6
2015	51,239,143	18,654,789	36.4
2014	48,893,663	18,894,242	38.6
2013	47,189,996	19,492,530	41.3
2012	47,856,935	19,717,471	41.2
2011	44,594,066	19,836,490	44.5
2010	44,570,590	18,760,881	42.1
2009	44,662,423	19,780,364	44.3

Source: Annual audited financial statements; Adopted Budget for fiscal year 2016-17.

Expenditures

Fiscal Year	Education %	General Government %	Public Works %	Public Safety %	Debt Service %
2017 (Adopted Budget)	74.6	8.1	4.4	4.3	3.9
2016	71.3	7.4	3.3	4.6	3.0
2015	71.0	7.2	3.0	4.6	3.0
2014	70.6	6.8	2.8	4.6	3.6
2013	71.4	6.7	2.3	4.7	4.1
2012	70.5	5.7	2.4	4.6	5.9
2011	71.8	5.8	2.6	4.3	6.9
2010	72.3	5.6	2.5	4.1	6.9
2009	71.4	5.4	2.6	3.8	6.8

Source: Annual audited financial statements; Adopted Budget for fiscal year 2016-17.

Comparative General Fund Operating Statement (Budget and Actual – Budgetary Basis)

	Fiscal Year 2015-16			2016-17 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	
REVENUES				
Property taxes	\$ 25,210,601	\$ 26,039,694	\$ 829,093	\$ 26,570,963
Investment income	25,000	29,161	4,161	25,000
Licenses, permits and fees	481,445	495,590	14,145	338,600
Intergovernmental	17,547,458	17,328,748	(218,710)	17,370,921
Out of Town Tuition	1,340,239	1,258,134	(82,105)	1,646,630
Other	681,898	505,569	(176,329)	331,020
TOTAL REVENUES	45,286,641	45,656,896	370,255	46,283,134
EXPENDITURES				
Current:				
General government	3,851,096	3,490,811	360,285	3,812,846
Public safety	2,257,863	2,247,305	10,558	2,010,932
Public works	1,517,649	1,456,365	61,284	2,070,788
Social services	457,912	447,390	10,522	445,328
Administration	897,067	845,800	51,267	924,452
Capital outlay	687,504	686,455	1,049	873,920
Education	34,607,111	34,603,168	3,943	35,146,882
Debt service	1,852,112	1,852,112	-	1,856,136
TOTAL EXPENDITURES	46,128,314	45,629,406	498,908	47,141,284
Excess (deficiency) of revenues over expenditures	(841,673)	27,490	869,163	(858,150)
Other financing sources (uses):				
Appropriation of fund balance	227,670	-	(227,670)	-
Operating transfers in	814,003	812,044	(1,959)	858,150
Operating transfers out	(200,000)	(200,000)	-	-
Total other financing sources (uses)	841,673	612,044	(229,629)	858,150
Net change in fund balances	\$ -	639,534	\$ 639,534	\$ -
Fund Balance - beginning of year		7,201,213		
Fund Balance - end of year		\$ 7,840,747		

Source: Annual audited financial statements; Adopted Budget for fiscal year 2016-17.

Comparative Balance Sheets - General Fund

	2012	2013	2014	2015	2016
ASSETS					
Cash and cash equivalents	\$ 7,979,063	\$ 8,682,348	\$ 10,088,600	\$ 10,978,301	\$ 11,017,020
Receivables:					
Property taxes	1,239,264	2,174,353	1,346,004	1,291,004	1,350,008
Intergovernmental	272,235	232,160	128,045	92,056	131,496
Other assets	69,643	81,451	86,426	149,860	237,190
Due from other funds	4,197	7,945	12,519	25,982	29,426
Inventories	5,950	9,902	9,696	4,979	4,666
Prepaid items	34,337	44,041	-	-	-
Total Assets	<u>\$ 9,604,689</u>	<u>\$ 11,232,200</u>	<u>\$ 11,671,290</u>	<u>\$ 12,542,182</u>	<u>\$ 12,769,806</u>
LIABILITIES					
Accounts payables	\$ 820,913	\$ 539,909	\$ 1,140,297	\$ 1,085,455	\$ 783,300
Accrued liabilities:					
Salaries and benefits payable	1,175,481	1,360,350	1,430,140	1,530,308	1,613,119
Other accrued liabilities	74,662	66,208	171,843	237,116	222,880
Unearned revenue	1,103,824	-	-	-	-
Due to other funds	167,128	414,563	287,860	668,950	384,270
Total Liabilities	<u>3,342,008</u>	<u>2,381,030</u>	<u>3,030,140</u>	<u>3,521,829</u>	<u>3,003,569</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	<u>-</u>	<u>2,016,980</u>	<u>1,187,634</u>	<u>1,190,893</u>	<u>1,298,417</u>
FUND BALANCE					
Nonspendable	40,287	53,943	9,696	4,979	4,666
Restricted	-	-	-	8,921	7,747
Assigned:					
Road Construction	-	-	-	300,000	700,000
Conservation	-	-	-	300,000	300,000
Revaluation	-	-	-	100,000	100,000
Capital improvements	-	-	500,000	800,000	800,000
School OPEB	-	-	-	200,000	-
Debt service	200,000	200,000	200,000	200,000	200,000
Unassigned	6,022,394	6,580,247	6,743,820	5,915,560	6,355,407
Total Fund Balance	<u>6,262,681</u>	<u>6,834,190</u>	<u>7,453,516</u>	<u>7,829,460</u>	<u>8,467,820</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 9,604,689</u>	<u>\$ 11,232,200</u>	<u>\$ 11,671,290</u>	<u>\$ 12,542,182</u>	<u>\$ 12,769,806</u>

Source: Annual audited financial statements.

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

	2012	2013	2014	2015	2016
REVENUES					
Property taxes	\$ 21,769,554	\$ 22,460,749	\$ 23,881,192	\$ 26,169,980	\$ 26,039,694
Intergovernmental	19,717,471	19,492,530	18,894,242	18,654,789	19,064,764
State on-behalf payments	2,905,824	2,964,287	3,503,371	3,683,392	3,155,760
Licenses, permits and fees	2,908,171	1,736,939	1,708,455	2,084,989	1,872,788
Interest	11,457	10,222	11,965	12,500	29,161
Other	544,458	525,269	894,438	633,493	528,397
TOTAL REVENUES	<u>47,856,935</u>	<u>47,189,996</u>	<u>48,893,663</u>	<u>51,239,143</u>	<u>50,690,564</u>
EXPENDITURES					
General government	2,661,222	3,133,943	3,294,852	3,600,525	3,727,219
Public safety	2,143,651	2,204,423	2,246,016	2,328,387	2,294,259
Public works	1,137,560	1,087,057	1,381,178	1,514,753	1,662,540
Social services	447,171	456,715	491,977	499,673	538,297
Administration	943,801	814,376	822,534	800,622	846,675
Education	32,805,691	33,271,800	34,239,391	35,625,579	35,953,852
State on-behalf payments	2,905,824	2,964,287	3,503,371	3,683,392	3,155,760
Debt service:					
Principal payments	2,080,523	1,331,261	1,217,457	1,081,195	1,060,462
Interest payments	646,233	576,183	523,139	432,320	432,530
Capital outlay	741,239	762,859	702,411	592,540	724,027
Debt issuance cost	-	-	65,783	-	-
TOTAL EXPENDITURES	<u>46,512,915</u>	<u>46,602,904</u>	<u>48,488,109</u>	<u>50,158,986</u>	<u>50,395,621</u>
Excess (deficiency) of revenues over expenditures	<u>1,344,020</u>	<u>587,092</u>	<u>405,554</u>	<u>1,080,157</u>	<u>294,943</u>
Other financing sources (uses)					
Proceed from general obligation refunding bonds	-	-	4,725,000	-	-
Premium on general obligation refunding bonds and notes	-	-	755,269	-	-
Payment to escrow agent	-	-	(5,414,486)	-	-
Proceeds from capital leases	149,000	-	167,071	105,592	-
Operating transfers in	-	-	-	144,500	359,000
Operating transfers out	(29,230)	(15,583)	(19,082)	(954,305)	(15,583)
Total other financing sources (uses)	<u>119,770</u>	<u>(15,583)</u>	<u>213,772</u>	<u>(704,213)</u>	<u>343,417</u>
Net change in fund balances	1,463,790	571,509	619,326	375,944	638,360
Fund Balance - July 1	<u>4,798,891</u>	<u>6,262,681</u>	<u>6,834,190</u>	<u>7,453,516</u>	<u>7,829,460</u>
Fund Balance - June 30	<u>\$ 6,262,681</u>	<u>\$ 6,834,190</u>	<u>\$ 7,453,516</u>	<u>\$ 7,829,460</u>	<u>\$ 8,467,820</u>

Source: Annual audited financial statements.

SECTION VI – LEGAL AND OTHER INFORMATION

Litigation

Following consultation with the Town Attorney and other attorneys providing legal services to the Town, Town officials advise that the Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position.

Availability of Continuing Disclosure Information

The Town will enter into a continuing disclosure agreement with respect to the Bonds (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form attached as Appendix C to this Official Statement.

The Town has previously undertaken continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to SEC Rule 15c2-12(b)(5). In the last five years, the Town has complied, in all material respects, with its undertakings under such agreements.

Financial Advisor

The Town has retained Independent Bond and Investment Consultants LLC ("IBIC LLC") of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although IBIC LLC has assisted in the preparation of the Official Statement, IBIC LLC is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. IBIC LLC is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, underwriting, trading or distributing municipal securities or other public securities.

Documents Accompanying Delivery of the Bonds

Upon delivery of the Bonds the Underwriter will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town signed by the First Selectmen and the Treasurer, dated the date of delivery and attached to a confirmed copy of the Official Statement, which will certify to the best of said officials' knowledge and belief, that on the date of execution of the Bond Purchase Agreement for the Bonds, and on the date of delivery of and payment for the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. A receipt for the purchase price of the Bonds;
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut substantially in the form attached to the Official Statement as Appendix B;
5. An executed Continuing Disclosure Agreement for the Bonds, in substantially the form attached to the Official Statement as Appendix C; and
6. Any other documents required by the Bond Purchase Agreement.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of U.S. Bank National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

Concluding Statement

Additional information may be obtained upon request from the office of the Treasurer / Finance Director, Town of Plainfield, Connecticut - Telephone (860) 203-3005 or from Independent Bond and Investment Consultants LLC at (203) 245-8715.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

This Official Statement has been duly authorized and approved by the Town and duly executed and delivered on its behalf by the Town.

Day Pitney LLP, Bond Counsel, expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Town in connection with the offer and sale of the Bonds, including this Official Statement, other than as set forth in Appendix B "OPINION OF BOND COUNSEL AND TAX EXEMPTION".

TOWN OF PLAINFIELD, CONNECTICUT

BY: / s / Paul E. Sweet
PAUL E. SWEET
First Selectman

BY: / s / Virginia Sampietro
VIRGINIA SAMPIETRO
Selectman

BY: / s / George J. Krecidlo
GEORGE J. KRECIDLO
Selectman

BY: / s / Kelly Vachon
KELLY VACHON
Treasurer / Finance Director

Dated: March 14, 2017

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APPENDIX A - AUDITED FINANCIAL STATEMENTS

TOWN OF PLAINFIELD, CONNECTICUT

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JUNE 30, 2016

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Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town of Plainfield for the Fiscal Year ended June 30, 2016 as presented by the Auditors. This appendix does not include all of the schedules made in such report. A copy of the complete report is available upon request to the Treasurer / Finance Director, Town of Plainfield, Connecticut.

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement, and make no representation that they have independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post audit period. The auditors have not provided their consent for the use of the audit report in this Official Statement.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield, Connecticut (the "Town") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield, Connecticut, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flow thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14, and the schedules on the Town's pension and other post-employment benefits plans on pages 59 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

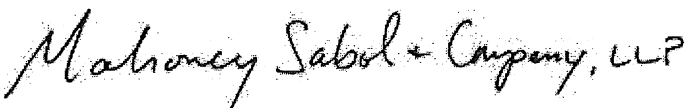
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules on pages 63 through 76 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut
December 19, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016

The management of the Town of Plainfield, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$60,539,134 (net position).
- The Town's total net position decreased by \$1,209,473 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 \$8,876,710, a decrease of \$573,331 in comparison with the prior year. The primary cause of this fund balance decrease is due to capital outlays expended for planned building improvements to the Town's school buildings.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$6,355,407 or 12.6% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.5 months of General Fund operating expenditures.
- The Town's total long-term bonded debt (governmental and business type activities combined) decreased by \$1,369,729 or 8.11% during the current fiscal year due to current year principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements (Continued)

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

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

The basic governmental fund financial statements can be found on pages 17 - 21 of this report.

Proprietary Funds

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

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

The basic proprietary fund financial statements can be found on pages 22 - 24 of this report.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 58 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 59 - 76 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$69,598,485 and \$70,807,958 as of June 30, 2016 and 2015, respectively, and are summarized as follows:

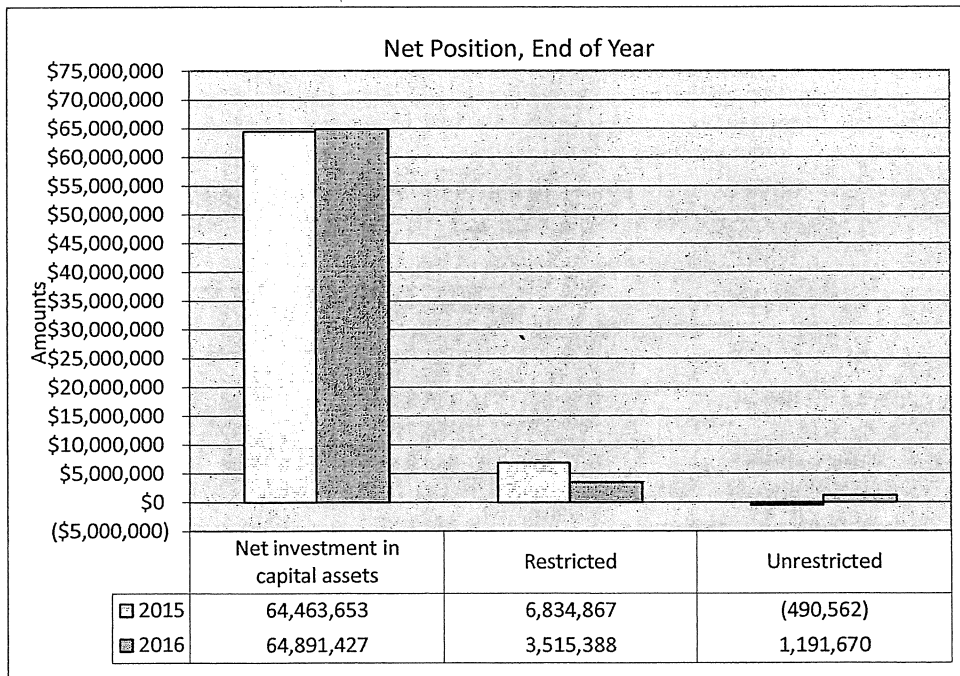
	2016		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 15,365,082	\$ 3,995,222	\$ 19,360,304
Capital assets	71,684,316	11,434,232	83,118,548
Total assets	87,049,398	15,429,454	102,478,852
Deferred outflows of resources	2,935,695	-	2,935,695
Long-term liabilities	23,523,904	6,299,506	29,823,410
Other liabilities	5,235,801	70,597	5,306,398
Total liabilities	28,759,705	6,370,103	35,129,808
Deferred inflows of resources	686,254	-	686,254
Net Position:			
Net investment in capital assets	59,686,523	5,204,904	64,891,427
Restricted	1,426,871	2,088,517	3,515,388
Unrestricted	(574,260)	1,765,930	1,191,670
Total net position	\$ 60,539,134	\$ 9,059,351	\$ 69,598,485

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

	2015		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 17,046,499	\$ 6,403,075	\$ 23,449,574
Capital assets	72,161,149	9,814,336	81,975,485
Total assets	89,207,648	16,217,411	105,425,059
Deferred outflows of resources	1,533,710	-	1,533,710
Long-term liabilities	22,805,673	6,643,935	29,449,608
Other liabilities	6,513,575	187,628	6,701,203
Total liabilities	29,319,248	6,831,563	36,150,811
Net Position:			
Net investment in capital assets	61,293,252	3,170,401	64,463,653
Restricted	2,617,348	4,217,519	6,834,867
Unrestricted	(2,488,490)	1,997,928	(490,562)
Total net position	\$ 61,422,110	\$ 9,385,848	\$ 70,807,958



As of June 30, 93.5% of the Town's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

Restricted net position represents amounts restricted for social services and for capital purposes which is equal to 5.1% of the Town's net position. Amounts restricted for social services are to be used for the Town's rehabilitation loan programs. Restrictions for capital purposes are to be used for the capital improvements of the Town's School buildings and Sewer facilities.

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

Overall, net position decreased by \$1,209,473 in comparison to the prior year.

Changes in Net Position

Changes in net position for the years ended June 30, 2016 and 2015 are as follows:

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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

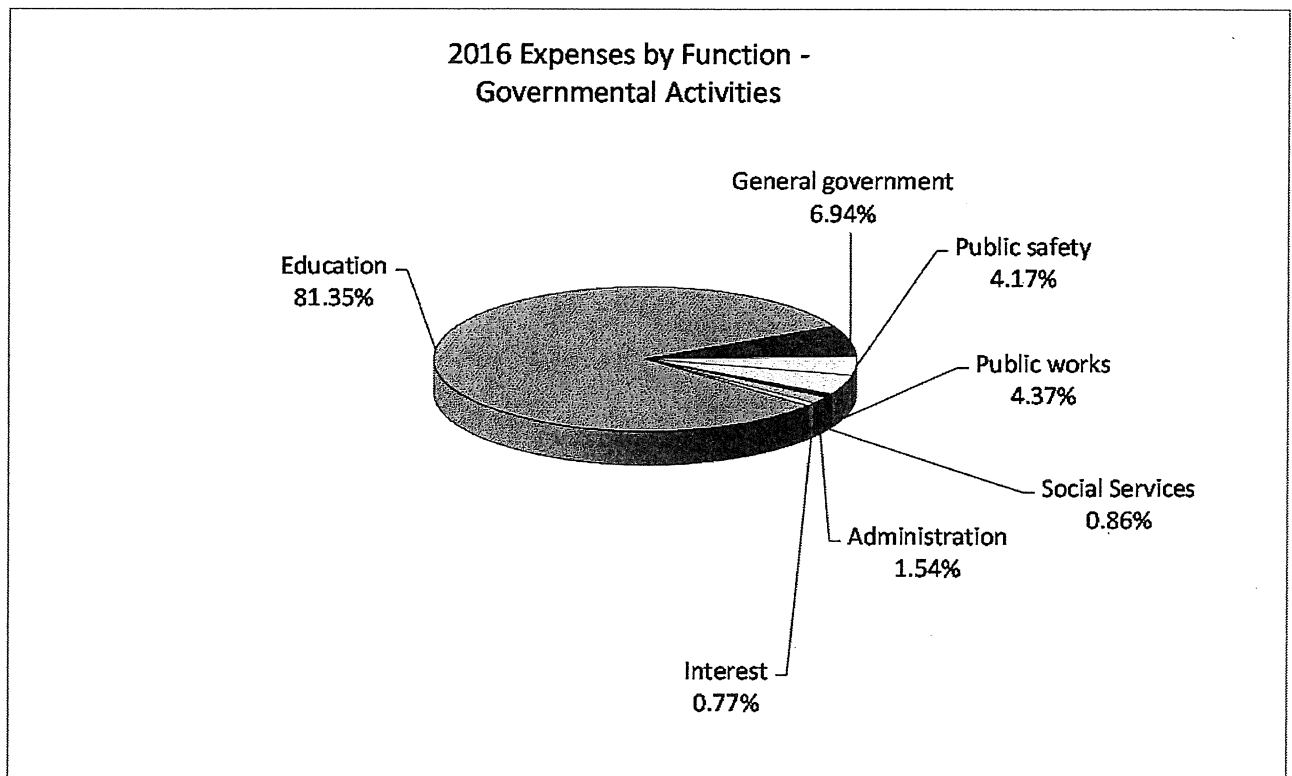
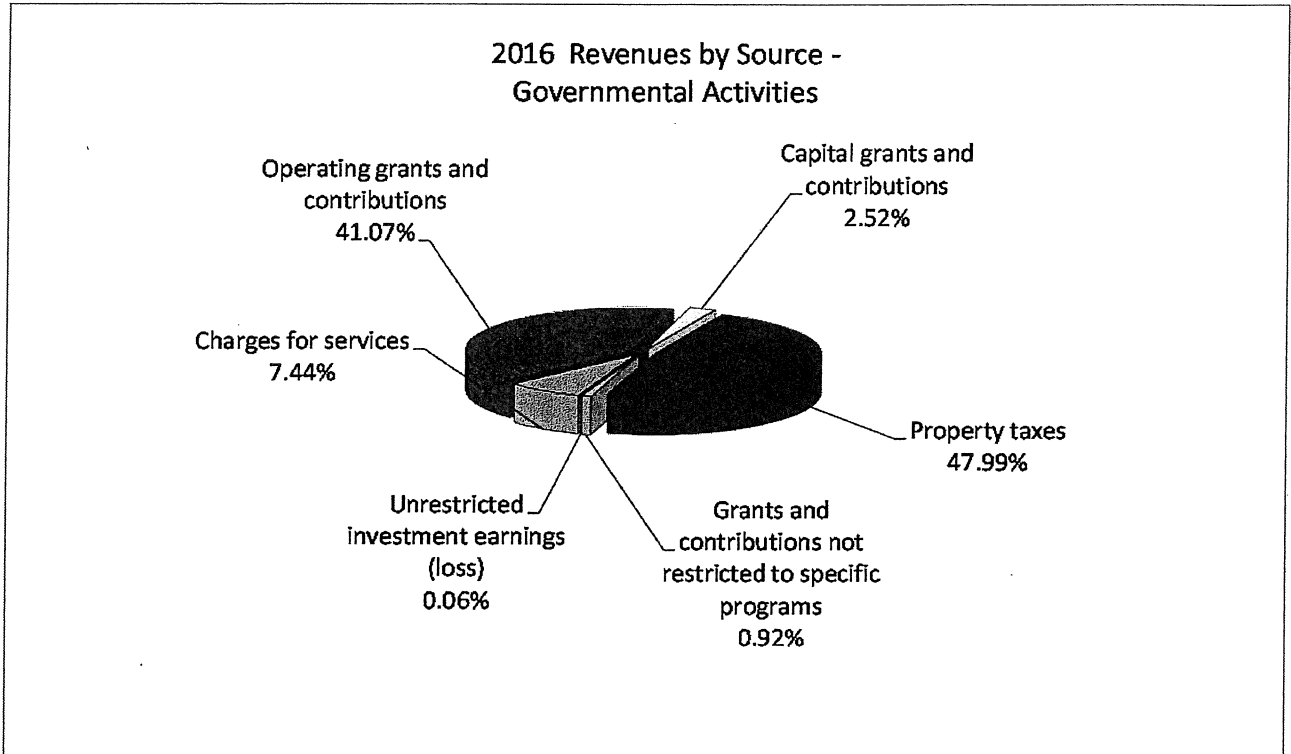
Changes in Net Position (Continued)

	2015		
	Governmental	Business-type	
	Activities	Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 4,523,675	\$ 1,721,158	\$ 6,244,833
Operating grants and contributions	22,996,996	-	22,996,996
Capital grants and contributions	797,110	-	797,110
General revenues:			
Property taxes	26,173,239	-	26,173,239
Grants and contributions not restricted to specific programs	610,144	-	610,144
Unrestricted investment earnings	32,305	26,625	58,930
Total revenues	<u>55,133,469</u>	<u>1,747,783</u>	<u>56,881,252</u>
Program expenses:			
Education	45,280,438	-	45,280,438
General government	3,891,886	-	3,891,886
Public safety	2,562,176	-	2,562,176
Public works	2,177,574	-	2,177,574
Social Services	584,220	-	584,220
Administration	797,765	-	797,765
Interest	523,099	-	523,099
Sewer	-	2,174,597	2,174,597
Total expenses	<u>55,817,158</u>	<u>2,174,597</u>	<u>57,991,755</u>
Change in net position before transfers	(683,689)	(426,814)	(1,110,503)
Transfers	<u>(138,722)</u>	<u>138,722</u>	<u>-</u>
Change in net position	<u>\$ (822,411)</u>	<u>\$ (288,092)</u>	<u>\$ (1,110,503)</u>

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)

Governmental Activities

Governmental activities decreased the Town's net position by \$882,976. The current year deficit was driven by increases in the Town's net pension and other-post employment obligations.

Business-type Activities

Business-type activities decreased the Town's net position by \$326,497. The decrease is related to current year depreciation expense on the capital assets currently in use by the WPCA's operations.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,876,710, a decrease of \$573,331 in comparison with the prior year. The primary cause of this fund balance decrease is in the School Project Fund related to capital outlays expended for planned building improvements to the Town's school buildings.

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 \$6,355,407. 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 12.6% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.5 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$638,360 during the current fiscal year.

School Project Fund

The School Project Fund is a capital project fund established to account for capital projects related to the Town's School Buildings. Current year activity included the issuance of a bond anticipation note payable in the amount of \$2,000,000. The fund had an ending fund deficit of \$942,867. The fund's deficit will be funded in subsequent years by grants and permanent financing.

The fund balance of the School Project Fund decreased by \$825,226 during the current fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year ended June 30, 2016, additional appropriations of \$10,000 were made to the budget in anticipation of increases in costs for Education. An appropriation in the amount of \$200,000 assigned to Other Post Employment Benefits (OPEB) in previous fiscal years, in accordance with the Town's approved fund balance policy, was released from restriction and transferred to the Town's OPEB fund in July 2015 when the Town established a Trust for OPEB benefits.

The final budget anticipated a use of fund balance in the amount of \$227,670. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$639,534. Expenditures were \$498,908 less than budgeted and total budgetary revenues were \$370,255 more than budgeted.

WATER POLLUTION CONTROL AUTHORITY BUDGETARY HIGHLIGHTS

The Town adopts an annual budget for its Water Pollution Control Authority (WPCA). During the year ended June 30, 2016 there were no additional appropriations made to the budget. The budget for 2016 planned for no change to net position. However, the actual net change in net position of the WPCA on a budgetary basis was an increase of \$344,024. Expenditures were \$157,537 less than budgeted and total budgetary revenues were \$169,917 higher than expected due primarily to increased collections of miscellaneous unbudgeted revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2016 and 2015 totaled \$83,118,548 and \$81,975,485, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total increase in the Town's investment in capital assets for the current fiscal year was \$1,143,063 or 1.39%. This increase consisted of capital asset additions of \$4,034,998 offset by current year depreciation expense of \$2,761,780. Major capital asset events during the current fiscal year consisted of buildings and improvements to the Town's school buildings of approximately \$1.3 million, machinery and equipment of \$282,511 for educational equipment and equipment for use by the Town's public works and public safety departments, and infrastructure of \$203,340 for the installation of new water mains. The Town's sewer improvement project was still ongoing resulting in additional increases to construction in progress in the amount of \$2,102,813.

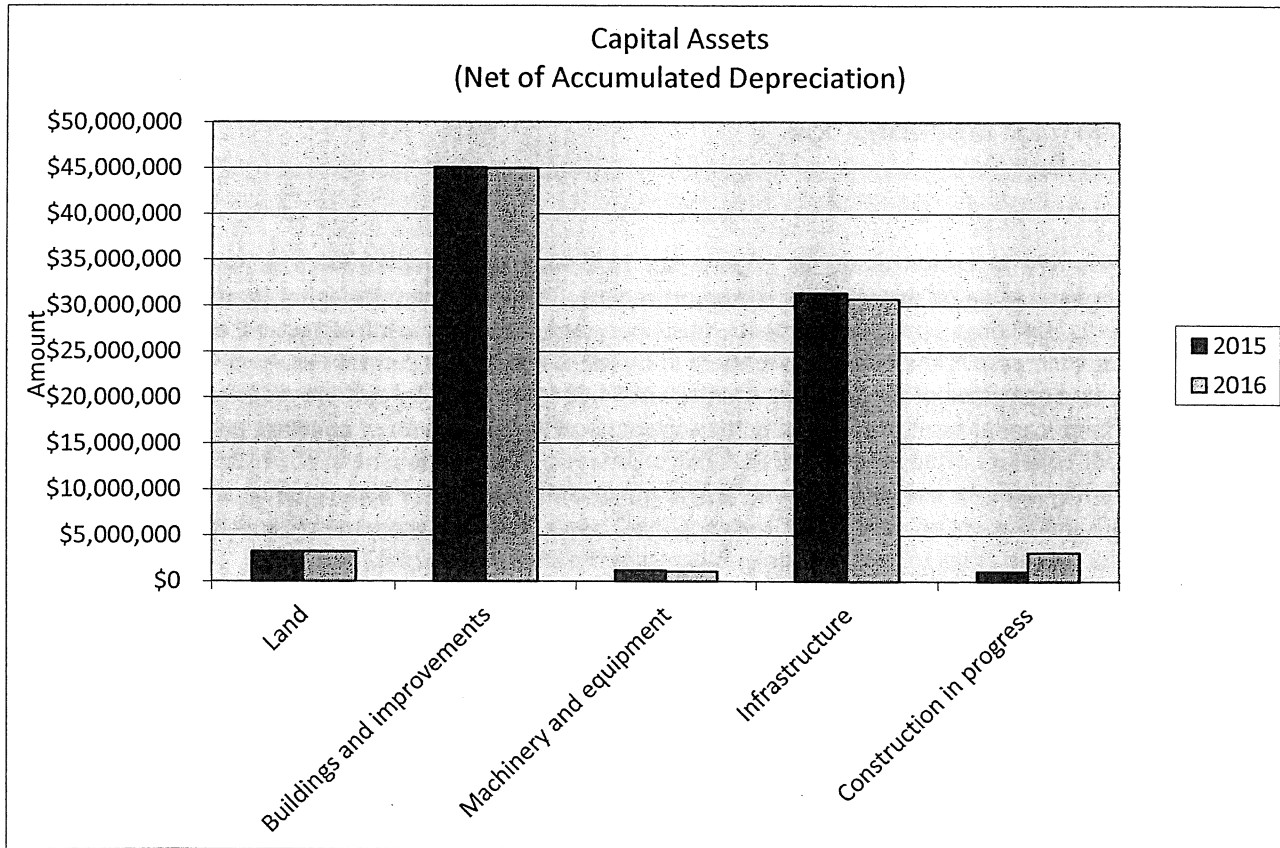
TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,201,836	\$ 3,201,836	\$ 31,740	\$ 31,740	\$ 3,233,576	\$ 3,233,576
Buildings and improvements	44,004,572	44,048,873	964,913	1,025,220	44,969,485	45,074,093
Machinery and equipment	968,048	1,142,167	91,241	100,050	1,059,289	1,242,217
Infrastructure	23,509,860	23,768,273	7,186,044	7,599,845	30,695,904	31,368,118
Construction in progress	-	-	3,160,294	1,057,481	3,160,294	1,057,481
Total	<u>\$ 71,684,316</u>	<u>\$ 72,161,149</u>	<u>\$ 11,434,232</u>	<u>\$ 9,814,336</u>	<u>\$ 83,118,548</u>	<u>\$ 81,975,485</u>



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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

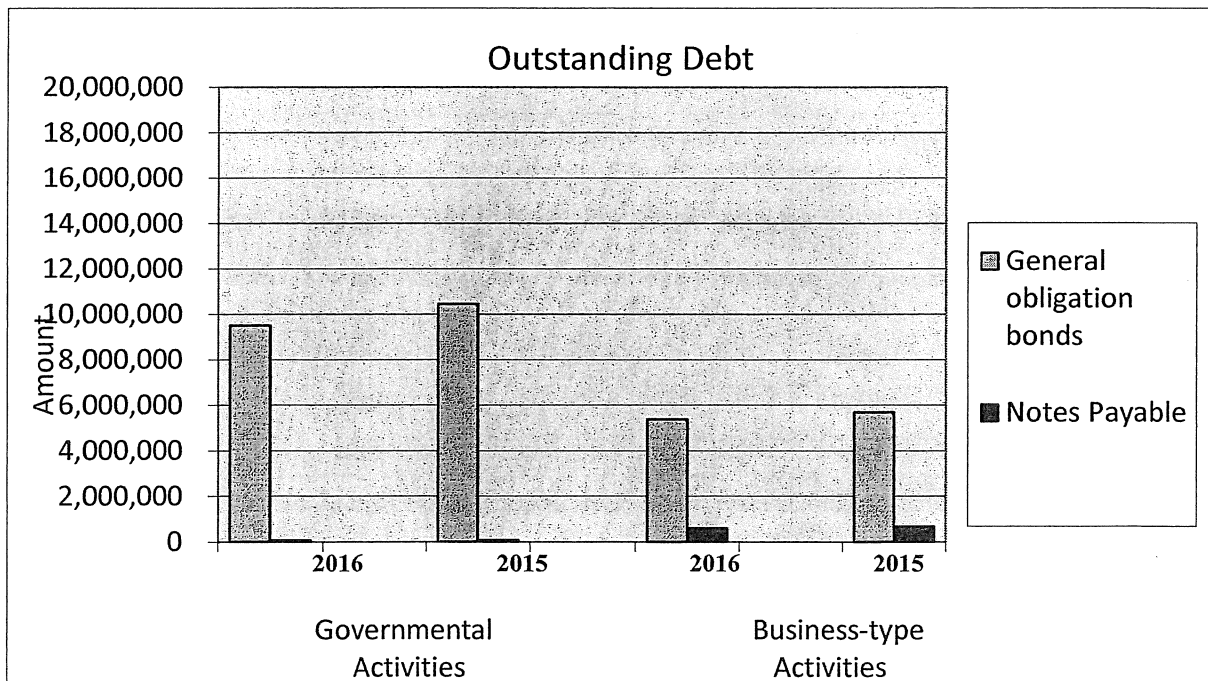
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$15,523,909. 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 \$1,369,729 or 8.11% during the current fiscal year due to current year principal payments. The Town maintains an A3 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$183,735,111, which is significantly in excess of the Town's outstanding general obligation debt.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 9,500,000	\$ 10,450,000	\$ 5,371,414	\$ 5,690,308	\$ 14,871,414	\$ 16,140,308
Notes Payable	60,525	80,699	591,970	672,631	652,495	753,330
Total	\$ 9,560,525	\$ 10,530,699	\$ 5,963,384	\$ 6,362,939	\$ 15,523,909	\$ 16,893,638



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

TOWN OF PLAINFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
JUNE 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The unemployment rate for the Town is currently 6.4%, as compared to the state's average unemployment rate of 5.9% and the national unemployment rate of 5.1%.
- Inflationary trends in the region are comparable to national indices.
- During the current fiscal year, unassigned fund balance of the General Fund increased to \$6,755,407. The Town has not assigned funds for spending in the 2017 fiscal year budget.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2017, the Assessor's grand list was used along with an estimated tax rate and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2017.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,190,678	\$ 3,657,757	\$ 16,848,435
Receivables:			
Property taxes and interest, net of allowance of \$822,000	1,350,008	-	1,350,008
Intergovernmental	324,705	-	324,705
User charges, net allowance of \$10,000	-	80,849	80,849
Sewer assessments, net of allowance of \$2,000	-	90,641	90,641
Other	388,853	-	388,853
Loans, net of allowance of \$584,000	239,711	-	239,711
Inventories	37,102	-	37,102
Internal balances	(165,975)	165,975	-
Capital assets:			
Non-depreciable	3,201,836	3,192,034	6,393,870
Depreciable, net	68,482,480	8,242,198	76,724,678
Total assets	<u>87,049,398</u>	<u>15,429,454</u>	<u>102,478,852</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	540,361	-	540,361
Deferred pension expense	2,395,334	-	2,395,334
Total deferred outflows of resources	<u>2,935,695</u>	<u>-</u>	<u>2,935,695</u>
LIABILITIES			
Accounts payable	974,821	15,776	990,597
Accrued liabilities:			
Salaries and benefits payable	1,695,958	9,132	1,705,090
Accrued interest	195,846	45,689	241,535
Other	222,880	-	222,880
Unearned revenue	146,296	-	146,296
Note payable	2,000,000	-	2,000,000
Noncurrent liabilities:			
Due within one year	1,695,123	406,815	2,101,938
Due in more than one year	21,828,781	5,892,691	27,721,472
Total liabilities	<u>28,759,705</u>	<u>6,370,103</u>	<u>35,129,808</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension benefits	686,254	-	686,254
Total deferred inflows of resources	<u>686,254</u>	<u>-</u>	<u>686,254</u>
NET POSITION			
Net investment in capital assets	59,882,369	5,204,904	65,087,273
Restricted for social services	349,941	-	349,941
Restricted for capital	1,076,930	2,088,517	3,165,447
Unrestricted	(770,106)	1,765,930	995,824
Total net position	<u>\$ 60,539,134</u>	<u>\$ 9,059,351</u>	<u>\$ 69,598,485</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Education	\$ 45,041,436	\$ 3,338,194	\$ 22,078,269	\$ 623,434	\$ (19,001,539)	\$ (19,001,539)
General government	3,842,918	477,478	84,541	-	(3,280,899)	(3,280,899)
Public safety	2,307,851	79,453	36,203	-	(2,192,195)	(2,192,195)
Public works	2,419,269	-	178,304	751,995	(1,488,970)	(1,488,970)
Social services	477,122	160,331	-	-	(316,791)	(316,791)
Administration	852,209	-	-	-	(852,209)	(852,209)
Interest expense	423,344	-	-	-	(423,344)	(423,344)
Total governmental activities	55,364,149	4,055,456	22,377,317	1,375,429	(27,555,947)	(27,555,947)
Business-type activities:						
Water Pollution Control Authority	2,242,227	1,889,654	-	-	(352,573)	(352,573)
Total business-type activities	2,242,227	1,889,654	-	-	(352,573)	(352,573)
	<u>\$ 57,606,376</u>	<u>\$ 5,945,110</u>	<u>\$ 22,377,317</u>	<u>\$ 1,375,429</u>	<u>(27,555,947)</u>	<u>(27,908,520)</u>
General revenues:						
Property taxes					26,147,218	26,147,218
Grants and contributions not restricted to specific programs					493,938	493,938
Unrestricted investment earnings					31,815	57,891
Total general revenues					26,672,971	26,699,047
					<u>26,672,971</u>	<u>26,699,047</u>
Change in net position					(882,976)	(1,209,473)
Net position - beginning					61,422,110	70,807,958
Net position - ending					<u>\$ 60,539,134</u>	<u>\$ 69,598,485</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	School Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,017,020	\$ 1,076,930	\$ 1,096,728	\$ 13,190,678
Receivables:				
Property taxes, net of allowance of \$342,000	1,050,961	-	-	1,050,961
Property tax interest, net of allowance of \$480,000	299,047	-	-	299,047
Intergovernmental	131,496	-	193,209	324,705
Loans, net of allowance of \$584,000	-	-	239,711	239,711
Other	237,190	-	1,663	238,853
Due from other funds	29,426	-	218,295	247,721
Inventories	4,666	-	32,436	37,102
Total assets	<u>\$ 12,769,806</u>	<u>\$ 1,076,930</u>	<u>\$ 1,782,042</u>	<u>\$ 15,628,778</u>
LIABILITIES				
Accounts payable	\$ 783,300	\$ 19,797	\$ 171,724	\$ 974,821
Accrued liabilities:				
Salaries and benefits payable	1,613,119	-	82,839	1,695,958
Other accrued liabilities	222,880	-	-	222,880
Unearned revenue	-	-	146,296	146,296
Note payable	-	2,000,000	-	2,000,000
Due to other funds	384,270	-	29,426	413,696
Total liabilities	<u>3,003,569</u>	<u>2,019,797</u>	<u>430,285</u>	<u>5,453,651</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes and interest	<u>1,298,417</u>	<u>-</u>	<u>-</u>	<u>1,298,417</u>
FUND BALANCES				
Nonspendable:				
Inventories	4,666	-	32,436	37,102
Restricted for:				
Toys for tots	4,447	-	-	4,447
Andstrom fund	3,300	-	-	3,300
Social services	-	-	349,941	349,941
Committed to:				
Capital improvements	-	-	871,485	871,485
Public safety	-	-	10,638	10,638
Education	-	-	92,975	92,975
Other governmental purposes	-	-	18,412	18,412
Assigned to:				
Road construction and equipment	700,000	-	-	700,000
Conservation	300,000	-	-	300,000
Revaluation	100,000	-	-	100,000
Capital improvements	800,000	-	-	800,000
Debt service	200,000	-	-	200,000
Unassigned	6,355,407	(942,867)	(24,130)	5,388,410
Total fund balances	<u>8,467,820</u>	<u>(942,867)</u>	<u>1,351,757</u>	<u>8,876,710</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,769,806</u>	<u>\$ 1,076,930</u>	<u>\$ 1,782,042</u>	<u>\$ 15,628,778</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances for governmental funds	\$	8,876,710
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Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$	3,201,836	
Land improvements		1,021,529	
Buildings and improvements		69,249,539	
Machinery and equipment		8,602,211	
Infrastructure		34,834,823	
Less: accumulated depreciation and amortization		(45,225,622)	
Total capital assets, net			71,684,316

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.		1,298,417
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Lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and is therefore not reported in the governmental funds.		150,000
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Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:

Long-term debt:			
Bonds and notes payable	(9,560,525)		
Unamortized bond premium	(689,680)		
Deferred amount on refundings	540,361		
Obligations under capital lease	(92,103)		
Accrued interest payable	(195,846)		
Other long-term liabilities:			
Compensated absences	(1,327,386)		
Claims and judgments	(992,565)		
Contract payable	(130,166)		
Net pension liability	(5,471,858)		
Net OPEB obligation	(5,259,621)		
Total long-term liabilities			(23,179,389)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are reported in the statement of net position.		1,709,080
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Net position of governmental activities	\$	60,539,134
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The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	School Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 26,039,694	\$ -	\$ -	\$ 26,039,694
Intergovernmental	19,064,764	623,434	2,618,912	22,307,110
State on-behalf payments	3,155,760	-	-	3,155,760
Licenses, permits and fees	1,872,788	-	493,243	2,366,031
Interest	29,161	1,893	2,654	33,708
Other	528,397	-	17,949	546,346
Total revenues	<u>50,690,564</u>	<u>625,327</u>	<u>3,132,758</u>	<u>54,448,649</u>
EXPENDITURES				
Current:				
General government	3,727,219	-	259,493	3,986,712
Public safety	2,294,259	-	53,247	2,347,506
Public works	1,662,540	-	-	1,662,540
Social services	538,297	-	5,775	544,072
Administration	846,675	-	-	846,675
Education	35,953,852	76,233	2,857,291	38,887,376
State on-behalf payments	3,155,760	-	-	3,155,760
Debt service:				
Principal payments	1,060,462	-	-	1,060,462
Interest and other charges	432,530	14,808	-	447,338
Capital outlays	724,027	1,359,512	-	2,083,539
Total expenditures	<u>50,395,621</u>	<u>1,450,553</u>	<u>3,175,806</u>	<u>55,021,980</u>
Excess (deficiency) of revenues over expenditures	294,943	(825,226)	(43,048)	(573,331)
OTHER FINANCING SOURCES (USES)				
Transfers in	359,000	-	15,583	374,583
Transfers out	(15,583)	-	(359,000)	(374,583)
Total other financing sources (uses)	<u>343,417</u>	<u>-</u>	<u>(343,417)</u>	<u>-</u>
Net change in fund balances	638,360	(825,226)	(386,465)	(573,331)
Fund balances - beginning	<u>7,829,460</u>	<u>(117,641)</u>	<u>1,738,222</u>	<u>9,450,041</u>
Fund balances - ending	<u>\$ 8,467,820</u>	<u>\$ (942,867)</u>	<u>\$ 1,351,757</u>	<u>\$ 8,876,710</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - for governmental funds	\$	(573,331)
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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	\$	1,905,998	
Depreciation and amortization expense		(2,252,676)	
Net adjustment			(346,678)

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets.		(130,155)
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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.		226,182
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Revenues related to a lease receivable resulting from the transfer of certain machinery and equipment is not susceptible to accrual and, therefore, is only reported as revenue in the governmental funds when the cash is received by the Town. In the government-wide financial statements, the revenues are recorded when earned.		(75,000)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Principal repayments:			
Bonds and notes payable		970,174	
Capital leases		90,288	
			1,060,462

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	\$	(31,157)	
Claims and judgments		16,576	
Contract payable		(130,166)	
Net pension obligation		(1,030,832)	
Net OPEB obligation		(624,977)	
Amortization of deferred charge on refunding		(16,375)	
Amortization of bond premium		21,863	
Accrued interest		18,506	
			(1,776,562)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities.

Change in net position of governmental activities	\$	(882,976)
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The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 25,210,601	\$ 25,210,601	\$ 26,039,694	\$ 829,093
Intergovernmental	17,547,458	17,547,458	17,328,748	(218,710)
Licenses, permits and fees	481,445	481,445	495,590	14,145
Interest	25,000	25,000	29,161	4,161
Out of town tuition	1,340,239	1,340,239	1,258,134	(82,105)
Other	681,898	681,898	505,569	(176,329)
Total revenues	45,286,641	45,286,641	45,656,896	370,255
EXPENDITURES				
General government	3,914,096	3,851,096	3,490,811	(360,285)
Public safety	2,202,863	2,257,863	2,247,305	(10,558)
Public works	1,517,649	1,517,649	1,456,365	(61,284)
Social services	449,912	457,912	447,390	(10,522)
Administration	897,067	897,067	845,800	(51,267)
Capital outlays	687,504	687,504	686,455	(1,049)
Education	34,597,111	34,607,111	34,603,168	(3,943)
Debt service	1,852,112	1,852,112	1,852,112	-
Total expenditures	46,118,314	46,128,314	45,629,406	(498,908)
(Deficiency) excess of revenues over expenditures	(831,673)	(841,673)	27,490	869,163
OTHER FINANCING SOURCES (USES)				
Town Revaluation - Fund Balance	35,959	35,959	35,000	(959)
Capital Fund - Road Construction	300,000	300,000	300,000	-
Moosup Library Ramp	25,000	25,000	24,000	(1,000)
WPCA Bond Payment	453,044	453,044	453,044	-
OPEB Trust	-	(200,000)	(200,000)	-
Appropriation of fund balance	17,670	227,670	-	(227,670)
Total other financing sources (uses)	831,673	841,673	612,044	(229,629)
Net change in fund balances	\$ -	\$ -	639,534	\$ 639,534
Fund balances - beginning			7,201,213	
Fund balances - ending			\$ 7,840,747	

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

Business-type Activities -
Enterprise Fund
Water Pollution
Control Authority

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,657,757
Receivables:	
Sewer assessments	32,695
Usage receivable, net of allowance of \$5,000	62,489
Interest receivable, net of allowance of \$5,000	18,360
Due from other funds	165,975
Total current assets	<u>3,937,276</u>

Noncurrent assets:

Sewer assessments, net of allowance of \$5,000	57,946
Capital assets:	
Non-depreciable	3,192,034
Depreciable, net	8,242,198
Total noncurrent assets	<u>11,492,178</u>
Total assets	<u>15,429,454</u>

LIABILITIES

Current liabilities:

Accounts payable	15,776
Accrued liabilities:	
Accrued salaries and benefits payable	9,132
Accrued interest	45,689
Compensated absences - current	5,607
Bonds and note payable - current	401,208
Total current liabilities	<u>477,412</u>

Noncurrent liabilities:

Compensated absences	64,571
Bonds and note payable	5,828,120
Total liabilities	<u>6,370,103</u>

NET POSITION

Net investment in capital assets	5,204,904
Restricted for capital	2,088,517
Unrestricted	1,765,930
Total net position	<u>\$ 9,059,351</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
OPERATING REVENUES	
Charges for services	\$ 1,889,654
Total operating revenues	<u>1,889,654</u>
OPERATING EXPENSES	
Personnel services	930,510
Operations and maintenance	616,218
Depreciation	509,104
Total operating expenses	<u>2,055,832</u>
Operating loss	(166,178)
NON-OPERATING REVENUES (EXPENSES)	
Interest income (expense), net	<u>(160,319)</u>
Total non-operating revenues (expenses)	<u>(160,319)</u>
Change in net position	(326,497)
Net position- beginning	<u>9,385,848</u>
Net position - ending	<u><u>\$ 9,059,351</u></u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for the following:	
Charges for services	\$ 1,905,140
Cash paid for the following:	
Personnel services	(924,251)
Operations and maintenance	(667,357)
Net cash provided by operating activities	<u>313,532</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(2,129,000)
Principal paid on capital debt	(414,607)
Interest paid on capital debt	(188,368)
Interfund activity	12,226
Net cash used in capital and related financing activities	<u>(2,719,749)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	26,076
Net cash provided by investing activities	<u>26,076</u>
Net decrease in cash and cash equivalents	(2,380,141)
Cash and cash equivalents, beginning of year	6,037,898
Cash and cash equivalents, end of year	<u>\$ 3,657,757</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (166,178)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	509,104
Decrease in assets:	
Accounts receivable	15,486
(Decrease) increase in liabilities:	
Accounts payable	(51,139)
Accrued liabilities	6,259
Net cash provided by operating activities	<u>\$ 313,532</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Pension and Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 206,812	\$ 10,356	\$ 183,017
Investments:			
Mutual funds	5,476,481	-	-
Equity securities	12,575,406	-	-
Fixed annuity contract	-	104,033	-
Contribution receivable	119,909	-	-
Total assets	<u>18,378,608</u>	<u>114,389</u>	<u>\$ 183,017</u>
LIABILITIES			
Due to student groups	-	-	183,017
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 183,017</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 18,378,608</u>	<u>\$ 114,389</u>	

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Pension and Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 1,408,672	\$ -
Plan members	94,174	-
Total contributions	<u>1,502,846</u>	<u>-</u>
Investment income:		
Interest and dividends	296,114	4,147
Change in the fair value of investments	<u>(139,078)</u>	<u>178</u>
Total investment income	157,036	4,325
Less: investment expense	<u>(72,571)</u>	<u>(407)</u>
Net investment income	<u>84,465</u>	<u>3,918</u>
Total additions	<u>1,587,311</u>	<u>3,918</u>
DEDUCTIONS		
Benefit payments	870,763	-
Awards	-	4,000
Administrative expenses	<u>615</u>	<u>-</u>
Total deductions	<u>871,378</u>	<u>4,000</u>
Change in net position	715,933	(82)
Net position - beginning	<u>17,662,675</u>	<u>114,471</u>
Net position - ending	<u>\$ 18,378,608</u>	<u>\$ 114,389</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

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

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

Fund Financial Statements (*Continued*)

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

The Town reports the following major proprietary fund:

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Cash Equivalents

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

Investments

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories

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

Loans Receivable

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

Property Taxes, Sewer Assessment and Usage Charges

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

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

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

Capital Assets

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

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

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

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

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

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

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

Compensated Absences

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

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

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

Compensated Absences (*Continued*)

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

Long-term Obligations

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

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

Net Position and Fund Balance

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

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

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

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

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

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

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

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

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectman, with the Board of Finance approval (the highest levels of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned – Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter and in accordance with the Town's adopted Fund Balance Policy (Town Finance Director).

Unassigned – Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

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

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

Fund Balance Flow Assumption

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

Use of Estimates

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

NOTE B - BUDGETARY INFORMATION

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

- Other than the Education Department, which submits estimates directly to the Board of Finance, department heads submit their estimated budget to the Board of Selectmen, who review and may revise the budget before submitting to the Board of Finance for review and consideration. Expenditures are controlled at the department level.
- After one or more public hearings, the Board of Finance may revise the estimate for presentation at the Annual Town Budget Meeting, or at a referendum if an increase in the mill rate is proposed, which is held on the third Monday in May. The Town Meeting has the power to accept or reject the budget.
- Should the Annual Town Budget Meeting or referendum fail to adopt the budget, another meeting or referendum shall be held within fourteen days thereafter until final approval is given. Any budget which has been rejected by the Town Meeting shall be considered in the interim by the Board of Finance, which shall revise the rejected budget, and present a revision at the next subsequent Town Meeting for acceptance. If the budget remains unaccepted on July 1, the budget adopted for the immediately preceding fiscal year shall be deemed to be the temporary budget for the fiscal year beginning on July 1, and expenditures may be made on a month-to-month basis in accordance therewith, until such time as the Town Meeting finally adopts a budget.
- The Board of Finance upon written request of the Board of Selectmen may transfer unexpended balances from one appropriation to another in accordance with the General Statutes.
- The Board of Education may transfer unexpended balances from one account to another within its total line appropriation.
- Non-budgeted appropriations in excess of \$10,000 require a Town Meeting to become effective and non-budgeted appropriations in excess of \$50,000 require a referendum. During the year, there were no appropriations made that required such an approval. However, additional appropriations of unrestricted fund balance totaling \$10,000 were made during the year. In addition, an appropriation, in the amount of \$200,000 assigned to OPEB in previous fiscal years in accordance with the Town's approved fund balance policy, was released from restriction and transferred to the Town's OPEB Trust Fund in July 2015 when the Town established a Trust for OPEB benefits.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System (*see Note K*) are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for the Capital Projects Funds and certain Special Revenue Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE B - BUDGETARY INFORMATION (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2016:

	Total Revenues and Other Financing Sources	Total Expenditures and Other Financing Uses	Net Change in Fund Balance
Budgetary basis	\$ 46,468,940	\$ 45,829,406	\$ 639,534
"On-behalf" payments - State Teachers Retirement Fund (see Note K)	3,155,760	3,155,760	-
Donations netted against expenditures	-	1,174	(1,174)
Debt service recorded as transfers in for budgetary purposes	(453,044)	(453,044)	-
Various reimbursements netted against expenditures	1,348,864	1,348,864	-
Intergovernmental grants netted against expenditures	529,044	529,044	-
GAAP basis	<u>\$ 51,049,564</u>	<u>\$ 50,411,204</u>	<u>\$ 638,360</u>

Expenditures which exceed appropriations

The legal level of control at which expenditures may not legally exceed appropriations is at the department level. During the year ended June 30, 2016, expenditures exceeded appropriations in the following amounts, which does not represent a violation of budgetary requirements:

Department	Budget Line	Amount
Other	Computer	\$ 3,225
Public Safety	Planning and engineering	530
Administration and Finance	First Selectman	142

Deficit Fund Balances

The following funds have deficit balances as of June 30, 2016, which do not constitute a violation of statutory provisions:

Fund	Deficit Fund Balance
School Project Fund	\$ 942,867
Day Care Fund	24,130

The deficits are expected to be eliminated by future revenues, appropriations and/or the issuance of permanent financing.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

NOTE C - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2016 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 16,848,435
Statement of fiduciary net position:	
Cash and cash equivalents	400,185
Less: cash equivalents considered investments for disclosure purposes	<u>(10,977,648)</u>
	<u>\$ 6,270,972</u>

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2016, \$6,297,970 of the Town's bank balance of \$6,853,776 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,668,173
Uninsured and collateralized with securities held by the pledging bank's trust department or agent, but not in the Town's name	<u>629,797</u>
	<u>\$ 6,297,970</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE C - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2016 is as follows:

Statement of fiduciary net position:	
Investments	\$ 18,155,920
Plus: cash equivalents considered investments for disclosure purposes	<u>10,977,648</u>
	<u><u>\$ 29,133,568</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 funds discussed above. In addition, the plan strives to meet cash requirements for benefit payments.

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

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Debt Securities:				
<i>Governmental activities:</i>				
STIF	Net Asset Value	AAA	\$ 9,777,519	\$ 9,777,519
<i>Fiduciary:</i>				
Money market funds	Net Asset Value	Unrated	206,812	206,812
<i>Business Type activities:</i>				
STIF	Net Asset Value	AAA	993,317	993,317
			<u>10,977,648</u>	<u><u>\$ 10,977,648</u></u>
Other investments:				
<i>Fiduciary:</i>				
Guaranteed Investment Contracts	Contract Value		104,033	
Mutual funds	Fair Value		5,476,481	
Equity securities	Fair Value		<u>12,575,406</u>	
			<u><u>\$29,133,568</u></u>	

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

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

Investments (*Continued*)

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

Credit Risk

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

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

Custodial Credit Risk

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

Concentrations of Credit Risk

The Town's investment policy generally restricts investments in any one issuer that is in excess of 10%. In addition, the Town's policy defines other limitations in an effort to avoid incurring unreasonable inherent risk of over-concentration in specific instruments, individual issuers or maturities. As of June 30, 2016, more than 10% of the Town's governmental activities investments are invested in the Short-term Investment Fund (36.9%). As of June 30, 2016, more than 10% of the Town's fiduciary investments are invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Vanguard	Vanguard 500 Index Fund	\$ 4,349,287	15%

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE D - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2016, 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	\$ 5,476,481	\$ -	\$ -	\$ 5,476,481
Equity securities	12,575,406	-	-	12,575,406
	<u>\$ 18,051,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$18,051,887</u>

NOTE E – RECEIVABLES

Loans Receivable

Loans receivable represents loans dispersed from Community Development Block Grant ("CDBG") proceeds and Economic Development Committee proceeds. These loans consist of deferred loans which are noninterest bearing and due on demand. Payment on the deferred loans will occur only in the event of default, which is upon the death of borrower, transfer of title of property or refinancing property-related debt. Loans receivable consist of the following as of June 30, 2016:

Deferred loans	\$ 823,364
Less allowance for collection losses	<u>583,653</u>
Total	<u>\$ 239,711</u>

Lease Receivable

On January 1, 2015, the Board of Education (the "Board") entered into an agreement with a contractor for purchased transportation services. The Board transferred, to the Contractor, all Board-owned vehicles for \$650,000, payable by the Contractor as follows: (i) \$350,000, which was paid to the Board prior to June 30, 2015, and (ii) \$75,000 payable annually in the second through fifth year of the term of the agreement, payable to the Board by means of a monthly credit against sums due to the Contractor for transportation services provided each month from September through June during each contract year. The lease receivable consists of the following as of June 30, 2016:

	Governmental Activities
Year Ending June 30:	
2017	\$ 75,000
2018	<u>75,000</u>
Total lease receivable	<u>\$ 150,000</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE F - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2016 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,201,836	\$ -	\$ -	\$ 3,201,836
Total capital assets, not being depreciated	<u>3,201,836</u>	<u>-</u>	<u>-</u>	<u>3,201,836</u>
Capital assets, being depreciated:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	67,829,403	1,420,136	-	69,249,539
Machinery and equipment	8,649,749	282,522	(330,060)	8,602,211
Infrastructure	34,631,483	203,340	-	34,834,823
Total capital assets, being depreciated	<u>112,132,164</u>	<u>1,905,998</u>	<u>(330,060)</u>	<u>113,708,102</u>
Less accumulated depreciation and amortization for:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	23,780,530	1,464,437	-	25,244,967
Machinery and equipment	7,507,582	326,486	(199,905)	7,634,163
Infrastructure	10,863,210	461,753	-	11,324,963
Total accumulated depreciation and amortization	<u>43,172,851</u>	<u>2,252,676</u>	<u>(199,905)</u>	<u>45,225,622</u>
Total capital assets, being depreciated, net	<u>68,959,313</u>	<u>(346,678)</u>	<u>(130,155)</u>	<u>68,482,480</u>
Governmental activities capital assets, net	<u><u>72,161,149</u></u>	<u><u>(346,678)</u></u>	<u><u>(130,155)</u></u>	<u><u>71,684,316</u></u>

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

Governmental Activities:	
Education	\$ 1,567,424
Public safety	84,797
Public works	565,240
Social services	<u>35,215</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 2,252,676</u></u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE F - CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities for the year ended June 30, 2016 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 31,740	\$ -	\$ -	\$ 31,740
Construction in progress	1,057,481	2,102,813	-	3,160,294
Total capital assets, not being depreciated	1,089,221	2,102,813	-	3,192,034
Capital assets, being depreciated:				
Buildings and improvements	2,713,818	-	-	2,713,818
Machinery and equipment	948,494	26,187	-	974,681
Infrastructure	19,003,499	-	-	19,003,499
Total capital assets, being depreciated	22,665,811	26,187	-	22,691,998
Less accumulated depreciation and amortization for:				
Buildings and improvements	1,688,598	60,307	-	1,748,905
Machinery and equipment	848,444	34,996	-	883,440
Infrastructure	11,403,654	413,801	-	11,817,455
Total accumulated depreciation and amortization	13,940,696	509,104	-	14,449,800
Total capital assets, being depreciated, net	8,725,115	(482,917)	-	8,242,198
Business-type activities capital assets, net	<u>\$ 9,814,336</u>	<u>\$ 1,619,896</u>	<u>\$ -</u>	<u>\$ 11,434,232</u>

NOTE G - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 29,426
Other Governmental Funds	General Fund	218,295
		<u>247,721</u>
Business-type Activities		
Water Pollution Control Fund	General Fund	165,975
Total due from/to other funds		<u>\$ 413,696</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE H - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Other Governmental Funds	General Fund	\$ 15,583
General Fund	Other Governmental Funds	359,000
Total interfund transfers		<u>\$ 374,583</u>

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

NOTE I - SHORT-TERM LIABILITIES

The following is a summary of changes in short-term liabilities for the year end June 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation notes issued				
in March 2015, original amount \$2,500,000	\$ 2,500,000	\$ -	\$ (2,500,000)	\$ -
Bond anticipation notes issued				
in March 2016, original amount \$2,000,000	-	2,000,000	-	2,000,000
	<u>\$ 2,500,000</u>	<u>\$ 2,000,000</u>	<u>\$ (2,500,000)</u>	<u>\$ 2,000,000</u>

The purpose of the bond anticipation notes are to provide interim financing for various school construction projects until future reimbursement are received from the State of Connecticut and/or general obligation bonds are issued. The notes are due and payable at maturity on March 27, 2017. Interest on the notes at a rate of 1.0% are calculated on the basis of a 360-day year consisting of twelve 30-day months.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE J - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 10,450,000	\$ -	\$ (950,000)	\$ 9,500,000	\$ 950,000
Note payable	80,699	-	(20,174)	60,525	20,174
Unamortized bond premium	711,543	-	(21,863)	689,680	-
Total bonds and note payable	11,242,242	-	(992,037)	10,250,205	970,174
Other liabilities:					
Capital leases	182,391	-	(90,288)	92,103	92,103
Compensated absences	1,296,229	31,157	-	1,327,386	132,739
Claims and judgments	1,009,141	-	(16,576)	992,565	467,565
Contract payable	-	162,708	(32,542)	130,166	32,542
Net pension liability	4,441,026	1,030,832	-	5,471,858	-
Net OPEB obligation	4,634,644	624,977	-	5,259,621	-
Total governmental activities long-term liabilities	<u>\$ 22,805,673</u>	<u>\$ 1,849,674</u>	<u>\$ (1,131,443)</u>	<u>\$ 23,523,904</u>	<u>\$ 1,695,123</u>
Business-type Activities					
General obligation bonds	\$ 5,275,000	\$ -	\$ (280,000)	\$ 4,995,000	\$ 280,000
USDA bonds payable	415,308	-	(38,894)	376,414	40,547
Clean Water notes payable	672,631	-	(80,661)	591,970	80,661
Unamortized bond premium	280,996	-	(15,052)	265,944	-
Total bonds and notes payable	6,643,935	-	(414,607)	6,229,328	401,208
Other liabilities:					
Compensated absences	53,867	16,311	-	70,178	5,607
Total business-type activities long-term liabilities	<u>\$ 6,697,802</u>	<u>\$ 16,311</u>	<u>\$ (414,607)</u>	<u>\$ 6,299,506</u>	<u>\$ 406,815</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable

A summary of bonds and notes payable outstanding at June 30, 2016 is as follows:

Description	Original Amount	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities				
Bonds Payable				
General purpose bonds, issued April 1, 2014	\$ 4,725,000	2026	2.0% - 5.9%	\$ 4,725,000
School bonds, issued July 1, 2007	16,295,000	2025	4.0% - 6.0%	4,775,000
				<u>\$ 9,500,000</u>
Note Payable				
DECD Note payable, issued October 1999	197,500	2019	0.00%	<u>\$ 60,525</u>
Business-type Activities				
Bonds Payable				
General purpose bonds, issued April 1, 2014	5,275,000	2034	2.0% - 4.0%	\$ 4,995,000
USDA bonds, issued August 2003	752,000	2023	4.25%	376,414
				<u>\$ 5,371,414</u>
Note Payable				
Clean Water note payable, issued November 2004	1,606,152	2024	2.00%	<u>\$ 591,970</u>

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2016:

Year ending June 30:	Governmental Activities					
	General Obligation Bonds		Note Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 950,000	\$ 388,518	\$ 20,174	\$ -	\$ 970,174	\$ 388,518
2018	975,000	346,393	20,174	-	995,174	346,393
2019	975,000	304,347	20,177	-	995,177	304,347
2020	1,000,000	262,988	-	-	1,000,000	262,988
2021	1,050,000	221,394	-	-	1,050,000	221,394
2022-2026	4,550,000	453,225	-	-	4,550,000	453,225
	<u>\$ 9,500,000</u>	<u>\$1,976,865</u>	<u>\$ 60,525</u>	<u>\$ -</u>	<u>\$ 9,560,525</u>	<u>\$ 1,976,865</u>

Year ending June 30:	Business-type Activities							
	General Obligation Bonds		USDA Bonds Payable		Clean Water Note Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 280,000	\$ 167,444	\$ 40,547	\$ 16,019	\$ 80,661	\$ 11,091	\$ 401,208	\$ 194,554
2018	280,000	161,844	42,270	14,296	80,661	9,478	402,931	185,618
2019	275,000	156,294	44,066	12,500	80,661	7,864	399,727	176,658
2020	280,000	149,344	45,939	10,627	80,661	6,251	406,600	166,222
2021	280,000	140,944	47,891	8,675	80,661	4,638	408,552	154,257
2022-2026	1,400,000	544,770	155,701	13,461	188,665	4,549	1,744,366	562,780
2027-2031	1,375,000	292,360	-	-	-	-	1,375,000	292,360
2032-2034	825,000	49,500	-	-	-	-	825,000	49,500
	<u>\$ 4,995,000</u>	<u>\$1,662,500</u>	<u>\$ 376,414</u>	<u>\$ 75,578</u>	<u>\$ 591,970</u>	<u>\$ 43,871</u>	<u>\$5,963,384</u>	<u>\$1,781,949</u>

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE J - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable (Continued)

Refundings

At June 30, 2016, approximately \$4,993,000 of previously refunded bonds are considered defeased but still outstanding.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$183,735,111 as of June 30, 2016. 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, 2016.

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2016 totaled \$86,265 for general purposes, \$1,889,035 for school purposes, and \$1,697,994 for sewer purposes.

Capital Leases

A summary of assets under capital leases as of June 30, 2016 are as follows:

	Governmental Activities
Equipment	\$ 332,663
Less: accumulated amortization	132,981
	<u>\$ 199,682</u>

Amortization expense relative to leased property under capital leases totaled \$52,760 for the year ended June 30, 2016 and is included in depreciation and amortization expense disclosed in Note F.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

	Governmental Activities
Year Ending June 30:	
2017	\$ 93,940
Total minimum lease payments	93,940
Less: amount representing interest	1,837
Present value of minimum lease payments	<u>\$ 92,103</u>

Contract Payable

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS

Defined Benefit Plan

Plan Description

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

Plan Membership - Under the Plan, all full-time members of the Police Department who are members of the bargaining unit are eligible for benefits. In addition, new employees of the Town who have completed 2 years of service and are at least age 21 and full-time employees of the Board of Education not covered by a collective bargaining agreement, and nurses, custodians, secretaries and bus drivers and paraprofessionals, who became eligible on July 1, 1995 with service credited for periods after July 1, 1984, are eligible for benefits.

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

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

Inactive plan members or beneficiaries currently receiving benefits	113
Inactive plan members entitled to but not yet receiving benefits	134
Active plan members	152
	<u>399</u>

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

Contributions - The Town establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the actuarially determined rate. Police participants are required to contribute 7% of their base monthly earnings. For the year ended June 30, 2016, the Town contributed \$1,125,405 or 17.68% of covered annual payroll.

Summary of Significant Accounting Policies

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Summary of Significant Accounting Policies (Continued)

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

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

Concentrations – As of June 30, 2016, more than 10% of the Town Plan's investments are invested in the following:

Issuer	Investment	Value	% of Plan Investments
Vanguard	Vanguard 500 Index Fund	\$ 4,349,287	25%
Vanguard	Vanguard International Growth Fund	1,934,841	11%
Artisan	Artisan International Value Fund	1,836,652	10%
Legg Mason	Western Asset Core Plus Bond Fund	1,797,939	10%
Metropolitan West Funds	Metropolitan West Total Return Bond Fund	1,775,634	10%
Vanguard	Vanguard Total Bond Market Index	109,884	35%
Vanguard	Vanguard Total Stock Market Index Fund	108,767	35%
Vanguard	Vanguard Total International Stock Index Fund	76,423	25%

Rate of return - For the year ended June 30, 2016 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 0.79%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liability

The components of the net pension liability of the Town Plan as June 30, 2016, were as follows:

Total pension liability	\$ 23,415,665
Plan fiduciary net position	<u>17,943,807</u>
Town's net pension liability - Town Plan	<u><u>\$ 5,471,858</u></u>

Plan fiduciary net position as a percentage of the total pension liability	76.63%
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The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2016, were as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2015	\$ 21,967,059	\$ 17,526,033	\$ 4,441,026
Changes for the year:			
Service cost	598,576	-	598,576
Interest	1,660,359	-	1,660,359
Differences between expected and actual experience	(1,013,041)	-	(1,013,041)
Changes of benefit terms	17,758	-	17,758
Changes of assumptions	1,055,717	-	1,055,717
Contributions - employer	-	1,125,405	(1,125,405)
Contributions - employee	-	94,173	(94,173)
Net investment income	-	140,367	(140,367)
Benefit payments, including refunds	(870,763)	(870,763)	-
Administrative expense	-	(71,408)	71,408
Net changes	<u>1,448,606</u>	<u>417,774</u>	<u>1,030,832</u>
Balance as of June 30, 2016	<u><u>\$ 23,415,665</u></u>	<u><u>\$ 17,943,807</u></u>	<u><u>\$ 5,471,858</u></u>

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

Inflation	2.60%
Salary increases, including inflation	4.50%
Investment rate of return	7.00%
Discount rate	7.00%

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Obligation Liability (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

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

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

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Town Plan's net pension liability as of June 30, 2016	\$ 8,228,326	\$ 5,471,858	\$ 3,141,455

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2016, the Town recognized pension expense related to the Town Plan of \$1,424,131. At June 30, 2016, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,680,171	\$ -
Changes of assumptions	715,163	-
Differences between expected and actual experience	-	(686,254)
Total	<u>\$ 2,395,334</u>	<u>\$ (686,254)</u>

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

Year ended June 30,	
2017	\$ 494,871
2018	494,871
2019	482,477
2020	236,861
	<u>\$ 1,709,080</u>

Payable to the Town Plan

The Town has reported a liability of \$119,909 payable to the Town Plan as of June 30, 2016 for the outstanding amount of contributions to the Town Plan required for the year ended June 30, 2016.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

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

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty.

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

For the year ended June 30, 2016, plan members of the Town contributed \$936,523 to the plan and covered payroll for the year was \$12,917,559. The Town has recognized on-behalf payments of \$3,155,760 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds. Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2015 was \$10.972 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$40.551 million or approximately 0.37% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined. For the year ended June 30, 2016 the Town has recognized pension expense and on-behalf revenue of \$3,637,147.

The total pension liability as of June 30, 2015, rolled forward from the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0%
Salary increases	3.75% - 7.0% (includes inflation)
Investment rate of return	8.5% (includes inflation)
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirements on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, the RP-2000 Combined Mortality Table projected forward 19 years using scale AA, with a two-year setback for males and females.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Large Cap U.S. Equities	21.0%	7.3%
Developed Non-U.S. Equities	18.0	7.5
Emerging Markets (Non-U.S.)	9.0	8.6
Emerging Markets	5.0	4.8
High Yield Bonds	5.0	3.7
Real Estate	7.0	5.9
Private Equity	11.0	10.9
Alternative Investment	8.0	0.7
Fixed Income (Core)	7.0	1.7
Inflation Linked Bonds	3.0	1.3
Other	6.0	0.4

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE K - EMPLOYEE RETIREMENT PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.50% , as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	<u>1.0%</u> <u>Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1.0%</u> <u>Increase</u>
Town's proportionate share of the net pension liability	\$47.995 million	\$37.482 million	\$26.670 million

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

NOTE L - OTHER POST-EMPLOYMENT BENEFITS

Board of Education Plan Description

The Town of Plainfield Board of Education 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 (the "Plan"). 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 Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Funding Policy

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 OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 1,092,600
Interest on net OPEB obligation	185,386
Adjustment to annual required contribution	<u>(257,767)</u>
Annual OPEB cost (expense)	1,020,219
Contributions made	<u>395,242</u>
Increase in net OPEB obligation	624,977
Net OPEB obligation, beginning of year	<u>4,634,644</u>
Net OPEB obligation, end of year	<u><u>\$ 5,259,621</u></u>

Three-Year Trend Information

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 958,810	24.1%	\$ 3,928,870
2015	960,542	27.0%	4,634,644
2016	1,020,219	39.0%	5,259,621

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014 (the date of the most recent actuarial valuation) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2014	\$ -	\$ 14,122,809	\$ 14,122,809	0.0%	\$ 17,769,914	79.5%

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

Valuation date:	July 1, 2014
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level Dollar Amount, Open
Remaining amortization period:	30 years
Asset valuation method:	N/A
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	4.00%
Healthcare cost trend rate	9.00% initial 5.00% final

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE M - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except health coverage. During 2016, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

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

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

ECHIP establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2016. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

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

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2016

NOTE N - COMMITMENTS AND CONTINGENCIES

Grants and Contracts

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

Litigation

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

NOTE O - IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Effective July 1, 2015, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and certain provisions of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The adoption of these statements did not have a material effect on the Town's financial statements.

NOTE P - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans and replaces the requirements of GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

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

TOWN OF PLAINFIELD, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement establishes disclosure of information about the nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meets its financial obligations and 2) the impact those abatements have on a government's financial position and economic condition. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Certain provisions of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This statement amends the blending requirements established in GASB Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (UNAUDITED)
PENSION PLAN
JUNE 30, 2016

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

NOTES TO SCHEDULE:

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

Benefit Changes - No significant changes.

Assumption Changes - No significant changes.

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS (UNAUDITED)
PENSION PLAN
JUNE 30, 2016

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

NOTES TO SCHEDULE:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	10 years remaining as of July 1, 2011
Asset valuation method	Market value of assets less unrecognized returns in each of the last four years
Inflation	2.6%
Investment rate of return	7.0%
Salary increases	4.5%
Retirement age	Age 62 for Town Employees; Age 55 for Police
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2015

See accompanying Independent Auditor's Report.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
JUNE 30, 2016
(Dollar amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.370%	0.370%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	40,551	37,482
Total	<u>\$ 40,551</u>	<u>\$ 37,482</u>
Town's covered payroll	\$ 12,917	\$ 14,388
Town's proportionate share of the net pension liability as a percentage of its covered payroll	31.85%	38.39%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

NOTES TO SCHEDULE:

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

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2016 is based on a June 30, 2015 measurement date).

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

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

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS (UNAUDITED)
JUNE 30, 2016

Other Post-Employment Benefits Program						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2010	\$ -	\$ 10,515,600	\$ 10,515,600	0.0%	\$ 19,604,338	53.6%
July 1, 2012	-	11,964,800	11,964,800	0.0%	23,612,118	50.7%
July 1, 2014	-	14,122,809	14,122,809	0.0%	17,769,914	79.5%

See accompanying Independent Auditor's Report.

APPENDIX B - FORM OF OPINION OF BOND COUNSEL AND TAX EXEMPTION

The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the initial purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the initial purchaser.

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Plainfield
Plainfield, Connecticut

We have represented the Town of Plainfield, Connecticut as Bond Counsel in connection with the issuance by the Town of \$3,580,000 General Obligation Bonds, Issue of 2017, dated as of March 29, 2017.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Plainfield is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the Town when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the Town has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds are designated or deemed designated as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and (3) the Bonds are "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

Interest Excluded From Gross Income. The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The Town officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the Town relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes.

Alternative Minimum Tax. The Code imposes an alternative minimum tax on individuals and an alternative minimum tax on corporations. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

The Code provides, however, that for most corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds will be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Owners of the Bonds having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such the bonds.

GENERAL.

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or any changes in law or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds.

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of March 29, 2017 by the Town of Plainfield, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$3,580,000 General Obligation Bonds, Issue of 2017, dated as of March 29, 2017 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated March 14, 2017 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2017) as follows:

(i) Financial statements of the Issuer's general fund and, any special revenue, capital projects, permanent enterprise, internal service and trust or agency funds, for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,

- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Finance Director, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Finance Director is Town Hall, 8 Community Avenue, Plainfield, Connecticut 06374.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF PLAINFIELD

By _____
Paul E. Sweet
First Selectman

By _____
Virginia Sampietro
Selectman

By _____
George J. Krecidlo
Selectman

By _____
Kelly Vachon
Treasurer/Finance Director

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