

Town of Plainville Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

Comprehensive Annual Financial Report

of the

Town of Plainville Connecticut

Fiscal Year Ended June 30, 2018

Prepared by:
Finance Department
Robert W. Buden
Director of Finance

**TOWN OF PLAINVILLE, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

TOWN OF PLAINVILLE, CONNECTICUT

PRINCIPAL TOWN OFFICIALS

AS OF JUNE 30, 2018

TOWN COUNCIL

Katherine Pugliese, Chairperson

Scott Saunders, Vice-Chairman

Ty Cox

Jesse Gnazzo

Rosemary Morante

Deborah Tompkins

Christopher Wazorko

ADMINISTRATION

Robert E. Lee, Town Manager

Assistant Town Manager

Town Attorney

Town Clerk

Director of Finance

Assessor

Collector of Revenue

Treasurer

Chief of Police

Police Lieutenant

Police Lieutenant

Fire Chief

Fire Marshal

Director of Health

Building Inspector

Director of Technical Services

Superintendent of Water Pollution Control

Superintendent of Buildings & Grounds

Superintendent of Roadways

Recreation Director

Town Planner

Senior Citizens Director

Youth Services Coordinator

Librarian

Shirley Osle

Michael Mastrianni

Carol Skultety

Robert Buden

Ann Marie Heering

Ana LeGassey

Duncan May

Matthew Catania

Eric Peterson

Nicolas Mullins

Kevin Toner

Larry Sutherland

Stephen Zebrowski

Foster Zucchi

John Bossi

Joseph Alosso

Dave Emery

Dominick Moschini

Colin Regan

Mark DeVoe

Shawn Cohen

Roberta Brown

Trish Tomlinson

BOARD OF EDUCATION

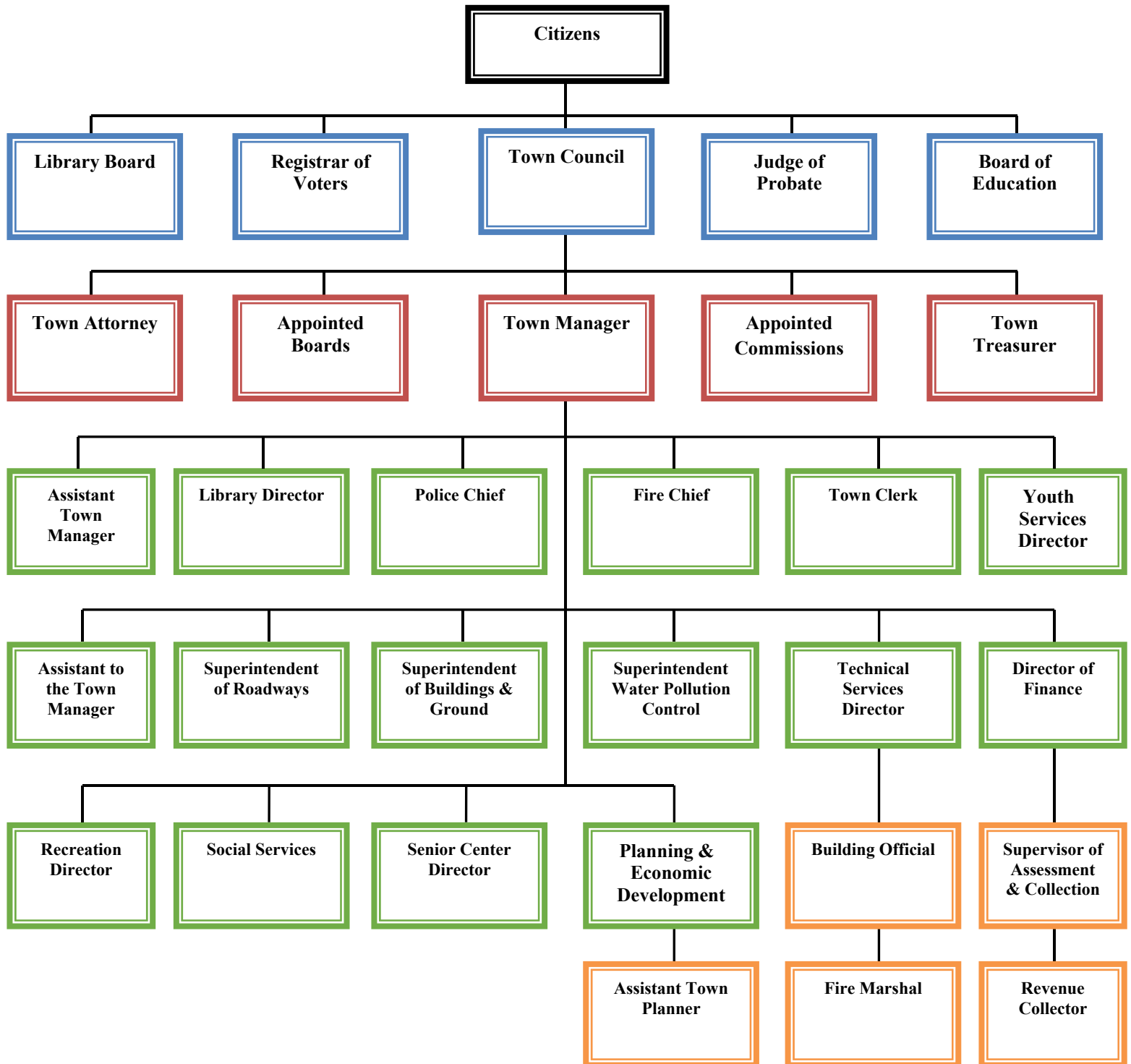
Andrea Saunders, Chairperson
Deborah Hardy, Vice Chairperson
Michael Giuliano
Nicole Palmieri
Laurie Peterson
Crystal St. Lawrence
Becky Tyrell
Kathy Wells
Foster White

Superintendent of Schools
Director of Business and Operations

Maureen Brummett
Samuel Adlerstein

TOWN OF PLAINVILLE

ORGANIZATIONAL CHART





Town of Plainville, CT
Finance Department
One Central Square
Plainville, CT 06062-1955
Phone: 860-793-0221 x 233
Fax: 860-793-2285
Rob Buden – Director of Finance
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www.plainvillect.com

January 28, 2019

To the Members of the Town Council,
Town Manager and Citizens of the Town of Plainville:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., have issued an unmodified (clean) opinion on the Town of Plainville's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A letter complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Town of Plainville, incorporated in 1869, is located 14 miles southwest of Hartford, the state's capital, and is on a major interstate Highway I-84. The Town also has a privately owned airport within its boundaries that can service small planes. The Town has a land area of 9.6 square miles and a population of 17,772. The Town is empowered to levy a property tax on both real and personal property located within its boundaries. This includes motor vehicles that are garaged or registered as being in the Town.

The Town has operated under the Council-Manager form of government since 1959. Policymaking and legislative authority are vested in the seven-member Town Council. The Council is elected biennially to serve a two-year term. The Council is responsible, among other things, for passing ordinances, proposing a budget to the annual Town Meeting, appointing committees, appointing the Town's attorney and treasurer, and hiring the Town's manager. The Town Manager as Chief Executive Official of the Town is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments. For the seven council positions, each political party may nominate five nominees, which assures no more than five members of the Council are from the same political party.

The Town provides a full range of services, which include: general government services such as finance, personnel, town clerk, revenue collection, and assessment. Public safety includes fire and police protection; physical services for the management, care, and maintenance of all public buildings, public roadways, Town vehicles, and various construction activities. Environmental services includes the collection of solid waste and recyclable by a contract vendor; water pollution control for the collection and treatment of wastewater. Education, which is under the control of the elected Board of Education, and operates a high school, middle school and three (3) elementary schools.

The Council is required to fix the tax rate in mills within thirty (30) days after the annual budget meeting. The annual budget serves as the foundation for the Town of Plainville's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within their own department, with the Town Manager's approval, throughout the fiscal year. Transfers between departments, however, need special approval from the Town Council during the fourth quarter only.

Local Economy

Major industries located within the government's boundaries or in close proximity include manufacturers of electrical components and equipment, electrical controls, spring manufacturing aerospace parts and supply, and a number of medium and large sized construction firms. In addition, a substantial commercial economic presence includes a number of national retail facilities.

The Town's geographical location and access to major highways and railroads has helped with its growth. The Town's purchase of Robertson Airport, a general aviation facility that serves private, corporate, and charter aircraft, has resulted in the certainty that the airport will continue to serve the needs of the local aviation community indefinitely. The Town entered into an agreement with a Fixed-Based Operator, Interstate Aviation, for day-to-day management of the facility. A Federal FAA grant has allowed for a recent reconstruction and modernization of the runway. Other Federal FAA grants have included an obstruction survey and pavement study. The hope is that these studies and grants will attract additional airplane operators to call Robertson Airport their home. Pan Am Railways continues to provide freight rail service to the community.

Employment data for Plainville reflects a labor force of 10,399 as of June 2018. The unemployment rate in Plainville decreased to 4.8% in June 2018 from 5.0% for June 2017 while the Hartford region went from 5.2% to 5.3% for the same period. Given the nature of the national and State economy, unemployment is expected to fluctuate in the near term; however, the Town's commercial and industrial tax base, while not growing at a fast pace, remains solid.

The Town enjoys a diverse economic base, which includes small, mid-size, and large manufacturers consisting of ABB, Carlingswitch (an electrical component maker), Gems Sensors and Controls, Mott Corporation, an industrial air filter manufacturer, Forestville Tool, Roma Tool, Cad Cam, LDM Manufacturing, ELKA Precision and many others. Plainville is home to a number of medium and large sized construction firms including Manafort Brothers, Walker Rigging, Tilcon CT, Inc. and Aiudi & Sons, LLC.

Efforts to revitalize the downtown business district received a boost as streetscape improvements have revitalized certain sections of the district, and those benefits will now be realized along the route 372 corridor as it transects the downtown area.

BRE DDR Connecticut Commons LLC, the largest taxpayer in the community, had an assessment of \$46,626,390 on the 10/01/2016 grand list or FY 2018. The managers of this retail facility have been rallying to fill all of the empty space within the plaza, which had a vacancy rate approaching 10% earlier in 2013. At the close of 2018, the plaza is at 98% occupancy. Recent development in the immediate area of Connecticut Commons includes a retail bakery, banking, and other miscellaneous retail space. Over 22 acres are available for development directly across from Connecticut Commons and recently a 20,000-square-foot Goodwill store opened. The remaining acres are currently being developed. Lowes Theaters recently became an AMC Theater and renovated the interior of all theaters. Successful area restaurants such as J. Timothy's Tavern, Applebee's, The First and Last Tavern and others continue to add a dimension of entertainment to the area. The renovated Fairfield Inn (a Marriott product) is flourishing, adding an Irish theme pub, Waxy O'Connors.

Perhaps the most recent exciting addition is the 145,000 square-foot medical office building and cancer center on the Plainville–New Britain town line (Plainville will house the medical office complex). This project represents a major step forward for cancer treatment in Central Connecticut. It is worth noting that besides the 145,000 square feet mentioned above, the developer has retained ample land to construct as much as 40,000 additional square feet of support facilities for the cancer center. Thirty-eight (38) additional acres of Technology Park-zoned land remains available and, with recent tax credits enacted by the General Assembly for bioscience development within this area, the potential for future development is high. Ancillary economic benefits are sure to be realized once the project is completed and the site occupied. The Center opened in the spring of 2015.

Limestone Business Park continues to grow with its latest approval for 14,700 square feet still under construction. Connecticut Tool and Manufacturing on Corporate Avenue recently purchased adjacent property and constructed a 16,000-square-foot addition to its manufacturing facility.

Approval was granted and construction was completed for a 19,000 addition at Walker Crane and Rigging Farmington Valley Drive. The plan includes a 4,000-square-foot operation building and while not large in the scheme of things, it does indicate the viability of this industrial area to support a variety of uses. GEMS Sensors and Controls on Cowles Road put the finishing touches on a 20,000-square-foot expansion it received approval for in 2012. Synergistic relationships like this not only improve the bottom line for the companies involved, they encourage a community approach to manufacturing that benefits the local economy. Ducci Electric moved into a new 25,000 square foot facility on Unionville Avenue. U-Haul recently moved into the former GE space, completely renovating and occupying 183,711 square feet. The company rents vehicles and storage spaces.

Plainville understands the linkage between these efforts and the overall health of the local economy. The past upward trends in job growth in the manufacturing sector were a welcome surprise that the Town has attempted to capitalize upon by improving governmental development services. While growth has slowed, there have been no major layoffs so employment numbers in this sector have held steady through June 2018. Principal employers located in Town can be viewed on Table 13.

The Town of Plainville approved an Enterprise Zone in February 1999 that consists of 200 acres. The Enterprise Zone allows for special tax incentives for manufacturing businesses within its boundaries. All but approximately 50 acres have been developed. In the Enterprise Zone, recent construction includes Allstate Fire Protection, Inc., Network Interiors, LLC, and Roma Tool, LLC. A recent vacancy created by a failed business has been sold and there remain no vacancies in this entire area.

Plainville's Economic Development Director continues to market vacant properties. The Department of Planning and Economic Development, in conjunction with the Town Managers' Office, continues to work with the development community as well as realtors, environmental professionals, and the legal profession to advance interest in existing underutilized properties.

The Town has been very active in providing tax abatements to business that locate within the community or want to expand their operations. This program has been very helpful in attracting new industry and keeping existing businesses. In addition, the Economic Development Agency administers a Small Business Loan Program that has provided nearly \$120,000.00 in secured loans to our business community over the past year. Loans are used for a variety of approved activities including facilities improvements, equipment purchases, marketing, and implementation of new business plans resulting in new hires.

Residential activity still remains slow this year. Plainville's reputation as a desirable location to live leaves few existing homes on the market. The result has been a slow, but steady rate of sales for new residential units. The 116 units under construction at Samuel's Crossing continue to sell at a reasonable pace. Single-family homes built on speculation by local developers continue to sell before completion. While little new development of rental multi-family has occurred (zero units approved), Plainville maintains close to 38% of its housing stock as multi-family and condominium. Demand continues to increase for rental housing as the current economy is not as favorable to homeownership opportunities and foreclosure rates continue to fluctuate at higher levels.

Long-Term Financial Planning

Unassigned fund balance in the General Fund (14.40% of total general fund revenues) is above the policy guidelines set by the Council for budgetary and planning purposes (i.e., a minimum level must be no less than 5% general fund revenues). Following a review of the Town of Plainville's Capital Improvement Program, the Council has established a Debt Management Fund, which will be funded through budget appropriations or operational surpluses. It may be used to reduce the amount that will be borrowed for future construction or to supplement debt retirement payments. This fund was rolled back into the General Fund during the preparation of the 2011 CAFR due to Governmental Accounting Standards Boards (GASB) Statement No. 54. Funds have been transferred into this fund to smooth future debt offerings. The balance in the fund as of June 30, 2018 is \$383,869.

Relevant Financial Policies

The State budget for FY 2011 extended the conveyance tax rate on real estate sales paid to municipalities. After much debate, the rate of \$2.50 per \$1,000 of the real estate sales was made permanent and there was an expansion of the current optional conveyance tax to all municipalities bringing the total municipal rate from 0.11% to 0.5%. During the current year, the Town received \$153,605 in conveyance tax, lower than FY 2017 but still higher than budgeted. We anticipate this amount going up in FY 2019.

Major Initiatives

In October 2011, the Town paid down \$4.975 million on a \$6 million BAN for the Toffolon School project and rolled over \$1.025 million at an interest rate of 0.96%. Then in December 2011, the Town paid off the BAN by permanently financing \$500,000, paying down \$525,000, and refunded \$12.060 million in older debt at a lower interest rate without extending the life of the debt. These transactions will reduce future debt service payments over the next twelve years by approximately \$787,355 and represents an economic gain of \$714,844 (difference between present values of the debt service payments on the old and new debt). The Town's debt portfolio has been rated Aa3 by Moody's Investor Services. This rate was affirmed in December 2011. The Town also received a rating increase from Standard & Poor's in July 2014 from A+ to AA+. This significant three-step increase will have a significant impact on the Town's future borrowing costs. This became evident in September 2015 when the Town refunded \$5.025 million of general obligation bonds at much lower interest rates without extending the life of the debt. The refunding will result in \$348,283 in budgetary savings through 2027 and represents an economic gain of \$325,127. The present value savings as a percentage of bonds refunded was 6.50% (GFOA benchmark is 2.00%), and the interest rate on the refunded bonds is 2.02% versus the old rate of 4.14%.

In September 2018, the Town issued a \$10 million GENOB to fund \$3 million for the Wheeler School Project, \$2.1 million to purchase two (2) much needed fire trucks, and \$4.9 million with a \$100,000 paydown for our 5-year road improvement project. This project has or will see when complete, the Town pave over forty (40) roads. The success of this program has greatly improved our infrastructure and may lead to another 5-year road improvement project beginning in 2020. The Wheeler School Project renovates like new the oldest school the Town has. This project will complete our school renovations until the next cycle. In addition, State of CT grants have helped the Town reconstruct three (3) major roads in Town...Cooke Street, Northwest Drive, and Townline Road.

Effective July 1, 2012, the Town and Board of Education combined financial operations. This consolidation resulted in physical relocation of all staff members to the same area for purposes of streamlining operations. The consolidation plan has multiple steps designed in it but has begun with results already being seen in areas of cross-training, back-up, and economies of scale.

Greater buying power has allowed the Town to purchase cooperatively saving much needed tax dollars.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Plainville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the thirtieth (30th) consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2018, or Fiscal Year 2019. This was the eighteenth (18th) consecutive year that the government has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Town Manager and especially to the Town Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Plainville's finances.

Respectfully submitted,



Robert W. Buden
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Plainville
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO



Financial Section

Independent Auditors' Report

To the Town Council
Town of Plainville, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plainville, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Plainville, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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, each major fund and the aggregate remaining fund information of the Town of Plainville, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2018, the Town of Plainville, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the Town of Plainville, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plainville, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

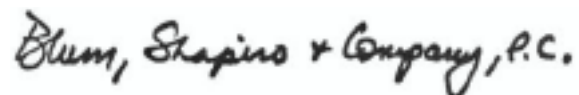
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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 nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Plainville, Connecticut, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated January 25, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying financial statements for the General Fund and Internal Service Funds as of and for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2017 financial statements. The accompanying financial statements for the General Fund and Internal Service Funds have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial statements for the General Fund and Internal Service Funds are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019 on our consideration of the Town of Plainville, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plainville, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plainville, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Blum, Shapiro & Company, P.C." followed by a vertical line.

West Hartford, Connecticut
January 28, 2019

TOWN OF PLAINVILLE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

This discussion and analysis of the Town of Plainville, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2018. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net position of our governmental activities decreased by almost \$2.8 million, or 2.95% (Table 1).
- During the year, the Town had expenses that were \$2.8 million more than the \$76.5 million generated in tax and other revenues for governmental programs, down from \$76.7 million last year (Table 2).
- Total cost of all of the Town's programs was \$79.3 million, up from \$79.1 million last year (Table 2).
- The General Fund reported a fund balance this year of \$9.88 million, down from \$10.80 million last year (Exhibit III).
- The resources actually available for appropriation were \$1.37 million more than budgeted for the General Fund (RSI-1). This was due entirely to the State of CT midyear budget reductions. Expenditures were kept within spending limits and came in under budget by \$1.17 million (RSI-2).

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, human services, culture and recreation, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State Department of Education and the Federal Housing and Urban Development Departments). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and service for the Town's other programs and activities - such as the Town's Health Insurance and Self Insurance Reserve Internal Service Funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's governmental net position were decreased by 2.95% from a year ago decreasing from \$94.7 million to \$91.9 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

TABLE 1
NET POSITION

	Governmental Activities	
	2018	2017 (as Restated)
Current assets	\$ 25,853,724	\$ 27,133,858
Capital assets, net of accumulated depreciation	129,562,858	132,659,322
Total assets	<u>155,416,582</u>	<u>159,793,180</u>
Deferred outflow of resources	<u>1,375,287</u>	<u>2,094,954</u>
Long-term liabilities outstanding	56,306,968	60,978,714
Other liabilities	7,878,559	5,953,442
Total liabilities	<u>64,185,527</u>	<u>66,932,156</u>
Deferred inflow of resources	<u>718,289</u>	<u>273,042</u>
Net Position:		
Net investment in capital assets	91,170,486	90,253,367
Unrestricted	<u>717,567</u>	<u>4,429,569</u>
Total Net Position	<u>\$ 91,888,053</u>	<u>\$ 94,682,936</u>

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased by \$3.7 million from \$4.4 million at June 30, 2017 to \$718 thousand at June 30, 2018.

TABLE 2
CHANGE IN NET POSITION

	Governmental Activities	
	2018	2017 (as Restated)
Revenues:		
Program revenues:		
Charges for services	\$ 5,265,679	\$ 4,961,871
Operating grants and contributions	22,456,932	23,990,017
Capital grants and contributions	993,578	1,877,830
General revenues:		
Property taxes	46,778,926	45,028,301
Grants and contributions not restricted to specific programs	405,430	481,879
Unrestricted investment earnings	62,014	112,402
Other general revenues	580,712	235,843
Total revenues	<u>76,543,271</u>	<u>76,688,143</u>
Expenses:		
General government	3,410,789	3,647,567
Public safety	8,160,216	7,759,760
Public works	9,556,987	9,307,244
Human services	1,998,072	1,889,365
Culture and recreation	1,341,343	970,255
Education	53,854,077	54,352,855
Interest on long-term debt	1,016,670	1,138,007
Total expenses	<u>79,338,154</u>	<u>79,065,053</u>
Change in Net Position	(2,794,883)	(2,376,910)
Beginning Net Position	94,682,936	97,549,725
Restatement		<u>(489,879)</u>
Ending Net Position	<u>\$ 91,888,053</u>	<u>\$ 94,682,936</u>

The Town's total revenues for 2018 were \$76.5 million. The total cost of all programs and services was \$79.3 million. Our analysis below separately considers the operations of governmental activities.

Governmental Activities

Revenues decreased slightly, from the prior year with increases in charges for services and property taxes essentially negating the decrease in operating grants and contributions. This was caused by the State of CT midyear budget reductions. Current year and back tax collections came in higher than anticipated due to tax sales and aggressive collection efforts, and a supplemental tax bill to partially offset the reduction in State funding.

Education expenses decreased \$500 thousand while all other expenses increased \$773 thousand netting the overall expense increase to \$273 thousand. Table 3 presents the cost of each of the Town's six largest programs - education, public works, public safety, general government, interest on long-term debt, and a generic all others - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Education	\$ 53,854,077	\$ 54,352,855	\$ 31,565,340	\$ 30,776,469
Public works	9,556,987	9,307,244	5,386,052	4,801,521
Public safety	8,160,216	7,759,760	7,662,178	7,400,391
General government	3,410,789	3,647,567	1,947,016	1,549,920
Interest on long-term debt	1,016,670	1,138,007	1,016,670	1,138,007
All others	3,339,415	2,859,620	3,044,709	2,569,027
Total	<u>\$ 79,338,154</u>	<u>\$ 79,065,053</u>	<u>\$ 50,621,965</u>	<u>\$ 48,235,335</u>

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$14.9 million, which is a decrease from last year's total of \$17.4 million. The primary reason for the decrease is the Town's additional appropriations and capital projects expenditures used to reconstruct several roads and bridges in Town. Significant changes by fund type are listed below.

General Fund:

1. For the 2018 budget, \$200,000 was budgeted as a revenue source from the fund balance but not used.
2. \$2,105,000 of additional appropriations were approved during FY 2018. This comes directly out of fund balance and is the primary reason for the General Fund loss in FY 2018. Of this amount, \$1.1 million was for the health insurance fund.
3. Building permits revenue came in higher than budgeted, all property tax line items continue to come in higher than budgeted through aggressive collection efforts, State of CT revenue came in lower than budgeted due to State of CT cutbacks, and conveyance taxes came in higher than budgeted due to more sales of properties.
4. Expenditures are kept close to budget with some savings seen in the Roadways and Buildings & Grounds. Our Municipal Building maintenance department also saw a budgetary savings through conservation measures, better bidding, and energy reducing technologies.
5. Debt costs came in lower due to taking advantage of the market and refunding various older debt issuances.

Sewer Operating Fund:

1. The Sewer Operating fund showed a gain of \$406 thousand as budgeted during FY 2018. This was primarily due to rate increases put in place to offset and/or minimize operating losses and known future expense increases. Rates will continue to increase slightly each year with the hopes of increasing fund balance to help with known future expense increases for phosphorus removal.

Capital Projects Fund:

1. The Capital Projects fund showed a loss of \$2.4 million. This was due primarily to the Town road bond project, various park improvement projects, the demolition of an old elementary school, and the beginning of the phosphorus removal project. This loss will be made up in FY 2019 with the permanent bonding of the road project debt.

Proprietary Funds

The internal service funds unrestricted net position decreased to (\$2,010,347) due to higher than expected claims and lower operating revenue. The Town Council appropriated \$1.1M more to these funds during the year yet the higher than expected claims still outpaced the revenue. Additional appropriations are anticipated to eliminate the deficit changes in health care providers and programs began in FY 2019. This change will lead to easier budgeting and lower costs going forward.

General Fund Expenditure Budget Highlights

General Government - there was an overall positive variance of \$37,209 after year-end transfers.

Public Safety - there was an overall positive variance of \$24,341 after year-end transfers.

Public Works - there was a positive variance of \$331,153 primarily due to better utility cost budgeting as a whole.

Human Services - there was a positive variance of \$23,704 all due to a reduction in solid waste disposal costs.

Education - finished the year returning \$296,687 of their budget to the General Fund.

The Town's General Fund balance of \$9.89 million reported on Exhibit III differs from the General Fund's budgetary fund balance reported in the budgetary comparison in the required supplementary information. This is principally because budgetary fund balance includes \$801 thousand of outstanding encumbrances at year-end, which are reported as expenditures for budgetary purposes.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2018, the Town had \$129.6 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines - Table 4. This amount represents a net decrease (including additions and deductions) of \$3.1 million, or 2.33%, less than last year.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities	
	2018	2017
Land	\$ 7,490,267	\$ 7,074,014
Buildings	100,452,163	105,340,530
Improvements other than buildings	9,273	9,871
Furniture and equipment	3,067,938	3,229,370
Infrastructure	17,315,027	16,552,397
Construction in progress	1,228,190	453,140
Total	<u>\$ 129,562,858</u>	<u>\$ 132,659,322</u>

This year's major additions included:

The Town is four years into a five-year road improvement project. This project will resurface/reconstruct numerous roads throughout the Town, dramatically improving our infrastructure. The Town has also started the phosphorus removal project at the Water Pollution Control Facility. This project will ensure the Town is in compliance with a Federal EPA mandate to remove higher levels of phosphorus from wastewater. Plainville is one of thirteen towns in the State of CT that was hit with this mandate. The Town has secured 2% grant/loans from the State of CT Department of Energy & Environmental Protection (DEEP). This allows the Town to pay back the cost of the project over time.

The Town's fiscal year 2018 - 2019 capital budget calls for it to spend \$575 thousand for public safety and public works equipment, educational technology and school improvements.

More detailed information about the Town's capital assets is presented in Notes 1 and 5 to the financial statements.

Long-Term Debt

At June 30, 2018, the Town had \$20.645 million in bonds and notes outstanding versus \$24.295 million last year - a decrease of 15.02% - as shown in Table 5.

TABLE 5
OUTSTANDING DEBT, AT YEAR-END

	Governmental Activities	
	2018	2017
General Obligation Bonds (Backed by the Town)	<u>\$ 20,645,000</u>	<u>\$ 24,295,000</u>

The Town's general obligation bond rating carries the Aa3 rating by Moody's Investment Service. This rate was reaffirmed in December 2011. The Town has been rated by Moody's since 1972. The Town also received a rating increase from Standard & Poor's in July 2014 from A+ to AA+. This significant three-step increase will have a significant financial impact on the Town's future borrowing costs. The Town took advantage of this rating increase in August 2016 by refunding \$5.965M of general obligation bonds at much lower interest rates and issuing a \$10M general obligation bond in September 2018. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$312.9 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Towns elected and appointed officials considered many factors when setting the fiscal year 2019 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. The Town's labor force stood at 10,399 for June 2018. Unemployment decreased to 4.8% compared to 5.0% for June 2017. However, these rates continue to decrease significantly from the June 2013 numbers of 7.7% for Plainville. Unemployment is expected to fluctuate in the near term however; the Town's commercial and industrial tax based remains solid.

The consumer price index for June 2018 was 2.9% compared to 1.6% for June 2017 and 1.0% for June 2016. The Town has been active in dealing with a downtown improvement program, tax abatement program, an Enterprise Zone program, and a loan/grant program. These programs have helped bring new business into the community and retained existing businesses. These are just some of the indicators taken into account when adopting the current General Fund Budget for 2018 - 2019. Amounts available for appropriations in the General Fund are \$60,056,058, an increase of 2.62% over the adopted 2018 budget of \$58,525,194. These increases will be used to maintain current levels of services, keep the existing labor force intact, and better fund health insurance expenditures. Almost the entire budgetary increase of \$1,530,864 is associated with health insurance budgeting. Budgeted expenditures equal budgeted revenues in order to have a balanced budget. The Town did budget a nominal amount of fund balance of \$204,000 use for the 2018 - 2019 budget. The use of fund balance in combination with the large general fund gain for FY 2014 has put the General Fund unassigned fund balance at a 14.40% level. The Town is committed to increasing and maintaining a healthy fund balance level. This will only help the Town maintain and improve its services to residents.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Plainville, One Central Square, Plainville, Connecticut 06062-1955.



Basic Financial Statements

TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 8,597,671
Investments	4,849,204
Receivables, net	12,108,572
Inventory	12,144
Prepaid items	286,133
Capital assets:	
Assets not being depreciated	8,718,457
Assets being depreciated, net	120,844,401
Total assets	<u>155,416,582</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	918,587
Deferred outflows related to pensions	433,691
Deferred outflows related to OPEB	23,009
Total deferred outflows of resources	<u>1,375,287</u>
Liabilities:	
Accounts and other payables	2,799,224
Unearned revenue	1,079,335
Bond anticipation notes payable	4,000,000
Noncurrent liabilities:	
Due within one year	5,058,675
Due in more than one year	51,248,293
Total liabilities	<u>64,185,527</u>
Deferred Inflows of Resources:	
Deferred inflows related to pensions	326,269
Deferred inflows related to OPEB	392,020
Total deferred inflows of resources	<u>718,289</u>
Net Position:	
Net investment in capital assets	91,170,486
Unrestricted	<u>717,567</u>
Total Net Position	<u>\$ 91,888,053</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
General government	\$ 3,410,789	\$ 600,182	\$ 760,762	\$ 102,829	\$ (1,947,016)
Public safety	8,160,216	470,877	27,161		(7,662,178)
Public works	9,556,987	3,457,217	707,471	6,247	(5,386,052)
Human services	1,998,072	34,083	73,266		(1,890,723)
Culture and recreation	1,341,343	149,335	38,022		(1,153,986)
Education	53,854,077	553,985	20,850,250	884,502	(31,565,340)
Debt service	1,016,670				(1,016,670)
Total	<u>\$ 79,338,154</u>	<u>\$ 5,265,679</u>	<u>\$ 22,456,932</u>	<u>\$ 993,578</u>	<u>(50,621,965)</u>
General revenues:					
Property taxes					46,778,926
Grants and contributions not restricted to specific programs					405,430
Unrestricted investment earnings					62,014
Miscellaneous					580,712
Total general revenues					<u>47,827,082</u>
Change in net position					(2,794,883)
Net Position, Beginning of Year as Restated					<u>94,682,936</u>
Net Position, End of Year					<u>\$ 91,888,053</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Assets:							
Cash and cash equivalents	\$ 5,463,782	\$ 100,746	\$ 107,198	\$	\$ 67,888	\$ 2,125,512	\$ 7,865,126
Investments	1,934,370	2,256,735				658,099	4,849,204
Receivables, net	4,255,721	1,128,807	1,712,886	118,624	3,684,586	699,255	11,599,879
Due from other funds	4,368,254			448,884		1,121,768	5,938,906
Inventories						12,144	12,144
Prepaid items	102,947	10,387			171,931	868	286,133
Total Assets	<u>\$ 16,125,074</u>	<u>\$ 3,496,675</u>	<u>\$ 1,820,084</u>	<u>\$ 567,508</u>	<u>\$ 3,924,405</u>	<u>\$ 4,617,646</u>	<u>\$ 30,551,392</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 961,270	\$ 48,846	\$ 16,803	\$ 292	\$ 660,528	\$ 259,146	\$ 1,946,885
Due to other governments	29,874						29,874
Due to other funds	1,956,160				925,185	460,976	3,342,321
Unearned revenue	16,100				956,637	106,598	1,079,335
Bond anticipation notes payable					4,000,000		4,000,000
Total liabilities	<u>2,963,404</u>	<u>48,846</u>	<u>16,803</u>	<u>292</u>	<u>6,542,350</u>	<u>826,720</u>	<u>10,398,415</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	3,280,843						3,280,843
Unavailable revenue - special assessments		223,096					223,096
Unavailable revenue - loans receivables			1,712,886				1,712,886
Total deferred inflows of resources	<u>3,280,843</u>	<u>223,096</u>	<u>1,712,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,216,825</u>
Fund balances:							
Nonspendable	102,947	10,387			171,931	13,012	298,277
Restricted			90,395			1,834,136	1,924,531
Committed	383,869	3,214,346		567,216	3,752,617	1,943,778	9,861,826
Assigned	1,013,531						1,013,531
Unassigned	8,380,480				(6,542,493)		1,837,987
Total fund balances	<u>9,880,827</u>	<u>3,224,733</u>	<u>90,395</u>	<u>567,216</u>	<u>(2,617,945)</u>	<u>3,790,926</u>	<u>14,936,152</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,125,074</u>	<u>\$ 3,496,675</u>	<u>\$ 1,820,084</u>	<u>\$ 567,508</u>	<u>\$ 3,924,405</u>	<u>\$ 4,617,646</u>	<u>\$ 30,551,392</u>

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TOWN OF PLAINVILLE, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are
different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 14,936,152
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 288,015,283	
Less accumulated depreciation	<u>(158,452,425)</u>	
Net capital assets		129,562,858

Other long-term assets and deferred outflows of resources are not available to
pay for current-period expenditures and, therefore, are not recorded in the funds:

Property tax receivables greater than 60 days	1,888,021
Interest receivable on property taxes	1,392,822
Assessments receivable	223,096
Housing loans	1,712,886
Deferred outflows related to pensions	433,691
Deferred outflows related to OPEB	23,009

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	(2,010,347)
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Long-term liabilities, including bonds payable and deferred inflows of resources,
are not due and payable in the current period and, therefore,
are not reported in the funds:

Bonds and notes payable	(33,621,725)
Interest payable on bonds and notes	(167,465)
Bond premium	(1,536,386)
Compensated absences	(3,331,529)
Capital lease	(152,848)
Total OPEB liability	(12,590,787)
Net pension liability	(5,073,693)
Deferred charges on refunding	918,587
Deferred inflows related to pensions	(326,269)
Deferred inflows related to OPEB	<u>(392,020)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 91,888,053</u>
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The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Property taxes	\$ 46,661,697	\$	\$	\$	\$	\$	\$ 46,661,697
Assessments including interest and liens		162,735					162,735
Charges for services	1,273,997	3,429,100		190,952	9,392	663,772	5,567,213
Intergovernmental	17,738,273		116,506	102,829	1,128,820	4,188,267	23,274,695
Income on investments	12,699	4,351	217		155	44,592	62,014
Miscellaneous	127,054	19,400	86,644		164,710	434,543	832,351
Total revenues	<u>65,813,720</u>	<u>3,615,586</u>	<u>203,367</u>	<u>293,781</u>	<u>1,303,077</u>	<u>5,331,174</u>	<u>76,560,705</u>
Expenditures:							
Current:							
General government	2,528,247			188,505			2,716,752
Public safety	4,973,248					45,493	5,018,741
Public works	4,377,149	1,326,902				265,092	5,969,143
Human services	1,700,623					92,636	1,793,259
Culture and recreation	157,690					1,028,128	1,185,818
Education	42,747,989					4,350,007	47,097,996
Other expenditures	3,210,324		178,627			4,000	3,392,951
Capital outlay					4,920,597		4,920,597
Debt service	4,419,367	1,406,433					5,825,800
Total expenditures	<u>64,114,637</u>	<u>2,733,335</u>	<u>178,627</u>	<u>188,505</u>	<u>4,920,597</u>	<u>5,785,356</u>	<u>77,921,057</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,699,083</u>	<u>882,251</u>	<u>24,740</u>	<u>105,276</u>	<u>(3,617,520)</u>	<u>(454,182)</u>	<u>(1,360,352)</u>
Other Financing Sources (Uses):							
Transfers in	329,164				1,221,000	774,251	2,324,415
Transfers out	(2,948,251)	(476,164)					(3,424,415)
Total other financing sources (uses)	<u>(2,619,087)</u>	<u>(476,164)</u>	<u>-</u>	<u>-</u>	<u>1,221,000</u>	<u>774,251</u>	<u>(1,100,000)</u>
Net Change in Fund Balances	(920,004)	406,087	24,740	105,276	(2,396,520)	320,069	(2,460,352)
Fund Balances, Beginning of Year	<u>10,800,831</u>	<u>2,818,646</u>	<u>65,655</u>	<u>461,940</u>	<u>(221,425)</u>	<u>3,470,857</u>	<u>17,396,504</u>
Fund Balances, End of Year	<u>\$ 9,880,827</u>	<u>\$ 3,224,733</u>	<u>\$ 90,395</u>	<u>\$ 567,216</u>	<u>\$ (2,617,945)</u>	<u>\$ 3,790,926</u>	<u>\$ 14,936,152</u>

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TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,460,352)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	4,178,315
Depreciation expense	(7,274,315)
Loss on disposal of capital asset	(464)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	(95,433)
Property tax interest and lien revenue - accrual basis change	49,927
Sewer assessment receivable - accrual basis change	(19,151)
Housing loans receivable - accrual basis change	47,223
Change in deferred outflows related to pensions	(547,239)
Change in deferred inflows related to pensions	(53,227)
Change in deferred outflows related to OPEB	23,009
Change in deferred inflows related to OPEB	(392,020)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and notes principal payments	4,691,504
Capital lease payments	250,835

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Amortization of deferred charges in refunding	(195,437)
Amortization of premium	266,681
Compensated absences	(441,724)
Accrued interest	46,382
Net OPEB expense	(162,967)
Change in net pension liability	557,296

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	<u>(1,263,726)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (2,794,883)</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities Internal Service Funds</u>
Current Assets:	
Cash and cash equivalents	\$ 732,545
Receivables	508,693
Due from other funds	<u>385,508</u>
Total current assets	<u>1,626,746</u>
Current Liabilities:	
Accounts and other payables	655,000
Due to other funds	<u>2,982,093</u>
Total current liabilities	<u>3,637,093</u>
Net Position:	
Unrestricted	\$ <u><u>(2,010,347)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities Internal Service Funds
Operating Revenues:	
Licenses, fees and charges for goods and services	\$ <u>6,399,172</u>
Operating Expenses:	
Insurance claims, premiums and fees	8,627,341
Administration	<u>135,557</u>
Total operating expenses	<u>8,762,898</u>
Loss before transfers	(2,363,726)
Transfers in	<u>1,100,000</u>
Change in Net Position	(1,263,726)
Total Net Position, Beginning of Year	<u>(746,621)</u>
Total Net Position, End of Year	\$ <u><u>(2,010,347)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from charges for services and contributions	\$ 6,399,172
Cash paid for claims, premiums and fees	(8,682,188)
Cash received from interfund services provided	292,033
Net cash provided by (used in) operating activities	<u>(1,990,983)</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	<u>1,100,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(890,983)
Cash and Cash Equivalents, Beginning of Year	<u>1,623,528</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>732,545</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>(2,363,726)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in due from other funds	200,567
(Increase) decrease in accounts receivable	(8,614)
Increase (decrease) in accounts payable	89,324
Increase (decrease) in due to other funds	91,466
Total adjustments	<u>372,743</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>(1,990,983)</u></u>

The accompanying notes are an integral part of the financial statements

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

	Pension Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$	\$ 463,984
Investments at fair value:		
Open-end mutual funds	<u>28,761,382</u>	
Total assets	<u>28,761,382</u>	<u>\$ 463,984</u>
Liabilities:		
Due to employees and others		\$ 446,660
Surety bond payable		<u>17,324</u>
Total liabilities	<u>-</u>	<u>\$ 463,984</u>
Net Position:		
Restricted for pension plan benefits	<u>\$ 28,761,382</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Pension Trust Funds</u>	
Additions:		
Contributions:		
Employer	\$	917,151
Employee		<u>274,976</u>
Total contributions		1,192,127
Investment income:		
Net change in fair value of investments	\$	1,609,271
Interest and dividends		<u>534,814</u>
Net investment income		<u>2,144,085</u>
Total additions		3,336,212
Deductions:		
Benefits	2,110,352	
Administration	<u>98,691</u>	
Total deductions		<u>2,209,043</u>
Change in Net Position		1,127,169
Net Position, Beginning of Year		<u>27,634,213</u>
Net Position, End of Year	\$	<u><u>28,761,382</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Plainville, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town operates in accordance with the provisions of its Charter, which was originally adopted in 1959 under Connecticut's Home Rule Act. The Charter has been amended over the years with the most recent changes approved in 2012.

Plainville has a Council - Manager form of government. The Town Council is comprised of seven members and is elected biennially. The Town Manager is the Chief Executive Officer and is appointed by the Town Council. Services provided by the Town include police and fire protection, recreation programs, senior citizen programs, street repairs, health inspections, building inspections, sewage disposal, general administrative services and education. Refuse collection is contracted out by the Town to a private hauler.

The Town Council is the legislative body and is responsible for preparing the annual budget and setting the tax rate. The budget process involves specific provisions for public hearings and requires Town Meeting approval. There is a Treasurer, appointed by the Council, who is responsible for the receiving and safekeeping of municipal funds. Additionally, there is a Department of Finance consisting of the Director of Finance, Revenue (Tax) Collector and Assessor. It is the responsibility of the Department of Finance to maintain and operate the accounting system for the Town. An elected Board of Education is responsible for the operation of the public school system.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes. No ordinance or resolution authorizing the issuance of bonds in excess of 1% of the annual budget or making a special appropriation in excess of 1% of the annual budget can become effective until approved by referendum.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension fund financial statements. 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.

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 Town 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.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The Sewer Operating Fund is used to account for the activity of the Sewer Treatment Plant and other pollution control activities. The major sources of revenue for this fund are initial sewer assessment and user fees.

The Housing Rehabilitation Fund is used to account for the activity of the Housing grant and rehabilitation loans to property owners. The major sources of revenue for this fund federal grants.

The Airport Operations Fund is used to fund general operations of Robertson Airport. The major sources of revenue for this fund federal grants and fees.

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Projects Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the self-insurance activities related to health benefits and deductibles on commercial insurance policies.

The Pension Trust Fund accounts for the activities of the Town's pension plans, which accumulate resources for pension benefit payments to qualified Town employees.

The Agency Funds account for assets held by the Town in an agent capacity for individuals, private organizations or other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations. These Agency Funds include Student Activity, Senior Citizen and Deposit Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for co-insurance. Operating expenses for internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Town are reported at fair value.

E. 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 noncurrent 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." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are assessed as of October 1. They are levied and due the following July 1. The lien date is July 1. Assessments for real and personal property, including motor vehicles, are computed at 70% of the market value. Taxes not paid within 30 days of the due date are subject to an interest charge of 1½% per month.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

In the fund financial statements, property taxes are recorded as receivable on the due date and are recognized as revenues to the extent collected during the fiscal year or 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 unavailable revenues.

Assessments are made against properties for sewer and water connections. These amounts are shown as receivable and unavailable revenue in the governmental fund financial statements.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepayments of governmental funds are recorded as expenditures when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government 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, donated works of art and similar items, and capital assets received in a service concession agreement are reported at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	25
Furniture	5-20
Vehicles	10-20
Equipment	7-20

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. A deferred outflow of resources

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, special assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

I. Compensated Absences

Municipal

Vacation earned can be accumulated up to 25 days by individual employees; upon request and approval by the Town Manager individual employees can accumulate vacation above the 25 days. In addition, municipal employees, other than police, may accumulate 150 days of sick leave until termination of their employment.

Upon termination, employees are compensated for their accumulated sick time at the rate of one day for every three days earned.

Police officers may accumulate up to 230 days of sick time and are compensated for a portion of this sick time only at retirement, disability retirement or death. Officers hired prior to July 1, 1978 are compensated up to a maximum of 120 sick days and all other officers are compensated at the rate of one day for every three days earned up to a maximum of 60 days.

Board of Education

Vacation cannot be accumulated. It is lost if it is not used. Sick time may be accumulated to the following maximums:

Secretaries and Custodians	150 days
Paraprofessionals	120 days
Nurses	150 days
Teachers	187 days
Administrators	225 days

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Teachers and administrators are compensated at the rate of 33% of accumulated sick time only upon retirement, disability retirement or death. Secretaries are compensated up to a maximum of 125 accumulated sick days. Custodians hired before July 1, 1987 are compensated up to a maximum of 120 accumulated sick days while all others are compensated up to a maximum of 75 accumulated sick days. Nurses are compensated 33% of up to 120 accumulated sick days. Paraprofessionals are compensated 50% of accumulated sick time up to a maximum of 50 days.

The Town values all compensated absences at salary rates in effect at balance sheet date.

J. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types 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.

M. Fund Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). Amounts remain committed until action is taken by the Town Council (resolution) to remove or revise the limitations.

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose by Town Council which has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

N. Fund Balance Flow Assumptions

Sometimes the government 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. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Accounting 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 of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 28, 2019.

Q. Reclassifications

Certain items relating to the prior year have been reclassified to conform to the current year's financial statement presentation. The reclassifications have no effect on previously reported results.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town adopts an annual operating budget for the General Fund only. The following details the procedures relating to the General Fund budgetary data reflected in the financial statements.

Not later than the 15th day of February, each department, office, board, commission and agency of the Town, including the Board of Education, submits their estimates of revenues and expenditures to the Town Manager. Each such unit is entitled to a hearing by the Town Manager. The Board of Education furnishes the Town Manager with a budget for the operation of the schools containing a detailed estimate of expenditures.

No later than the second Monday in March, the Town Manager presents a budget to the Town Council consisting of (a) a budget message outlining the financial policy of the Town, (b) estimates of revenues for the General Fund, (c) estimates of expenditures for each department, office, commission, board, agency and activity for the General Fund, (d) a program previously acted upon by the Town Planning and Zoning Commission concerning municipal improvement for the ensuing fiscal year and for the next three fiscal years. This last segment contains cost estimates and the methods of financing. The Chairman of the Board of Education does the same for the Board of Education budget.

The Town Council holds one or more public hearings not later than 30 days before the annual budget meeting. Following receipt of the proposals from the Town Manager and the Chairman of the Board of Education and the public hearings, the Town Council prepares a budget to present to the annual budget meeting of the Town.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The annual budget meeting for the General Fund is held on the third Tuesday in April. The General Fund budget is adopted by majority vote of those voting. If the budget is not adopted, the meeting is adjourned to the first Tuesday in May and hence to the third Tuesday in May thereafter until final approval is given. The budget, if rejected shall be reconsidered by the Council in conjunction with the Town Manager. If the budget remains unaccepted after the third meeting and in no case later than 30 days after the first Tuesday in May, the budget presented at the third meeting shall be deemed adopted.

Budget control is established at the department, office, commission, board, agency or activity level. Transfers of unencumbered appropriations between these units (except the Board of Education) may be done by the Council in the last three months of the fiscal year provided that the total level of appropriations remains the same. Management may make changes in line items within a department without approval of the Town Council. Total additional appropriations of \$2,105,000 were made during the year.

Unencumbered appropriations lapse at the end of the fiscal year except for capital project appropriations. Capital project appropriations lapse when the budgeted item is acquired or construction completed or if no expenditure or encumbrance has been made for three consecutive fiscal years.

Budgetary accounting uses encumbrance accounting. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all budgeted governmental type funds. Encumbrances outstanding at year end are reported in the GAAP financial statements as either restricted, committed or assigned fund balance since they do not constitute expenditures or liabilities.

The differences between the budgetary and GAAP basis of accounting are as follows:

- Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year but are shown as assignments of fund balance on a GAAP basis.
- In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the Town reports on-behalf contributions made by the State of Connecticut Teachers' Retirement System for Pension and OPEB as revenue and expenditures for GAAP purposes only.
- State Excess Cost - Student Based grant is credited against the Board of Education's operating budget.
- Activities of Debt Management Fund are not budgeted with General Fund, but reported on a GAAP basis with General Fund in accordance with GASB Statement No. 54.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in transfers to other funds by \$3,387.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

C. Deficit Fund Balance/Net Position

At June 30, 2018, the Town reported deficit fund balance/net position for the following funds:

Capital Project Fund	\$ 2,617,945
Internal Service Fund:	
Health Insurance Fund	\$ 2,395,855

The deficit in the Capital Projects Fund will be covered by future bond proceeds and transfers from the General Fund. The deficit in the Health Insurance Fund will be covered by future charges to mainly the General Fund and other funds.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes 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: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (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. 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 do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$10,340,275 of the Town's bank balance of \$15,504,186 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,827,192
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,513,083</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 10,340,275</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2018, the Town's cash equivalents amounted to \$76,208. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor's</u>
Pershing (YHB Investment Advisors)	A
Wells Fargo	A

B. Investments

Investments as of June 30, 2018 in all funds are as follows:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Corporate bonds	AA	\$ 19,898	\$	\$ 19,898	\$
Corporate bonds	A+	10,144	10,144		
Corporate bonds	A	39,699	29,884	9,815	
Corporate bonds	BBB+	9,825		9,825	
Corporate bonds	BBB	20,353		20,353	
Certificates of deposit	*	4,191,105	732,975	3,458,130	
Total		4,291,024	\$ 773,003	\$ 3,518,021	\$ -
Other investments:					
Mutual funds		29,319,562			
Total Investments		\$ 33,610,586			

TOWN OF PLAINVILLE, CONNECTICUT
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Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

The Town does not have a formal investment policy that limits investments in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), 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. At June 30, 2018, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

The Town has the following recurring fair value measurements as of June 30, 2018:

<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate bonds	\$ 99,919	\$	\$ 99,919	\$
Mutual funds	29,319,562	29,319,562		
Total	29,419,481	\$ 29,319,562	\$ 99,919	\$ -
Investments not included above:				
Certificates of deposit	4,191,105			
Total Investments	\$ 33,610,586			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

TOWN OF PLAINVILLE, CONNECTICUT
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4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Interest	\$ 1,392,822	\$	\$	\$	\$	\$	\$ 1,392,822
Taxes	2,117,778						2,117,778
Accounts	813,796	1,128,807				1,119,414	3,062,017
Loans receivable			1,701,730				1,701,730
Intergovernmental	6,325		11,156	118,624	3,684,586	88,534	3,909,225
Gross receivables	4,330,721	1,128,807	1,712,886	118,624	3,684,586	1,207,948	12,183,572
Less allowance for uncollectibles	(75,000)						(75,000)
Net Total Receivables	\$ <u>4,255,721</u>	\$ <u>1,128,807</u>	\$ <u>1,712,886</u>	\$ <u>118,624</u>	\$ <u>3,684,586</u>	\$ <u>1,207,948</u>	\$ <u>12,108,572</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,074,014	\$ 416,253	\$	\$ 7,490,267
Construction in progress	453,140	775,050		1,228,190
Total capital assets not being depreciated	<u>7,527,154</u>	<u>1,191,303</u>	<u>-</u>	<u>8,718,457</u>
Capital assets being depreciated:				
Buildings and improvements	174,164,191	739,209		174,903,400
Improvements other than buildings	237,619			237,619
Furniture, vehicles and equipment	12,955,116	779,787	(62,269)	13,672,634
Infrastructure	89,015,157	1,468,016		90,483,173
Total capital assets being depreciated	<u>276,372,083</u>	<u>2,987,012</u>	<u>(62,269)</u>	<u>279,296,826</u>
Less accumulated depreciation for:				
Buildings and improvements	(68,823,661)	(5,627,576)		(74,451,237)
Improvements other than buildings	(227,748)	(598)		(228,346)
Furniture, vehicles and equipment	(9,725,746)	(940,755)	61,805	(10,604,696)
Infrastructure	(72,462,760)	(705,386)		(73,168,146)
Total accumulated depreciation	<u>(151,239,915)</u>	<u>(7,274,315)</u>	<u>61,805</u>	<u>(158,452,425)</u>
Total capital assets being depreciated, net	<u>125,132,168</u>	<u>(4,287,303)</u>	<u>(464)</u>	<u>120,844,401</u>
Governmental Activities Capital Assets, Net	\$ <u>132,659,322</u>	\$ <u>(3,096,000)</u>	\$ <u>(464)</u>	\$ <u>129,562,858</u>

TOWN OF PLAINVILLE, CONNECTICUT
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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 100,216
Public safety	695,042
Public works	2,196,865
Human services	17,539
Culture and recreation	183,810
Education	<u>4,080,843</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>7,274,315</u></u>

Construction Commitments

The Town has several active construction projects as of June 30, 2018. The following is a summary of capital projects as of June 30, 2018.

	<u>Appropriation</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Capital and nonrecurring expenditures	\$ 7,308,727	\$ 6,835,113	\$ 473,614
Board of Education Capital	1,728,838	1,664,918	63,920
Landfill Expansion	219,189	218,122	1,067
PHS Turf Field Project	2,116,415	2,081,576	34,839
Old Linden Street School Demolition	2,471,921	2,346,639	125,282
Road Bond Project	4,039,587	3,882,393	157,194
Northwest Drive Renovation	928,045	6,247	921,798
FEMA Property Acquisition Project Phase II	1,813,653	1,805,489	8,164
Sewer Capital	17,351,105	2,104,579	15,246,526
Tomlinson Avenue Bridge	281,549	111,022	170,527
Cooke Street Reconstruction	1,368,290	1,263,884	104,406
School Capital Maintenance Project	22,914,000	1,174,751	21,739,249
Senior Center Parking Lot	<u>125,864</u>	<u>146,614</u>	<u>(20,750)</u>
 Total	 \$ <u><u>62,667,183</u></u>	 \$ <u><u>23,641,347</u></u>	 \$ <u><u>39,025,836</u></u>

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2018 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 925,185
General Fund	Nonmajor Governmental Funds	460,976
General Fund	Internal Service Fund - Health Insurance	2,982,093
		<u>4,368,254</u>
Airport Operations Fund	General Fund	448,884
Nonmajor Governmental Funds	General Fund	1,121,768
Internal Service Fund - Self Insurance Reserve	General Fund	385,508
		<u>1,956,160</u>
Total		<u>\$ 6,324,414</u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

Interfund transfers:

	<u>Transfer In</u>				<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Internal Service Funds</u>	<u>Nonmajor and Other Funds</u>	<u>Transfer Out</u>
Transfer out:					
General Fund	\$	\$ 1,074,000	\$ 1,100,000	\$ 774,251	\$ 2,948,251
Sewer Operating Fund	<u>329,164</u>	<u>147,000</u>			<u>476,164</u>
Total Transfers In	<u>\$ 329,164</u>	<u>\$ 1,221,000</u>	<u>\$ 1,100,000</u>	<u>\$ 774,251</u>	<u>\$ 3,424,415</u>

Transfers are used to 1) move unrestricted general fund revenues to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 2) move revenues from the Sewer Fund to General Fund and Sewer Capital Project Fund and other operational transfers between the funds.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

7. LONG-TERM DEBT

General Obligation Bonds

All general long-term bonds are secured by the general revenue raising powers of the Town, and payment is provided by General Fund and Sewer Fund revenues. No sinking funds have been established as of June 30, 2018.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 24,295,000	\$	\$ 3,650,000	\$ 20,645,000	\$ 3,180,000
Unamortized bond premiums	<u>1,803,067</u>		<u>266,681</u>	<u>1,536,386</u>	<u>191,634</u>
Total bonds payable	26,098,067	-	3,916,681	22,181,386	3,371,634
Long-term note payable	14,018,229		1,041,504	12,976,725	1,062,529
Capital leases	403,683		250,835	152,848	152,848
Total OPEB liability	12,427,820	* 162,967		12,590,787	
Compensated absences	2,889,805	951,537	509,813	3,331,529	471,664
Net pension liability	<u>5,630,989</u>		<u>557,296</u>	<u>5,073,693</u>	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 61,468,593</u>	<u>\$ 1,114,504</u>	<u>\$ 6,276,129</u>	<u>\$ 56,306,968</u>	<u>\$ 5,058,675</u>

* As restated. See Note 13 for additional information.

Compensated absences, net pension liabilities and total OPEB liabilities are generally liquidated by the General Fund.

TOWN OF PLAINVILLE, CONNECTICUT
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A schedule of bonds at June 30, 2018 is presented below:

Description	Principal Amount
\$6,855,000 - Refunding Bonds issued May 25, 2007 and maturing April 1, 2021; various interest rates from 3.65% to 4%	\$ 1,990,000
\$12,000,000 - Plainville High School and Toffolon Elementary School issued October 28, 2010 and maturing July 15, 2030; various interest rates from 1.5% to 4%	1,800,000
\$12,535,000 - Refunding Bonds issued December 20, 2011 and maturing August 15, 2023; various interest rates from 3.0% to 4.0%	6,380,000
\$5,025,000 - Refunding Bonds issued September 15, 2015 and maturing April 15, 2027; various interest rates from 3.0% to 4.0%	4,510,000
\$5,965,000 - Refunding Bonds issued August 23, 2016 and maturing July 15, 2030; various interest rates from .95% to 2%	<u>5,965,000</u>
Total Bond Indebtedness	<u><u>\$ 20,645,000</u></u>

The following is a schedule of future debt service requirements as of June 30, 2018:

Fiscal Year Ending June 30	Principal	Interest	Total
2019	\$ 3,180,000	\$ 703,100	\$ 3,883,100
2020	3,250,000	581,200	3,831,200
2021	2,765,000	450,700	3,215,700
2022	2,390,000	347,825	2,737,825
2023	1,705,000	275,325	1,980,325
2024-2028	5,590,000	639,225	6,229,225
2029-2030	<u>1,765,000</u>	<u>52,450</u>	<u>1,817,450</u>
Total	<u><u>\$ 20,645,000</u></u>	<u><u>\$ 3,049,825</u></u>	<u><u>\$ 23,694,825</u></u>

Prior Year Defeasance of Debt

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2018, \$6,000,000 of prior bonds outstanding is considered defeased and escrow balance is \$6,424,306.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Long-Term Note Payable

The Town has three State of Connecticut Clean Water serial notes outstanding. These loans were issued to finance improvements of the sewer plant and pump station. The interest rate on the notes is 2% and is payable through October 1, 2030. The principal and interest payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2019	\$ 1,062,529	\$ 249,830	\$ 1,312,359
2020	1,083,975	228,383	1,312,358
2021	1,105,854	206,505	1,312,359
2022	1,128,175	184,183	1,312,358
2023	1,150,947	161,412	1,312,359
2024-2028	6,012,130	451,233	6,463,363
2029-2030	1,433,115	18,735	1,451,850
Total	<u>\$ 12,976,725</u>	<u>\$ 1,500,281</u>	<u>\$ 14,477,006</u>

General Obligation Bond Anticipation Notes

Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2017	Issued	Retired	Balance June 30, 2018
5/17/2017	2/15/2018	1.22	\$ 3,000,000	\$	\$ 3,000,000	\$ -
2/15/2018	9/14/2018	2.00		4,000,000		4,000,000
			<u>\$ 3,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 4,000,000</u>

The outstanding bond anticipation notes were issued to fund cash flows for capital expenses.

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 100,575,612	\$ 6,990,000	\$ 93,585,612
Schools	201,151,224	17,865,000	183,286,224
Sewers	167,626,020	13,766,725	153,859,295
Urban renewal	145,275,884		145,275,884
Pension deficit	134,100,816		134,100,816

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$312,901,904.

The definition of indebtedness above includes bonds and notes outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding. The Town has \$5,000,000 of authorized but unissued bonds at June 30, 2018.

TOWN OF PLAINVILLE, CONNECTICUT
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Capital Lease

During 2013, the Town entered into a lease agreement as lessee for financing the acquisition of equipment for the Fire Department valued at \$764,466. During 2015, the Town entered into a lease agreement as a lessee for financing the acquisition of equipment for the Police Department valued at \$740,348. This year, \$312,913 was included in depreciation expense and, the accumulated depreciation of the leased assets at June 30, 2018 is \$752,801. These lease agreements qualify as a capital lease for accounting purpose, and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2019	\$ 155,329
Less amount representing interest	<u>(2,481)</u>
Present Value of Minimum Lease Payments	\$ <u><u>152,848</u></u>

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:							
Nonspendable:							
Inventory	\$	\$	\$	\$	\$	\$ 12,144	\$ 12,144
Prepays	102,947	10,387			171,931	868	286,133
Restricted for:							
Grants			90,395			1,834,136	1,924,531
Committed to:							
Senior citizens special						194,307	194,307
Library trust						830,769	830,769
Senior citizen transportation						61,841	61,841
Economic development						274,374	274,374
Land acquisition						18,837	18,837
Debt management	383,869						383,869
Sewer		3,214,346			884,325		4,098,671
Education capital					165,856	208,487	374,343
Capital and nonrecurring projects					263,756		263,756
Landfill expansion project					4,753		4,753
Cooke Street reconstruction					104,406		104,406
Linden Street School renovation					125,279		125,279
Road bond fund					571,541		571,541
Camp Street reconstruction					8,164		8,164
School capital maintenance project					141,046		141,046
Senior center parking lot					21,996		21,996
Phosphorus removal					1,461,495		1,461,495
Recreation						65,162	65,162
Social services emergency						19,785	19,785
Berner pool						136,038	136,038
Water operating						63,389	63,389
Police forfeiture						7,141	7,141
Airport operations				567,216			567,216
Library expansion						63,648	63,648
Assigned to:							
Subsequent year's budget	204,000						204,000
Education	785,504						785,504
General government	2,500						2,500
Public works	20,466						20,466
Human services	1,061						1,061
Unassigned	8,380,480				(6,542,493)		1,837,987
Total Fund Balances	\$ 9,880,827	\$ 3,224,733	\$ 90,395	\$ 567,216	\$ (2,617,945)	\$ 3,790,926	\$ 14,936,152

Major encumbrances are reported in the assigned fund balance of the General Fund of \$809,531 and committed fund balance for the Sewer Operating Fund of \$21,057, Airport Operations fund of \$1,800, Capital Projects Fund of \$2,454,568 and for the Nonmajor Governmental Funds of \$17,889.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

9. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks but has chosen to retain the risks for employee health and medical claims. Additionally, the Town retains the risk for deductibles on all other insurance policies and all risk for heart and hypertension claims. There has been no significant reduction in insurance coverage from the prior year for the categories risk insured commercially. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Since fiscal year 1993, the Health Insurance and Self Insurance Reserve Internal Service Funds have been utilized to report the self-insurance activity.

Under the Health Insurance Fund, Anthem Blue Cross/Blue Shield administers the plan, for which the Town pays a fee. The Town, Board of Education and Cafeteria Fund contribute based on Anthem Blue Cross/Blue Shield estimates made using the Town's historical data. The Town covers all claims up to \$250,000 for hospitalization per year with a stop-loss policy covering amounts exceeding this limit. In addition, the Town has an agreement with Anthem Blue Cross/Blue Shield that claims exceeding 110% of the total estimated claims for the plan year will be paid after the plan year in 24 monthly installments with no interest.

The Self Insurance Reserve Fund provides coverage for all deductibles on commercial insurance policies and all heart and hypertension claims. The Town additionally pays all retroactive commercial insurance policy adjustments from this fund. Commercial insurance policy deductibles are set at \$25,000. The Town purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss.

All funds of the Town participate in the Internal Service Funds and make payments based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish and provide for catastrophe losses. Additionally, the GASB Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the funds' claims liability were as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2016-2017	\$ 575,557	\$ 7,296,910	\$ 7,306,791	\$ 565,676
2017-2018	565,676	8,627,341	8,538,017	655,000

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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10. TAX ABATEMENTS

The Town currently has three individual agreements with local businesses that qualify under the implementation of GASB Statement No. 77, *Tax Abatement Disclosures*, for the purpose of providing services to its taxpayers. Details of the agreements are as follows:

Program	GEMS SENSORS INC	ROYAL REALTY LLC	DREAM MAKER HOLDINGS LLC	90 TOWN LINE LLC	TRICO PROPERTY MANAGEMENT
Purpose	The purpose of the program is to incent development that the municipality, through its authority, finds desirable.	The purpose of the program is to incent development that the municipality, through its authority, finds desirable.	The purpose of the program is to incent development that the municipality, through its authority, finds desirable.	The purpose of the program is to incent development that the municipality, through its authority, finds desirable.	The purpose of the program is to incent development that the municipality, through its authority, finds desirable.
Tax being abated	Property Tax	Property Tax	Property Tax	Property Tax	Property Tax
Authority under which agreements are entered into	The Municipal Tax Abatement derives its authority from Connecticut General Statutes 12-65b.	The Municipal Tax Abatement derives its authority from Connecticut General Statutes 12-65b.	The Municipal Tax Abatement derives its authority from Connecticut General Statutes 12-65b.	The Municipal Tax Abatement derives its authority from Connecticut General Statutes 12-65b.	The Municipal Tax Abatement derives its authority from Connecticut General Statutes 12-65b.
Eligibility criteria for tax abatement	Improvements to the facility must exceed \$1,900,000. Owner must retain ownership of the property for 4 years, beginning October 1, 2012.	Improvements to the facility must exceed \$800,000. Owner must retain ownership of the property for 3 years, beginning October 1, 2016.	Improvements to the facility must exceed \$1,500,000. Owner must retain ownership of the property for 5 years, beginning October 1, 2016.	Improvements to the facility must exceed \$1,400,000. Owner must retain ownership of the property for 5 years, beginning October 1, 2014.	Improvements to the facility must exceed \$195,000. Owner must retain ownership of the property for 3 years, beginning October 1, 2014.
How recipient's tax are reduced	Portion of the assessment is exempt from taxes	Portion of the assessment is exempt from taxes	Portion of the assessment is exempt from taxes	Portion of the assessment is exempt from taxes	Portion of the assessment is exempt from taxes
How the tax abatement is determined	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision-making process.	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision-making process.	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision-making process.	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision-making process.	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision-making process.
Provisions for recapturing abated taxes, if any	None	None	None	None	None
Other commitments made by the Town	None	None	None	None	None
Gross dollar amount, on an accrual basis, by which the Town's tax revenues were reduced as a result of the abatement agreement.	\$ 4,057	\$ 1,485	\$ 17,787	\$ 21,205	\$ 4,175

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Municipal Employees and Police Pension

Plan Descriptions and Benefits Provided

The Town is the administrator of two single-employer Public Employee Retirement Systems (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. These plans were established by the authority of the Town Council.

Management of the plans rests with the management team consisting of the Town Manager, the Assistant Town Manager and the Director of Finance. One union member per union is invited to participate and sit in on all meetings.

TOWN OF PLAINVILLE, CONNECTICUT
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At July 1, 2017, PERS membership consisted of:

	<u>Municipal</u>	<u>Police</u>
Retirees and beneficiaries currently receiving benefits	83	37
Terminated employees entitled to benefits but not yet receiving them	8	1
Current employees	<u>23</u>	<u>34</u>
Total	<u><u>114</u></u>	<u><u>72</u></u>

Effective 12/31/1998, the Municipal Employees Pension Plan was closed to new entrants.

The Town of Plainville Municipal Employees Pension System covers all Town employees and noncertified members of the Board of Education. The Town provides all employee retirement benefits through a single employer, contributory defined benefit plan. After December 1998, new employees participate in the Town's defined contribution plan. Under the plan, all employees having six months of service are eligible. Employees are 100% vested after five years of service. For participants in the plan who retired prior to January 1, 1990, the retirement benefit is 3/4% of final average earnings up to the covered compensation level plus 1-1/2% of final average earnings in excess of the covered compensation level, multiplied by years of service.

For participants in the plan who retire after December 31, 1989, the retirement benefit is 1-3/4% of average annual earnings multiplied by years of credited service. Average annual earnings means the highest average of basic annual rate of compensation received on any three consecutive July firsts prior to termination.

The Town of Plainville Police Pension System covers all police employees. The Town provides retirement, death and disability benefits through a single employer, contributory defined benefit plan. Under the plan, all employees having six months of service are eligible to join. Policemen are 25% vested after 5 years of service, 50% vested after 7 years of service and 100% vested after 10 years of service. Police employees who retire at normal retirement (the earlier of age 55 or 25 years of service) receive a retirement benefit of 2.25% of final base average earnings times years of service.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

Both PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due which is the period when employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS. The PERS does not issue a separate stand-alone financial statement.

Method Used to Value Investments

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

TOWN OF PLAINVILLE, CONNECTICUT
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Funding Status and Progress

Employees covered under the Municipal and Police plans are required to contribute 4.5% and 6.0%, respectively, of their earnings to the PERS. If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The Town Council is the authoritative body governing all plans. Administrative costs are financed through investment earnings.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Municipal Employees Target Allocation	Police Target Allocation
Large Cap Domestic Equity	30%	30%
Mid Cap Domestic Equity	6%	6%
Small Cap Domestic Equity	9%	9%
International Equity	12%	12%
Core Fixed Income	43%	43%
Total Allocation	100%	100%

The plans did not have any concentrations that warranted disclosure.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<u>Rate of Return</u>
Municipal Employees	7.92%
Police	7.91%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF PLAINVILLE, CONNECTICUT
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Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2018 were as follows:

	Municipal Employees	Police	Total
Total pension liability	\$ 15,755,054	\$ 18,080,021	\$ 33,835,075
Plan fiduciary net position	<u>13,283,385</u>	<u>15,477,997</u>	<u>28,761,382</u>
Net Pension Liability	<u>\$ 2,471,669</u>	<u>\$ 2,602,024</u>	<u>\$ 5,073,693</u>
Plan fiduciary net position as a percentage of the total pension liability	84.31%	85.61%	85.00%

Actuarial Assumptions

The total pension liability for Administrative Employees and Police were determined by an actuarial valuation as of July 1, 2017 and measurement date of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% (prior: 3%)
Salary increases	4.0%, average, including inflation
Investment rate of return	7.65% (prior: 7.75%), net of pension plan investment management fees

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The plans have not had a formal actuarial experience study performed.

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 are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Municipal Employees Long-Term Expected Real Rate of Return	Police Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	6.00 %	6.00 %
Mid Cap Domestic Equity	6.50	6.50
Small Cap Domestic Equity	6.75	6.75
International Equity	5.75	5.75
Core Fixed Income	2.30	2.30

TOWN OF PLAINVILLE, CONNECTICUT
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Discount Rate

The discount rate used to measure the total pension liability was 7.65%. 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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Municipal Employees' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2017	\$ 15,699,697	\$ 12,901,321	\$ 2,798,376
Changes for the year:			
Service cost	134,372		134,372
Interest on total pension liability	1,171,738		1,171,738
Differences between expected and actual experience	(196,872)		(196,872)
Employer contributions		396,781	(396,781)
Member contributions		97,026	(97,026)
Net investment income		997,090	(997,090)
Benefit payments, including refund to employee contributions	(1,053,881)	(1,053,881)	-
Administrative expenses		(54,952)	54,952
Net changes	55,357	382,064	(326,707)
Balances as of June 30, 2018	\$ 15,755,054	\$ 13,283,385	\$ 2,471,669

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2017	\$ 17,565,505	\$ 14,732,892	\$ 2,832,613
Changes for the year:			
Service cost	421,705		421,705
Interest on total pension liability	1,336,356		1,336,356
Differences between expected and actual experience	(187,074)		(187,074)
Employer contributions		520,370	(520,370)
Member contributions		177,950	(177,950)
Net investment income		1,146,995	(1,146,995)
Benefit payments, including refund to employee contributions	(1,056,471)	(1,056,471)	-
Administrative expenses		(43,739)	43,739
Net changes	514,516	745,105	(230,589)
Balances as of June 30, 2018	\$ 18,080,021	\$ 15,477,997	\$ 2,602,024

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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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 7.65% for Municipal Employees and Police, 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 (6.65%) or 1 percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Municipal Employees Net Pension Liability	\$ <u>3,805,734</u>	\$ <u>2,471,669</u>	\$ <u>1,296,776</u>
Police's Net Pension Liability	\$ <u>4,679,708</u>	\$ <u>2,602,024</u>	\$ <u>864,521</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Deferred Outflows of Resources			
	Employees' Pension Plan	Police Retirement Plan	Total
Changes of assumptions	\$	\$ 214,351	\$ 214,351
Net difference between projected and actual earning on pension plan investments	<u>106,421</u>	<u>112,919</u>	<u>219,340</u>
Total	\$ <u>106,421</u>	\$ <u>327,270</u>	\$ <u>433,691</u>
Deferred Inflows of Resources			
	Employees' Pension Plan	Police Retirement Plan	Total
Differences between expected and actual experience	\$	\$ 326,269	\$ 326,269
Total	\$ <u>-</u>	\$ <u>326,269</u>	\$ <u>326,269</u>
Net Deferred Outflows and Inflows of Resources	\$ <u>106,421</u>	\$ <u>1,001</u>	\$ <u>107,422</u>

TOWN OF PLAINVILLE, CONNECTICUT
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30

2019	\$ 345,145
2020	106,097
2021	(302,310)
2022	<u>(41,510)</u>
Total	\$ <u>107,422</u>

For the year ended June 30, 2018, the Town recognized pension expense as follows:

	<u>Pension Expense</u>
Employees' Pension Plan	\$ 276,691
Police Retirement Plan	<u>683,630</u>
Total	\$ <u>960,321</u>

Combining Schedules of Net Position and Changes in Net Position of the Pension Trust Fund

	<u>Municipal Employees Pension Trust Fund</u>	<u>Police Pension Trust Fund</u>	<u>Total</u>
Assets:			
Investments	\$ <u>13,283,385</u>	\$ <u>15,477,997</u>	\$ <u>28,761,382</u>
Net Position:			
Restricted for Pension Plan Benefits	\$ <u>13,283,385</u>	\$ <u>15,477,997</u>	\$ <u>28,761,382</u>

TOWN OF PLAINVILLE, CONNECTICUT
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Combining Schedule of Changes in Net Position

	Municipal Employees Pension Trust Fund	Police Pension Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 396,781	\$ 520,370	\$ 917,151
Employee	97,026	177,950	274,976
Total contributions	<u>493,807</u>	<u>698,320</u>	<u>1,192,127</u>
Investment income:			
Net change in fair value of investments	748,380	860,891	1,609,271
Interest and dividends	248,710	286,104	534,814
Net investment income	<u>997,090</u>	<u>1,146,995</u>	<u>2,144,085</u>
Total additions	<u>1,490,897</u>	<u>1,845,315</u>	<u>3,336,212</u>
Deductions:			
Benefit payments	1,053,881	1,056,471	2,110,352
Administration	54,952	43,739	98,691
Total deductions	<u>1,108,833</u>	<u>1,100,210</u>	<u>2,209,043</u>
Change in net position	382,064	745,105	1,127,169
Net Position, Beginning of Year	<u>12,901,321</u>	<u>14,732,892</u>	<u>27,634,213</u>
Net Position, End of Year	<u>\$ 13,283,385</u>	<u>\$ 15,477,997</u>	<u>\$ 28,761,382</u>

B. Defined Contribution Plan

By local ordinance, the Town authorized a defined contribution plan for all employees other than Police. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2018, there were 95 members in the plan. All employees other than Police must join the defined contribution plan after six months of employment.

The local ordinance requires the employee to contribute 4.5% to 6.5% of earnings and the Town to contribute 7% to 9%. For the fiscal year ended June 30, 2018, the contributions were \$210,833 and \$322,930, respectively. Earnings do not include any overtime wages. For new employees, the Town's contributions along with the related earnings are fully vested after five years of continuous service. Town contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Town's current period contribution requirements.

Pursuant to the administrative service agreement and the plan and trust adoption agreement, the ICMA Retirement Corporation administers the plan.

C. Teachers' Retirement

Plan Description

All Town of Plainville Board of Education certified employees participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased 7% of pensionable salary.

TOWN OF PLAINVILLE, CONNECTICUT
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Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>58,194,787</u>
Total	\$ <u>58,194,787</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$6,731,437 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

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

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

TOWN OF PLAINVILLE, CONNECTICUT
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For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

TOWN OF PLAINVILLE, CONNECTICUT
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Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

12. OTHER POSTEMPLOYMENT BENEFITS

A. Town OPEB Plan

Plan Description

The Town administers one single-employer, post-retirement healthcare plan for the Board of Education, the Town OPEB plan. The plan provides medical benefits to eligible retirees and their spouses. The Town OPEB plan is administered by the Town. Plan provisions are determined by union contract and may be amended by union negotiations.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2018, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. +Administration costs are financed from current operations.

Benefits Provided

The Town plan provides for medical benefits for all eligible Board of Education retirees. Summary of benefits provided should be provided as follows: Benefit terms, including 1) classes of employees covered, 2) types of benefits, 3) key elements of OPEB formula, 4) terms or policies with respect to automatic benefit changes, including ad hoc cost of living adjustments (COLAs), and 5) legal authority.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at July 1, 2016:

Inactive employees currently receiving benefit payments	41
Active employees	<u>475</u>
Total	<u><u>516</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$12,590,787 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2016.

TOWN OF PLAINVILLE, CONNECTICUT
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Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.75%
Salary increases	2.75%
Discount rate	3.87% (Prior: 3.58)
Healthcare cost trend rates	7.75% decreasing to 4.75%
Retirees' share of benefit-related costs	Police: Pre-65 - 15% retiree-paid for self and 100% retiree-paid for spouse. Post-65 - 100% retiree-paid for self and spouse. All Others: 100% retiree-paid. for retirees

The discount rate was based on the 20-year AA municipal bond index for unfunded OPEB plans.

Mortality rates were based on RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with Scale AA.

The plan does not have credible data on which to perform an experience study.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances as of July 1, 2017	\$ <u>12,427,820</u>
Changes for the year:	
Service cost	569,820
Interest on total OPEB liability	457,085
Changes of benefit terms	
Difference between expected and actual experience	24,943
Changes in assumptions or other inputs	(424,963)
Benefit payments	<u>(463,918)</u>
Net changes	<u>162,967</u>
Balances as of June 30, 2018	\$ <u><u>12,590,787</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.58% in 2017 to 3.87% in 2018.

TOWN OF PLAINVILLE, CONNECTICUT
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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB Liability	\$ 14,140,574	\$ 12,590,787	\$ 11,261,672

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.75% decreasing to 3.75%) or 1 percentage point higher (8.75% decreasing to 5.75%) than the current healthcare cost trend rates:

	<u>1% Decrease (6.75% Decreasing to 3.75%)</u>	<u>Healthcare Cost Trend Rates (7.75% Decreasing to 4.75%)</u>	<u>1% Increase (8.75% Decreasing to 5.75%)</u>
Total OPEB Liability	\$ 10,864,562	\$ 12,590,787	\$ 17,679,218

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Town recognized OPEB expense of \$949,501. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,009	\$
Changes of assumptions or other inputs		392,020
Total	\$ <u>23,009</u>	\$ <u>392,020</u>

**TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Year Ending June 30

2019	\$	(31,009)
2020		(31,009)
2021		(31,009)
2022		(31,009)
2023		(31,009)
Thereafter		(213,966)

B. Teachers Retirement Plan

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

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

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

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

Medicare Supplement with Prescriptions	\$ 92
Medicare Supplement with Prescriptions and Dental	136
Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

**TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>14,978,663</u>
Total	\$	<u><u>14,978,663</u></u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$694,187 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Actuarial Assumptions

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

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

Governmental Activities:

Net position at June 30, 2017, as previously reported	\$ 95,172,815
Adjustments:	
Eliminate net OPEB obligation reported per GASB No. 45	11,937,941
Record total OPEB liability per GASB No. 75	<u>(12,427,820)</u>
Net Position at July 1, 2017, as Restated	\$ <u>94,682,936</u>

14. CONTINGENT LIABILITIES

The Town is a defendant in a number of lawsuits. It is the opinion of management that such pending litigation will not be finally determined so as to result in a judgment or judgments against the Town, which would materially affect its financial position.

15. SUBSEQUENT EVENT

On September 5, 2018, the Town issued \$10,000,000 of general obligation bonds. The refunding bonds were issued with interest rates of 2.25-4% and call for principal and interest payments through September 1, 2038.



Required Supplementary Information

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

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Property taxes:				
Revenues from property taxes	\$ 44,377,920	\$ 45,368,669	\$ 45,411,827	\$ 43,158
Prior years' levy	525,000	525,000	789,484	264,484
Interest and liens fees	305,500	305,500	460,386	154,886
Total property taxes	<u>45,208,420</u>	<u>46,199,169</u>	<u>46,661,697</u>	<u>462,528</u>
Licenses, fees and charges for goods and services:				
Licenses and permits:				
Building	275,200	275,200	334,609	59,409
Police	5,500	5,500	8,547	3,047
Town Clerk	1,000	1,000	8,322	7,322
Total licenses and permits	<u>281,700</u>	<u>281,700</u>	<u>351,478</u>	<u>69,778</u>
Fines and fees:				
Building	1,200	1,200	450	(750)
Police service charge	50,000	50,000	109,481	59,481
Police fines and impoundment fees	5,500	5,500	2,945	(2,555)
Town Clerk	95,000	95,000	98,057	3,057
Planning and Zoning fees	5,000	5,000	9,682	4,682
Zoning Board of Appeals	3,000	3,000	3,317	317
Tipping and solid waste license	10,000	10,000	17,679	7,679
Senior Center	18,000	18,000	18,300	300
Conveyance tax	135,000	135,000	153,605	18,605
Condominium trash	50,000	50,000	48,604	(1,396)
Miscellaneous	209,000	209,000	505,039	296,039
Total fines and fees	<u>581,700</u>	<u>581,700</u>	<u>967,159</u>	<u>385,459</u>
Total licenses, fees and charges for goods and services	<u>863,400</u>	<u>863,400</u>	<u>1,318,637</u>	<u>455,237</u>
Intergovernmental revenues:				
State of Connecticut:				
Elderly tax relief:				
Freeze	2,500	2,500	2,000	(500)
Circuit breaker	150,000	150,000		(150,000)
Tax relief - disability	3,600	3,600	3,724	124
Tax relief - veterans	22,000	22,000	22,712	712
Property tax relief			541,936	541,936

(Continued on next page)

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

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Intergovernmental revenues: (continued)				
State-owned property	\$ 10,310	\$ 10,310	\$ 355	\$ (9,955)
MRSA sales tax sharing	522,783	522,783		(522,783)
Youth services	30,000	30,000	27,071	(2,929)
Tax share telephone access line	50,000	50,000	35,556	(14,444)
Local capital improvement program	228,244	228,244		(228,244)
Education:				
Education equalization	8,217,871	8,217,871	8,897,932	680,061
Special education grant	2,499,215	2,499,215		(2,499,215)
Plane registration	8,200	8,200	7,730	(470)
Mashantucket Pequot Grant	74,491	74,491	72,491	(2,000)
State revenue sharing				-
Municipal stabilization grant			63,371	
Miscellaneous grants	30,000	30,000	170,420	140,420
Total intergovernmental revenues	<u>11,849,214</u>	<u>11,849,214</u>	<u>9,845,298</u>	<u>(2,067,287)</u>
Miscellaneous revenues:				
Housing Authority	34,496	34,496	38,948	4,452
Revenues from use of money	40,500	40,500	12,699	(27,801)
Miscellaneous Board of Education			86,988	86,988
Sale of property			1,118	1,118
Total miscellaneous revenues	<u>74,996</u>	<u>74,996</u>	<u>139,753</u>	<u>64,757</u>
Other financing sources:				
Use of fund balance	200,000	200,000		(200,000)
Transfers in	329,164	329,164	329,164	-
Total other financing sources	<u>529,164</u>	<u>529,164</u>	<u>329,164</u>	<u>(200,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 58,525,194</u>	<u>\$ 59,515,943</u>	58,294,549	<u>\$ (1,284,765)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers'				
Retirement System for Town teachers are not budgeted			6,731,437	
OPEB for Town teachers are not budgeted			694,187	
Cancellation of prior year encumbrances are recognized as budgetary revenue			(44,640)	
State Excess Cost - Student Based grant			<u>467,351</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 66,142,884</u>	

TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General government:				
Town Council	\$ 72,379	\$ 72,379	\$ 72,379	\$ -
Planning and Zoning	3,600	3,600	2,680	920
Zoning Board of Appeals	3,300	3,300	3,058	242
Inland Wetlands Commission	1,900	1,900	1,190	710
Board of Tax Review	2,097	2,097	1,597	500
Conservation Commission	2,700	2,700	1,963	737
Veterans Council	9,375	9,375	9,252	123
Probate Court	9,475	9,475	9,475	-
Town Manager	275,357	275,357	275,357	-
Human Resources	92,682	92,682	92,682	-
Elections	63,825	63,825	63,825	-
Town Counsel	135,055	143,055	139,819	3,236
Town Treasurer	5,830	5,830	5,827	3
Finance	206,402	207,152	206,264	888
Assessments	231,589	276,589	274,716	1,873
Revenue collection	137,885	137,885	129,947	7,938
Town Clerk	200,495	209,495	205,304	4,191
Data processing	212,336	217,336	216,578	758
Insurance	668,715	668,715	665,306	3,409
General administration services	81,055	81,055	69,713	11,342
Economic Development Agency	72,605	75,705	75,577	128
Recycling Committee	950	950	739	211
Total	<u>2,489,607</u>	<u>2,560,457</u>	<u>2,523,248</u>	<u>37,209</u>
Public safety:				
Police	4,106,618	4,406,618	4,394,203	12,415
Fire and Civil Preparedness	366,810	417,520	405,596	11,924
Fire Marshal	72,080	73,080	73,079	1
Animal Control	81,077	81,077	81,076	1
Ambulance service	15,294	15,294	15,294	-
Total	<u>4,641,879</u>	<u>4,993,589</u>	<u>4,969,248</u>	<u>24,341</u>

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TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public works:				
Physical and technical services administration	\$ 171,715	\$ 173,715	\$ 173,422	\$ 293
Roadways	910,790	940,790	894,698	46,092
Buildings and grounds	1,002,660	1,054,660	1,015,976	38,684
Municipal Building maintenance	1,500,260	2,080,260	1,880,913	199,347
Planning	79,705	82,805	82,655	150
Building inspections	85,840	85,840	81,753	4,087
Engineering	77,425	79,325	78,574	751
Motor vehicle and equipment pool	135,260	135,260	118,083	17,177
Transfer station	74,423	74,423	49,851	24,572
Total	<u>4,038,078</u>	<u>4,707,078</u>	<u>4,375,925</u>	<u>331,153</u>
Human services:				
Health and sanitation	120,157	120,157	119,967	190
Senior citizens service	301,712	301,712	300,233	1,479
Social services	28,201	28,801	28,798	3
Solid waste management	1,100,300	1,100,300	1,081,654	18,646
Youth services	119,123	119,123	115,739	3,384
Other health and welfare	53,865	53,865	53,863	2
Total	<u>1,723,358</u>	<u>1,723,958</u>	<u>1,700,254</u>	<u>23,704</u>
Culture and recreation:				
Recreation	<u>155,162</u>	<u>157,162</u>	<u>157,162</u>	<u>-</u>
Education:				
School budget	<u>35,503,099</u>	<u>35,503,099</u>	<u>35,206,412</u>	<u>296,687</u>
Other:				
Equipment				-
Employee benefits	3,354,505	3,265,345	3,139,164	126,181
Unclassified	30,000	30,000	18,973	11,027
Total	<u>3,384,505</u>	<u>3,295,345</u>	<u>3,158,137</u>	<u>137,208</u>
Debt service:				
Interest	855,325	855,325	822,572	32,753
Principal	3,856,969	3,856,969	3,596,795	260,174
Total	<u>4,712,294</u>	<u>4,712,294</u>	<u>4,419,367</u>	<u>292,927</u>

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TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing uses:				
Transfers out:				
Library Trust Fund	\$ 659,050	\$ 659,050	\$ 652,702	\$ 6,348
Recreation Fund	90,000	90,000	90,000	-
Capital and Nonrecurring Expenditures Fund	1,100,000	1,100,000	1,074,000	26,000
Senior Citizens Transportation Fund	27,662	27,662	27,662	-
Other funds	500	1,100,500	1,103,887	(3,387)
Total	<u>1,877,212</u>	<u>2,977,212</u>	<u>2,948,251</u>	<u>28,961</u>
Total Expenditures and Other Financing Uses	\$ <u>58,525,194</u>	\$ <u>60,630,194</u>	59,458,004	\$ <u>1,172,190</u>
Budgetary expenditures are different than GAAP revenues because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			6,731,437	
OPEB for Town teachers are not budgeted			694,187	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the order is received for financial reporting purposes			(288,091)	
State Excess Cost - Student Based grant			<u>467,351</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>67,062,888</u>	

TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES
LAST FIVE FISCAL YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 134,372	\$ 146,937	\$ 108,578	\$ 132,077	\$ 127,611
Interest	1,171,738	1,168,508	1,165,989	1,169,346	1,141,910
Differences between expected and actual experience	(196,872)	(140,013)	(100,363)	(57,635)	
Changes of assumptions		126,591	(123,946)	211,582	
Benefit payments, including refunds of member contributions	<u>(1,053,881)</u>	<u>(1,046,289)</u>	<u>(1,065,586)</u>	<u>(943,501)</u>	<u>(919,047)</u>
Net change in total pension liability	55,357	255,734	(15,328)	511,869	350,474
Total pension liability - beginning	<u>15,699,697</u>	<u>15,443,963</u>	<u>15,459,291</u>	<u>14,947,422</u>	<u>14,596,948</u>
Total pension liability - ending	<u>15,755,054</u>	<u>15,699,697</u>	<u>15,443,963</u>	<u>15,459,291</u>	<u>14,947,422</u>
Plan fiduciary net position:					
Contributions - employer	396,781	394,585	388,078	414,054	461,309
Contributions - member	97,026	92,803	95,958	115,312	115,181
Net investment income	997,090	1,492,310	22,029	444,282	1,750,644
Benefit payments, including refunds of member contributions	<u>(1,053,881)</u>	<u>(1,046,289)</u>	<u>(1,065,586)</u>	<u>(943,501)</u>	<u>(919,047)</u>
Administrative expense	<u>(54,952)</u>	<u>(48,290)</u>	<u>(67,532)</u>	<u>(64,958)</u>	<u>(52,303)</u>
Net change in plan fiduciary net position	382,064	885,119	(627,053)	(34,811)	1,355,784
Plan fiduciary net position - beginning	<u>12,901,321</u>	<u>12,016,202</u>	<u>12,643,255</u>	<u>12,678,066</u>	<u>11,322,282</u>
Plan fiduciary net position - ending	<u>13,283,385</u>	<u>12,901,321</u>	<u>12,016,202</u>	<u>12,643,255</u>	<u>12,678,066</u>
Net Pension Liability - Ending	<u>\$ 2,471,669</u>	<u>\$ 2,798,376</u>	<u>\$ 3,427,761</u>	<u>\$ 2,816,036</u>	<u>\$ 2,269,356</u>
Plan fiduciary net position as a percentage of the total pension liability	84.31%	82.18%	77.81%	81.78%	84.82%
Covered payroll	\$ 1,391,927	\$ 1,418,186	\$ 1,546,978	\$ 1,302,116	\$ 1,364,785
Net pension liability as a percentage of covered payroll	177.57%	197.32%	221.58%	216.27%	166.28%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE
LAST FIVE FISCAL YEARS*

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 421,705	\$ 447,371	\$ 396,619	\$ 307,211	\$ 295,395
Interest	1,336,356	1,295,889	1,238,569	1,218,103	1,176,313
Changes of benefit terms			220,737		
Differences between expected and actual experience	(187,074)	(94,782)	(125,924)	(263,541)	
Changes of assumptions		183,643	1,963	400,614	
Benefit payments, including refunds of member contributions	(1,056,471)	(1,060,997)	(1,025,873)	(967,721)	(954,825)
Net change in total pension liability	514,516	771,124	706,091	694,666	516,883
Total pension liability - beginning	17,565,505	16,794,381	16,088,290	15,393,624	14,876,741
Total pension liability - ending	18,080,021	17,565,505	16,794,381	16,088,290	15,393,624
Plan fiduciary net position:					
Contributions - employer	520,370	497,420	486,658	511,310	511,310
Contributions - member	177,950	157,112	157,881	145,519	140,430
Net investment income	1,146,995	1,687,610	24,531	480,502	1,872,199
Benefit payments, including refunds of member contributions	(1,056,471)	(1,060,997)	(1,025,873)	(967,721)	(954,825)
Administrative expense	(43,739)	(43,619)	(52,554)	(46,226)	(43,313)
Net change in plan fiduciary net position	745,105	1,237,526	(409,357)	123,384	1,525,801
Plan fiduciary net position - beginning	14,732,892	13,495,366	13,904,723	13,781,339	12,255,538
Plan fiduciary net position - ending	15,477,997	14,732,892	13,495,366	13,904,723	13,781,339
Net Pension Liability - Ending	\$ 2,602,024	\$ 2,832,613	\$ 3,299,015	\$ 2,183,567	\$ 1,612,285
Plan fiduciary net position as a percentage of the total pension liability	85.61%	83.87%	80.36%	86.43%	89.53%
Covered payroll	\$ 2,683,553	\$ 2,320,061	\$ 2,328,738	\$ 2,134,699	\$ 1,667,990
Net pension liability as a percentage of covered payroll	96.96%	122.09%	141.67%	102.29%	96.66%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEES
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 396,781	\$ 394,585	\$ 388,078	\$ 379,054	\$ 421,309	\$ 527,722	\$ 488,088	\$ 424,803	\$ 404,120	\$ 316,014
Contributions in relation to the actuarially determined contribution	396,781	394,585	388,078	414,054	461,309	527,722	488,088	424,803	404,120	316,014
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ (35,000)	\$ (40,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,391,927	\$ 1,418,186	\$ 1,546,978	\$ 1,302,116	\$ 1,364,785	\$ 1,699,817	\$ 1,842,379	\$ 1,826,777	\$ 2,099,669	\$ 2,185,349
Contributions as a percentage of covered payroll	28.51%	27.82%	25.09%	31.80%	33.80%	31.05%	26.49%	23.25%	19.25%	14.46%

Notes to Schedule

Valuation date: July 1, 2017

Measurement date: June 30, 2018

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increases	3.5% (Prior 4%), average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation
Mortality	Current: PR-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined, table for nonannuitants and annuitants, projected to the valuation date with Scale AA

Other information:

Previous to the 2014 valuation an 8% investment rate of return and 4% salary increase was utilized

Mortality Improvement Fiscal Year 2016: Projected to date of decrement using Scale AA (generational mortality)

Prior: Projected using Scale AA for 10 years beyond the valuation date

TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 520,370	\$ 497,420	\$ 486,658	\$ 451,397	\$ 438,012	\$ 464,826	\$ 432,284	\$ 374,226	\$ 374,262	\$ 259,160
Contributions in relation to the actuarially determined contribution	520,370	497,420	486,658	511,310	511,310	464,826	432,284	374,226	374,262	259,160
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ (59,913)	\$ (73,298)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,683,553	\$ 2,320,061	\$ 2,328,738	\$ 2,134,699	\$ 1,667,990	\$ 1,617,441	\$ 1,686,555	\$ 1,647,271	\$ 1,711,289	\$ 1,419,204
Contributions as a percentage of covered payroll	19.39%	21.44%	20.90%	23.95%	30.65%	28.74%	25.63%	22.72%	21.87%	18.26%

Notes to Schedule

Valuation date: July 1, 2017

Measurement date: June 30, 2018

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increases	3.5% (Prior: 4.0%), average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation
Retirement age	Age 55 or completion of 25 years of service, if earlier
Mortality	Current: PR-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined, table for nonannuitants and annuitants, projected to the valuation date with Scale AA

Other information:

Previous to the 2014 valuation an 8% investment rate of return

Mortality Improvement Fiscal Year 2016: Projected to date of decrement using Scale AA (generational mortality)

Prior: Projected using Scale AA for 10 years beyond the valuation date

**TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL EMPLOYEES
LAST FIVE FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.92%	12.73%	0.18%	3.57%	15.75%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
POLICE
LAST FIVE FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.91%	12.74%	0.18%	3.54%	15.54%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF PLAINVILLE, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>58,194,787</u>	<u>61,395,946</u>	<u>49,164,659</u>	<u>45,442,874</u>
Total	<u>\$ 58,194,787</u>	<u>\$ 61,395,946</u>	<u>\$ 49,164,659</u>	<u>\$ 45,442,874</u>
Town's covered payroll	\$ 18,152,210	\$ 18,156,327	\$ 17,793,753	\$ 16,977,886
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF PLAINVILLE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR*

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 569,820
Interest	457,085
Changes of benefit terms	
Differences between expected and actual experience	24,943
Changes of assumptions and other inputs	(424,963)
Benefit payments	<u>(463,918)</u>
Net change in total OPEB liability	162,967
Total OPEB liability - beginning	<u>12,427,820</u>
Total OPEB Liability - Ending	<u><u>\$ 12,590,787</u></u>
Covered-employee payroll	\$ N/A
Total OPEB liability as a percentage of covered-employee payroll	0.00%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

TOWN OF PLAINVILLE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR*

	2018
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	14,978,663
Total	\$ 14,978,663
Town's covered payroll	\$ 18,152,210
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	<p>The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.</p> <p>Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.</p> <p>As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available



Combining and Individual Fund Statements and Schedules



General Fund

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town not included in other specified funds. The General Fund accounts for the normal recurring activities of the Town (i.e., education, police, recreation, public works, general government, etc.). These activities are funded principally by property taxes on individuals and businesses and grants from other governmental units.

TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 5,463,782	\$ 7,487,221
Investments	1,934,370	2,221,250
Accounts receivable, net:		
Property taxes receivable, net of allowance for uncollectible of \$75,000 in 2018 and 2017	2,042,778	2,265,529
Interest receivable	1,392,822	1,342,895
Accounts receivable	813,796	272,133
Due from other governments	6,325	5,465
Due from other funds	4,368,254	3,620,180
Prepaid items	<u>102,947</u>	<u>46,586</u>
Total Assets	\$ <u>16,125,074</u>	\$ <u>17,261,259</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 961,270	\$ 951,942
Due to other governments	29,874	25,247
Due to other funds	1,956,160	2,156,890
Unearned revenue	<u>16,100</u>	<u> </u>
Total liabilities	<u>2,963,404</u>	<u>3,134,079</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>3,280,843</u>	<u>3,326,349</u>
Fund balance:		
Nonspendable	102,947	46,586
Committed	383,869	383,869
Assigned:		
Assigned for subsequent years budget	204,000	200,000
Board of Education	785,504	434,106
Town	24,027	131,974
Unassigned	<u>8,380,480</u>	<u>9,604,296</u>
Total fund balance	<u>9,880,827</u>	<u>10,800,831</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>16,125,074</u>	\$ <u>17,261,259</u>

**TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List	Uncollected Taxes July 1, 2017	Lawful Corrections		Transfers To Suspense	Net Amount Collectible	Collections				Uncollected Taxes June 30, 2018
		Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2016	\$ 46,351,152 *	\$ 105,656	\$ 214,023	\$ 6,371	\$ 46,236,414	\$ 45,519,823	\$ 139,857	\$ 26,430	\$ 45,686,110	\$ 716,591
2015	845,889	7,062	13,218	1,158	838,575	430,555	98,680	6,587	535,822	408,020
2014	492,777	2,834	2,443	95,353	397,815	175,840	66,696	1,570	244,106	221,975
2013	279,231	74	390	26,351	252,564	91,371	42,424	357	134,152	161,193
2012	208,753		188	679	207,886	53,423	34,659	216	88,298	154,463
2011	150,515		186	668	149,661	28,022	10,481	48	38,551	121,639
2010	125,691			627	125,064	3,985	3,778	96	7,859	121,079
2009	87,628			522	87,106	4,320	5,392	48	9,760	82,786
2008	63,284			6,468	56,816	1,692	1,334		3,026	55,124
2007	31,044			4,004	27,040		1,200		1,200	27,040
2006	10,378			1,241	9,137				-	9,137
2005	11,433			693	10,740				-	10,740
2004	7,347			659	6,688		286		286	6,688
2003	8,423			637	7,786	276	14		290	7,510
2002	13,793				13,793				-	13,793
2001	4,343			4,343	-				-	-
Total	\$ 48,691,681	\$ 115,626	\$ 230,448	\$ 149,774	\$ 48,427,085	46,309,307	404,801	35,352	46,749,460	\$ 2,117,778
Suspense collections						19,322	19,380	853	39,555	
Total Collections						\$ 46,328,629	\$ 424,181	\$ 36,205	46,789,015	
Property taxes receivable - considered available:										
June 30, 2017									(282,075)	
June 30, 2018									154,757	
Total Property Tax Revenue									\$ 46,661,697	

* Includes motor vehicle supplement in the amount of \$638,437

**TOWN OF PLAINVILLE, CONNECTICUT
BOARD OF EDUCATION SCHEDULE OF EXPENDITURES
AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Appropriation	Final Appropriation	Expenditures and Encumbrances	Unexpended (Overexpended) Balance
Salaries	\$ 23,496,346	\$ 23,491,483	\$ 24,165,469	\$ (673,986)
Employee benefits	5,757,619	5,757,619	5,700,273	57,346
Instructional program services and curriculum improvement	138,037	142,103	112,754	29,349
Professional operating service	130,450	141,632	81,137	60,495
Technical services and data processing	417,989	392,491	411,057	(18,566)
Utilities	48,700	48,700	48,134	566
Refuse collection	65,500	65,500	59,717	5,783
Repairs	360,060	321,476	342,519	(21,043)
Rental/lease	48,300	70,850	54,230	16,620
Construction and other property services	85,133	84,676	76,722	7,954
Transportation	1,812,520	1,820,697	1,602,349	218,348
Insurance	170,719	170,719	171,892	(1,173)
Telephone	33,500	33,500	33,325	175
Postage	16,400	30,600	24,594	6,006
Advertising	500	500		500
Printing and binding	21,400	21,400	14,475	6,925
Tuition	961,452	961,452	715,752	245,700
Conferences and travel	49,600	46,950	26,616	20,334
Other purchased services	41,800	50,966	27,363	23,603
Supplies	714,370	708,866	582,622	126,244
Energy	877,852	877,852	710,762	167,090
Books and periodicals	139,462	126,402	83,056	43,346
Capital outlay	43,015	64,333	65,391	(1,058)
Dues and fees	72,375	72,332	96,203	(23,871)
Total Reported in RSI-2	\$ <u>35,503,099</u>	\$ <u>35,503,099</u>	\$ <u>35,206,412</u>	\$ <u>296,687</u>



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Special Education	State and federal grant	School related programs
School Cafeteria	Sale of food and grants	School lunch programs
Police Welfare	State funds	Aid injured police officers
Town Aid Road	State grant	Construction improvement or maintenance of roads
Recreation	User fees	Recreation programs
Social Services Emergency	Donations	Employee assistance
Berner Pool	Estate proceeds	Pool construction and maintenance
Water Operating	User fees	Water supplied by out-of-town water companies and the collections from users of the water
Police Forfeiture	Assets seized by the police in drug enforcement activities	Police enforcement
Recreation Concert	Donations	Used to pay for concerts in the park
Drug Abuse Grant	Grant proceeds	Prevention of youthful drug and alcohol use
Miscellaneous Grants	Grant proceeds and donations	Miscellaneous Town activities
Turf Field Maintenance	Charges for services and donations	Maintenance of Turf Field
Land Acquisition	Grants and transfers	Land acquisition
Senior Citizens Special	Donations	Transportation of senior citizens
Library Trust	Grants, donations and transfers	Benefit the library
Senior Citizens Transportation	Donations and grants	Transportation for senior citizens
Economic Development	Donations	To support economic development of Town
BOE Private Grants and School Rental	Private grant, donations and user fees	Miscellaneous Education programs and rental of school buildings

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

	Special Revenue										
	Special Education	School Cafeteria	Police Welfare	Town Aid Road	Recreation	Social Services Emergency	Berner Pool	Water Operating	Police Forfeiture	Recreation Concert	Drug Abuse Grant
ASSETS											
Cash and cash equivalents	\$ 228,703	\$ 133,655	\$ 14,777	\$	\$ 89,649	\$ 19,785	\$ 136,038	\$ 60,361	\$ 9,655	\$	\$
Investments											
Accounts and other receivable					615			3,181			
Due from other governments		74,832									
Due from other funds				757,627						4,689	24,411
Inventory		12,144									
Prepaid items										730	
Total Assets	\$ 228,703	\$ 220,631	\$ 14,777	\$ 757,627	\$ 90,264	\$ 19,785	\$ 136,038	\$ 63,542	\$ 9,655	\$ 5,419	\$ 24,411
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	\$ 33,315	\$	\$	\$ 42,037	\$ 25,102	\$	\$	\$ 153	\$ 2,514	\$	\$
Due to other funds	164,382										
Unearned revenue	31,006										
Total liabilities	228,703	-	-	42,037	25,102	-	-	153	2,514	-	-
Fund Balances:											
Nonspendable		12,144								730	
Restricted			14,777	715,590						4,689	24,411
Committed		208,487			65,162	19,785	136,038	63,389	7,141		
Total fund balances	-	220,631	14,777	715,590	65,162	19,785	136,038	63,389	7,141	5,419	24,411
Total Liabilities and Fund Balances	\$ 228,703	\$ 220,631	\$ 14,777	\$ 757,627	\$ 90,264	\$ 19,785	\$ 136,038	\$ 63,542	\$ 9,655	\$ 5,419	\$ 24,411

(Continued on next page)

**TOWN OF PLAINVILLE, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2018**

	Special Revenue							BOE	Total
	Miscellaneous Grants	Turf Field Maintenance	Land Acquisition	Senior Citizens Special	Library Trust	Senior Citizens Transportation	Economic Development	Private Grants and School Rental	Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	\$	\$ 63,648	\$	\$ 195,503	\$ 289,649	\$ 65,107	\$ 160,880	\$ 658,102	\$ 2,125,512
Investments					658,099				658,099
Accounts and other receivable	488,633				3,598	1,200	113,494		610,721
Due from other governments	13,702								88,534
Due from other funds	288,789		45,379		873				1,121,768
Inventory									12,144
Prepaid items					138				868
Total Assets	\$ 791,124	\$ 63,648	\$ 45,379	\$ 195,503	\$ 952,357	\$ 66,307	\$ 274,374	\$ 658,102	\$ 4,617,646
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 2,371	\$	\$ 26,542	\$ 1,196	\$ 121,450	\$ 4,466	\$	\$	\$ 259,146
Due to other funds	296,594								460,976
Unearned revenue	75,592								106,598
Total liabilities	374,557	-	26,542	1,196	121,450	4,466	-	-	826,720
Fund Balances:									
Nonspendable					138				13,012
Restricted	416,567							658,102	1,834,136
Committed		63,648	18,837	194,307	830,769	61,841	274,374		1,943,778
Total fund balances	416,567	63,648	18,837	194,307	830,907	61,841	274,374	658,102	3,790,926
Total Liabilities and Fund Balances	\$ 791,124	\$ 63,648	\$ 45,379	\$ 195,503	\$ 952,357	\$ 66,307	\$ 274,374	\$ 658,102	\$ 4,617,646

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

	Special Revenue										
	Special Education	School Cafeteria	Police Welfare	Town Aid Road	Recreation	Social Services Emergency	Berner Pool	Water Operating	Police Forfeiture	Recreation Concert	Drug Abuse Grant
Revenues:											
Licenses, fees and charges for goods and services	\$ 3,240,897	\$ 364,693	\$	\$	\$ 140,373	\$	\$	\$ 585	\$ 6,482	\$	\$
Intergovernmental revenue		479,453		307,273							
Revenues from use of money		635	34		200	44	339	137	29		
Other revenues					1,515			211	9,260	1,950	6,373
Net appreciation in the fair market value of investments											
Total revenues	<u>3,240,897</u>	<u>844,781</u>	<u>34</u>	<u>307,273</u>	<u>142,088</u>	<u>44</u>	<u>339</u>	<u>933</u>	<u>15,771</u>	<u>1,950</u>	<u>6,373</u>
Expenditures:											
Current:											
Public safety									21,787		1,712
Public works				162,434				943			
Human service											
Culture and recreation					257,901		14,058			2,155	
Education	3,240,897	841,208									
Other expenditures											
Total expenditures	<u>3,240,897</u>	<u>841,208</u>	<u>-</u>	<u>162,434</u>	<u>257,901</u>	<u>-</u>	<u>14,058</u>	<u>943</u>	<u>21,787</u>	<u>2,155</u>	<u>1,712</u>
Excess (Deficiency) of Revenues over Expenditures	-	3,573	34	144,839	(115,813)	44	(13,719)	(10)	(6,016)	(205)	4,661
Other Financing Sources:											
Transfers in					90,000	500					
Net Change in Fund Balances	-	3,573	34	144,839	(25,813)	544	(13,719)	(10)	(6,016)	(205)	4,661
Fund Balance, Beginning of Year	-	217,058	14,743	570,751	90,975	19,241	149,757	63,399	13,157	5,624	19,750
Fund Balance, End of Year	\$ -	\$ 220,631	\$ 14,777	\$ 715,590	\$ 65,162	\$ 19,785	\$ 136,038	\$ 63,389	\$ 7,141	\$ 5,419	\$ 24,411

(Continued on next page)

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

	Special Revenue							BOE	Total
	Miscellaneous	Turf	Land	Senior	Library	Senior	Economic	Private Grants	Nonmajor
	Grants	Field	Acquisition	Citizens	Trust	Citizens	Development	and School	Governmental
		Maintenance		Special		Transportation		Rental	Funds
Revenues:									
Licenses, fees and charges for goods and services	\$	\$	\$	\$	\$ 13,582	\$ 4,158	\$	\$ 140,381	\$ 663,772
Intergovernmental revenue	129,907				5,874	18,381			4,188,267
Revenues from use of money		138		400	25,137	137	358		27,588
Other revenues	39,577	7,193		31,000	29,882	8,492	2,793	296,297	434,543
Net appreciation in the fair market value of investments					17,004				17,004
Total revenues	<u>169,484</u>	<u>7,331</u>	<u>-</u>	<u>31,400</u>	<u>91,479</u>	<u>31,168</u>	<u>3,151</u>	<u>436,678</u>	<u>5,331,174</u>
Expenditures:									
Current:									
Public safety	21,994								45,493
Public works	101,715								265,092
Human service	27,345			8,637		56,654			92,636
Culture and recreation	12,356	1,028			740,630				1,028,128
Education								267,902	4,350,007
Other expenditures	4,000								4,000
Total expenditures	<u>167,410</u>	<u>1,028</u>	<u>-</u>	<u>8,637</u>	<u>740,630</u>	<u>56,654</u>	<u>-</u>	<u>267,902</u>	<u>5,785,356</u>
Excess (Deficiency) of Revenues over Expenditures	2,074	6,303	-	22,763	(649,151)	(25,486)	3,151	168,776	(454,182)
Other Financing Sources:									
Transfers in	<u>3,387</u>				<u>652,702</u>	<u>27,662</u>			<u>774,251</u>
Net Change in Fund Balances	5,461	6,303	-	22,763	3,551	2,176	3,151	168,776	320,069
Fund Balance, Beginning of Year	<u>411,106</u>	<u>57,345</u>	<u>18,837</u>	<u>171,544</u>	<u>827,356</u>	<u>59,665</u>	<u>271,223</u>	<u>489,326</u>	<u>3,470,857</u>
Fund Balance, End of Year	<u>\$ 416,567</u>	<u>\$ 63,648</u>	<u>\$ 18,837</u>	<u>\$ 194,307</u>	<u>\$ 830,907</u>	<u>\$ 61,841</u>	<u>\$ 274,374</u>	<u>\$ 658,102</u>	<u>\$ 3,790,926</u>



Capital Projects Fund

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for acquisition or construction of major capital facilities.

TOWN OF PLAINVILLE, CONNECTICUT
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2018

Year	Project	Appropriations			Expenditures and Encumbrances	Unexpended Balance June 30, 2018
		Balance July 1, 2017	Changes	Total		
2000-01	Assessors Revaluation	\$ 798,706	\$ 50,000	\$ 848,706	\$ 807,810	\$ 40,896
2000-01	Data Processing Computer Upgrades	540,000	30,000	570,000	553,322	16,678
2001-02	Buildings & Grounds Municipal Center Improvements	232,489		232,489	227,346	5,143
2001-02	Police Computer Aided Dispatch	585,026	15,000	600,026	595,940	4,086
2001-02	Technical Services Sidewalk Replacement	315,000		315,000	320,417	(5,417)
2001-02	Roadways Storm Drain and Street Repair	324,999		324,999	258,087	66,912
2002-03	Technical Services Environmental Compliance	123,816		123,816	122,678	1,138
2006-07	Fire Portable Radios	182,596		182,596	178,841	3,755
2006-07	Police Vehicles	556,500	84,000	640,500	639,983	517
2007-08	Police Equipment	120,500	7,500	128,000	124,670	3,330
2008-09	Senior Center Dial A Ride Grant Match	123,400		123,400	118,527	4,873
2009-10	Town Clerk Improvements	85,188	10,080	95,268	49,729	45,539
2009-10	Buildings & Grounds Boiler Replacements	5,000		5,000	5,000	-
2010-11	Tax/Assessor Software	202,634		202,634	198,734	3,900
2011-12	Police Computer Replacement	84,000	18,000	102,000	100,683	1,317
2012-13	Police Bullet Proof Vests	42,000		42,000	40,257	1,743
2012-13	Fire Replace Rescue Apparatus	513,672	103,418	617,090	617,090	-
2012-13	Recreation Paderewski Park Improvements	15,000		15,000	1,698	13,302
2013-14	Police Communication Dispatch Equipment	567,630	157,848	725,478	646,406	79,072
2013-14	Police Windows 7/Office 2010	15,205	(1,837)	13,368	13,368	-
2013-14	Police NEXGEN Software	92,500		92,500	92,456	44
2013-14	Police Cruiser Outfitting	81,500	30,750	112,250	112,145	105
2013-14	Fire Thermal Imaging Cameras	37,404		37,404	31,554	5,850
2013-14	Fire SCBA Bottle Replacements	40,000	10,000	50,000	45,454	4,546
2013-14	Fire Personal Protective Equipment	70,000	24,500	94,500	94,580	(80)
2013-14	Fire Hurst Tool (Jaws of Life)	30,000	10,500	40,500	31,493	9,007
2013-14	Roadways Loader Tires	17,000		17,000	17,000	-
2013-14	Buildings & Grounds Municipal Center Façade	10,000	(6,310)	3,690	3,690	-
2013-14	Buildings & Grounds Linden School Needs	24,389	1,238	25,627	25,627	-
2014-15	Police Ammo	12,500		12,500	12,447	53
2014-15	Police Cruiser Defibrillators	16,000	6,400	22,400	14,993	7,407
2014-15	Fire Communication Dispatch Equipment	80,795	27,977	108,772	108,772	-
2014-15	Senior Center Temperature Control System	65,730		65,730	65,730	-
2014-15	Library Clock Tower & Eaves	46,000		46,000	28,718	17,282
2014-15	Unclassified	4,226	4,693	8,919	7,463	1,456
2015-16	Roadways 5 Ton Dump Truck with Plow	125,000	465	125,465	125,465	-
2015-16	Buildings & Grounds Norton Park Act Build Roof	15,000		15,000	13,664	1,336
2015-16	Buildings & Grounds 4WD Compact Pickup	25,500	(61)	25,439	25,439	-
2015-16	Buildings & Grounds Probate Court Relocation	31,250		31,250		31,250
2015-16	Technical Services Roadway Sign Replacement	20,000	15,000	35,000	13,653	21,347
2015-16	Recreation Norton Park Lights Field #4	48,000		48,000		48,000
2015-16	Recreation Norton Park Fence Field #4	8,000		8,000	5,560	2,440
2015-16	Library Repairs	13,500		13,500	12,654	846
2016-17	Data Processing Municipal Fiber Network	75,000		75,000	75,000	-
2016-17	Police Video Cameras in Cruisers	14,000	14,000	28,000	17,667	10,333
2016-17	Fire Diesel Powered Lighting/Generator	8,500		8,500	7,500	1,000
2016-17	Roadways Mack Computer Diagnostic Analyzer	5,000		5,000	2,174	2,826
2016-17	Buildings & Grounds 4WD 1 Ton Pickup with Plow	33,000	(15)	32,985	32,985	-
2016-17	Buildings & Grounds Library Window Trim	10,000	10,000	20,000	16,865	3,135
2016-17	Buildings & Grounds Police AC Design	5,000		5,000	4,525	475
2016-17	Technical Services Paderewski Park Study	10,000	(9)	9,991	9,991	-
2017-18	Data Processing Green Wi-Fi		9,435	9,435	9,435	-
2017-18	Econ Dev 10 Plan of Conservation & Development		20,000	20,000	4,494	15,506
2017-18	Animal Control Ford Transit Vehicle		33,000	33,000	30,334	2,666
2017-18	Roadways JCB Loader/Backhoe		115,000	115,000	115,000	-
	Total capital and nonrecurring expenditures	6,508,155	800,572	7,308,727	6,835,113	473,614

(Continued on next page)

TOWN OF PLAINVILLE, CONNECTICUT
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Year	Project	Appropriations			Expenditures and Encumbrances	Unexpended Balance June 30, 2018
		Balance July 1, 2017	Additions	Total		
2012-13	Board of Education Technology Improvements	\$ 1,069,835	\$	\$ 1,069,835	\$ 1,079,926	\$ (10,091)
2013-14	Board of Education School Construction	89,950		89,950	86,950	3,000
2015-16	Board of Education PHS Kitchen Floor	87,000	4,200	91,200	91,200	-
2016-17	Board of Education PHS ADA Upgrade	25,000		25,000		25,000
2016-17	Board of Education District Wide Cleaning Equipment	15,000	7,212	22,212	22,212	-
2016-17	Board of Education District Wide Phone System	70,000		70,000	58,992	11,008
2017-18	Board of Education PHS Partition Doors Tech-Ed		7,500	7,500		7,500
2017-18	Board of Education PHS Handicap Entrance Access		5,339	5,339	5,339	-
2017-18	Board of Education District Wide Security Improvement		25,724	25,724	20,416	5,308
2017-18	Board of Education MPS Fire Annunciation System		43,478	43,478	43,478	-
2017-18	Board of Education Server Replacement		24,000	24,000	21,687	2,313
2017-18	Board of Education Chromebook Upgrade 3 - 5		148,500	148,500	132,585	15,915
2017-18	Board of Education Chromebook Cases		10,500	10,500	9,731	769
2017-18	Board of Education MSP Teacher Laptops		61,600	61,600	61,600	-
2017-18	Board of Education Administrator Laptops		16,500	16,500	19,250	(2,750)
2017-18	Board of Education PHS Core Switch		17,500	17,500	11,552	5,948
2015-16	Landfill Expansion	219,189		219,189	218,122	1,067
2015-16	PHS Turf Field Project	2,116,415		2,116,415	2,081,576	34,839
2015-16	Old Linden Street School Demolition	2,471,921		2,471,921	2,346,639	125,282
2015-16	Road Bond Project	3,029,090	1,010,497	4,039,587	3,882,393	157,194
2017-18	Northwest Drive Renovation		928,045	928,045	6,247	921,798
2015-16	FEMA Property Acquisition Phase II	1,413,463	400,190	1,813,653	1,805,489	8,164
2006-07	WPCF Plant & Collection System Improvements	488,335	125,000	613,335	520,296	93,039
2013-14	WPCF Primary Tank Upgrade	101,117	(2,262)	98,855	98,855	-
2013-14	WPCF I & I Manhole Rehabilitation	45,000	15,000	60,000	10,073	49,927
2015-16	WPCF Influent Valve Replacements	64,061		64,061	63,611	450
2015-16	WPCF Treatment Plant Roof Repair	137,000		137,000	130,921	6,079
2016-17	WPCF Small Utility Vehicle	12,000		12,000	8,212	3,788
2017-18	WPCF Woodford Ave Milling		7,000	7,000	7,000	-
2015-16	WPCF RDT/Phosphorus Removal	597,854	15,761,000	16,358,854	1,265,611	15,093,243
2015-16	Tomlinson Avenue Bridge	281,549		281,549	111,022	170,527
2015-16	Cooke Street Reconstruction	1,368,290		1,368,290	1,263,884	104,406
2015-16	School Capital Maintenance Project	109,000	22,805,000	22,914,000	1,174,751	21,739,249
2015-16	Senior Center Parking Lot	125,864		125,864	146,614	(20,750)
Total		\$ 20,445,088	\$ 42,222,095	\$ 62,667,183	\$ 23,641,347	\$ 39,025,836



Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

- **HEALTH INSURANCE FUND** - A fund used to pay health insurance claims and to purchase administrative services and stop loss insurance for the health care plans. Both the Town and the Board of Education pay this fund for health insurance.
- **SELF INSURANCE RESERVE FUND** - The Self Insurance Reserve Fund provides coverage for all deductibles on commercial insurance policies and all heart and hypertension claims.

TOWN OF PLAINVILLE, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017

	Health Insurance Fund	Self Insurance Reserve Fund	Totals	
			2018	2017
ASSETS				
Cash and cash equivalents	\$ 732,545	\$	\$ 732,545	\$ 1,623,528
Accounts and other receivable	508,693		508,693	500,079
Due from other funds		385,508	385,508	586,075
Total Assets	<u>\$ 1,241,238</u>	<u>\$ 385,508</u>	<u>\$ 1,626,746</u>	<u>\$ 2,709,682</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts payable and accrued liabilities	\$ 655,000	\$	\$ 655,000	\$ 565,676
Due to other funds	<u>2,982,093</u>		<u>2,982,093</u>	<u>2,890,627</u>
Total liabilities	3,637,093	-	3,637,093	3,456,303
Net position:				
Unrestricted	<u>(2,395,855)</u>	<u>385,508</u>	<u>(2,010,347)</u>	<u>(746,621)</u>
Total Liabilities and Net Position	<u>\$ 1,241,238</u>	<u>\$ 385,508</u>	<u>\$ 1,626,746</u>	<u>\$ 2,709,682</u>

TOWN OF PLAINVILLE, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR 2017

	Health Insurance Fund	Self Insurance Reserve Fund	Totals	
			2018	2017
Operating revenues:				
Licenses, fees and charges for goods and services	\$ 6,345,398	\$ 53,774	\$ 6,399,172	\$ 6,365,480
Operating expenses:				
Insurance claims, premiums and fees	8,393,676	233,665	8,627,341	7,296,910
Administration	135,557		135,557	135,557
Total operating expenses	<u>8,529,233</u>	<u>233,665</u>	<u>8,762,898</u>	<u>7,432,467</u>
Operating income (loss)	(2,183,835)	(179,891)	(2,363,726)	(1,066,987)
Nonoperating revenues:				
Revenues from use of money			-	780
Income (loss)	(2,183,835)	(179,891)	(2,363,726)	(1,066,207)
Transfers in	<u>1,100,000</u>		<u>1,100,000</u>	<u>-</u>
Change in Net Position	(1,083,835)	(179,891)	(1,263,726)	(1,066,207)
Net Position, Beginning of Year	<u>(1,312,020)</u>	<u>565,399</u>	<u>(746,621)</u>	<u>319,586</u>
Net Position, End of Year	<u>\$ (2,395,855)</u>	<u>\$ 385,508</u>	<u>\$ (2,010,347)</u>	<u>\$ (746,621)</u>

TOWN OF PLAINVILLE, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR 2017

	Health Insurance Fund	Self Insurance Reserve Fund	Totals	
			2018	2017
Cash Flows from Operating Activities:				
Cash received from charges for services and contributions	\$ 6,345,398	\$ 53,774	\$ 6,399,172	\$ 6,365,480
Cash paid for claims, premiums and fees	(8,427,847)	(254,341)	(8,682,188)	(7,942,427)
Cash received (paid) for interfund services provided (used)	91,466	200,567	292,033	809,216
Net cash provided by (used in) operating activities	<u>(1,990,983)</u>	<u>-</u>	<u>(1,990,983)</u>	<u>(767,731)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	<u>1,100,000</u>		<u>1,100,000</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(890,983)	-	(890,983)	(766,951)
Cash and Cash Equivalents, Beginning of Year	<u>1,623,528</u>	<u>-</u>	<u>1,623,528</u>	<u>2,390,479</u>
Cash and Cash Equivalents, End of Year	<u>\$ 732,545</u>	<u>\$ -</u>	<u>\$ 732,545</u>	<u>\$ 1,623,528</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (2,183,835)	\$ (179,891)	\$ (2,363,726)	\$ (1,066,987)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in assets:				
Due from other funds		200,567	200,567	(390,673)
Accounts receivable	(8,614)		(8,614)	(500,079)
Increase (decrease) in liabilities:				
Accounts payable	110,000	(20,676)	89,324	(9,881)
Due to other funds	91,466		91,466	1,199,889
Total adjustments	<u>192,852</u>	<u>179,891</u>	<u>372,743</u>	<u>299,256</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,990,983)</u>	<u>\$ -</u>	<u>\$ (1,990,983)</u>	<u>\$ (767,731)</u>



Fiduciary Funds

FIDUCIARY FUNDS

AGENCY FUNDS

- **STUDENT ACTIVITY FUND** - A fund that accounts for the collections and payments for educational extra-curricular activities.
- **SENIOR CITIZEN FUND** - A fund that accounts for the collection of money from fund raising activities and the reduction of those funds for activities of the senior citizens.
- **DEPOSIT FUND** - A fund that accounts for various types of security or surety deposits placed with the Town which will be returned when the need for the deposit ceases.

TOWN OF PLAINVILLE, CONNECTICUT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Student Activity Fund				
Assets:				
Cash	\$ 220,857	\$ 618,394	\$ 505,311	\$ 333,940
Investments	<u>222,516</u>		<u>222,516</u>	<u>-</u>
Total Assets	<u>\$ 443,373</u>	<u>\$ 618,394</u>	<u>\$ 727,827</u>	<u>\$ 333,940</u>
Liabilities:				
Due to employees and others	<u>\$ 443,373</u>	<u>\$ 618,394</u>	<u>\$ 727,827</u>	<u>\$ 333,940</u>
Senior Citizen Fund				
Assets:				
Cash	<u>\$ 99,211</u>	<u>\$ 163,327</u>	<u>\$ 149,818</u>	<u>\$ 112,720</u>
Liabilities:				
Due to employees and others	<u>\$ 99,211</u>	<u>\$ 163,327</u>	<u>\$ 149,818</u>	<u>\$ 112,720</u>
Deposit Fund				
Assets:				
Cash	<u>\$ 17,284</u>	<u>\$ 40</u>	<u>\$</u>	<u>\$ 17,324</u>
Liabilities:				
Surety bonds payable	<u>\$ 17,284</u>	<u>\$ 40</u>	<u>\$</u>	<u>\$ 17,324</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 337,352	\$ 781,761	\$ 655,129	\$ 463,984
Investments	<u>222,516</u>		<u>222,516</u>	<u>-</u>
Total Assets	<u>\$ 559,868</u>	<u>\$ 781,761</u>	<u>\$ 877,645</u>	<u>\$ 463,984</u>
Liabilities:				
Due to employees and others	\$ 542,584	\$ 781,721	\$ 877,645	\$ 446,660
Surety bond payable	<u>17,284</u>	<u>40</u>		<u>17,324</u>
Total Liabilities	<u>\$ 559,868</u>	<u>\$ 781,761</u>	<u>\$ 877,645</u>	<u>\$ 463,984</u>



Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

TOWN OF PLAINVILLE, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017 (3)	2016	2015	2014 (2)	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 91,170	\$ 90,253	\$ 90,129	\$ 87,666	\$ 87,686	\$ 83,664	\$ 79,132	\$ 72,322	\$ 72,079	\$ 74,689
Restricted									928	949
Unrestricted	718	4,430	7,421	8,005	9,684	12,761	12,868	17,027	14,317	14,723
Total Governmental Activities Net Position	<u>\$ 91,888</u>	<u>\$ 94,683</u>	<u>\$ 97,550</u>	<u>\$ 95,671</u>	<u>\$ 97,370</u>	<u>\$ 96,425</u>	<u>\$ 92,000</u>	<u>\$ 89,349</u>	<u>\$ 87,324</u>	<u>\$ 90,361</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
(2) The fiscal year 2014 governmental activities net position was restated as a result of implementing GASB No. 68, *Accounting and Financial Reporting for Pensions*.
(3) The fiscal year 2017 governmental activities net position was restated as a result of implementing GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

TOWN OF PLAINVILLE, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 3,411	\$ 3,648	\$ 3,824	\$ 3,281	\$ 2,744	\$ 5,002	\$ 3,070	\$ 3,285	\$ 10,745	\$ 3,023
Public safety	8,160	7,760	7,762	7,262	6,271	6,579	6,029	6,485	7,111	6,160
Public works	9,557	9,307	9,357	8,560	8,933	6,438	8,445	10,250	8,034	7,907
Human services	1,998	1,889	1,951	1,919	1,929	1,973	1,863	788	1,044	1,714
Culture and recreation	1,341	970	1,403	1,388	1,364	1,289	1,281	1,481	1,454	1,549
Education	53,854	54,353	48,021	46,899	45,153	42,567	43,706	41,512	40,767	40,729
Debt service	1,017	1,138	1,586	1,546	1,691	1,884	1,909	2,005	2,000	1,683
Total governmental activities expenses	79,338	79,065	73,904	70,855	68,085	65,732	66,303	65,806	71,155	62,765
Program revenues:										
Governmental activities:										
Charges for services:										
Public works	3,457	3,349	3,327	3,539	2,922	2,939	2,910	2,982	2,903	2,918
Education	554	484	478	446	480	730	473	542	664	756
Other activities	1,254	1,129	1,289	1,276	1,224	1,094	1,051	1,055	1,049	771
Operating grants and contributions	22,457	23,990	22,576	19,518	23,154	18,925	20,264	17,526	16,791	17,601
Capital grants and contributions	994	1,878	2,014		2,084	3,084	1,708	4,955	8,090	13,686
Total governmental activities program revenues	28,716	30,830	29,684	24,779	29,864	26,772	26,406	27,060	29,497	35,732
Net expense:										
Governmental activities	(50,622)	(48,235)	(44,220)	(46,076)	(38,221)	(38,960)	(39,897)	(38,746)	(41,658)	(27,033)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	46,779	45,028	44,369	43,312	42,130	42,011	41,022	39,458	37,011	36,925
Grants and contributions not restricted to specific purposes	405	482	502	554	571	619	1,290	1,021	1,136	1,423
Unrestricted investment earnings	62	112	85	59	126	111	60	155	130	112
Miscellaneous	581	236	1,143	451	335	644	176	137	343	223
Total governmental activities	47,827	45,858	46,099	44,376	43,162	43,385	42,548	40,771	38,620	38,683
Changes in Net Position:										
Governmental activities	\$ (2,795)	\$ (2,377)	\$ 1,879	\$ (1,700)	\$ 4,941	\$ 4,425	\$ 2,651	\$ 2,025	\$ (3,038)	\$ 11,650

Notes:

(1) Schedule prepared on the accrual basis of accounting.

TABLE 3

TOWN OF PLAINVILLE, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,584	\$ 1,758
Unreserved									1,482	2,978
Nonspendable	103	47	49	20	14	6	131	10		
Committed	384	384	198	148	148	172	171	171		
Assigned	1,014	766	1,174	445	707	757	829	1,018		
Unassigned	<u>8,380</u>	<u>9,604</u>	<u>9,488</u>	<u>10,442</u>	<u>11,166</u>	<u>5,863</u>	<u>2,970</u>	<u>2,398</u>		
Total General Fund	<u>\$ 9,881</u>	<u>\$ 10,801</u>	<u>\$ 10,909</u>	<u>\$ 11,055</u>	<u>\$ 12,035</u>	<u>\$ 6,798</u>	<u>\$ 4,101</u>	<u>\$ 3,597</u>	<u>\$ 3,066</u>	<u>\$ 4,736</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 395	\$ 3,493
Unreserved, reported in:										
Special revenue funds									5,581	7,000
Capital projects funds									(11,462)	(29,941)
Nonspendable	195	212	105	78	21	24	20	21		
Restricted	1,925	2,871	3,034	2,225	2,456	2,666	2,505	2,154		
Committed	9,478	5,551	6,022	5,399	5,350	8,483	9,465	9,571		
Unassigned	<u>(6,542)</u>	<u>(2,038)</u>	<u>(1,464)</u>	<u>(2)</u>			<u>(82)</u>	<u>(994)</u>		
Total All Other Governmental Funds	<u>\$ 5,056</u>	<u>\$ 6,596</u>	<u>\$ 7,697</u>	<u>\$ 7,700</u>	<u>\$ 7,827</u>	<u>\$ 11,173</u>	<u>\$ 11,908</u>	<u>\$ 10,752</u>	<u>\$ (5,486)</u>	<u>\$ (19,448)</u>

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
(2) The Town began to report new fund categories when it implemented GASB Statement No. 54 in fiscal year 2011.

TABLE 4

TOWN OF PLAINVILLE, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes	\$ 46,662	\$ 44,698	\$ 44,113	\$ 42,677	\$ 42,460	\$ 41,482	\$ 40,213	\$ 39,566	\$ 36,680	\$ 36,525
Assessments including interest and lien fees	163	204	277	173	197	150	112	95	65	92
Charges for services	5,567	5,087	5,625	4,766	4,527	4,466	4,364	4,382	4,140	4,113
Intergovernmental	23,275	26,002	23,935	19,935	25,511	22,415	22,872	23,557	26,264	32,740
Income on investments	62	112	84	58	124	109	59	150	125	89
Miscellaneous	832	513	1,773	633	684	1,127	798	544	733	807
Total revenues	<u>76,561</u>	<u>76,616</u>	<u>75,807</u>	<u>68,242</u>	<u>73,503</u>	<u>69,749</u>	<u>68,418</u>	<u>68,294</u>	<u>68,007</u>	<u>74,366</u>
Expenditures:										
General government	2,717	2,418	2,502	2,687	2,203	4,122	2,366	2,131	9,780	1,998
Public safety	5,019	4,727	4,645	4,154	4,101	4,095	3,852	3,902	4,741	4,629
Public works	5,969	5,987	5,953	6,191	6,496	6,077	5,811	6,828	5,859	6,316
Human services	1,793	1,768	1,812	1,737	1,766	1,796	1,757	579	845	1,594
Culture and recreation	1,186	1,137	1,155	1,153	1,194	1,006	1,006	1,158	1,112	1,362
Education	47,098	46,828	42,802	41,984	41,706	39,643	41,794	38,415	37,881	37,485
Other expenditures	3,393	3,462	3,594	3,443	3,407	3,259	2,903	3,150	2,756	2,781
Capital outlay	4,921	5,564	7,560	2,139	4,713	2,549	1,133	2,084	5,507	29,239
Debt service:										
Principal	4,692	10,666	4,551	4,486	4,276	4,077	4,309	3,020	4,259	2,661
Interest	1,134	(4,629)	1,492	1,613	1,751	1,927	2,208	2,792	2,043	1,726
Total expenditures	<u>77,922</u>	<u>77,928</u>	<u>76,066</u>	<u>69,587</u>	<u>71,613</u>	<u>68,551</u>	<u>67,139</u>	<u>64,059</u>	<u>74,783</u>	<u>89,791</u>
Excess of revenue over (under) expenditures	<u>(1,361)</u>	<u>(1,312)</u>	<u>(259)</u>	<u>(1,345)</u>	<u>1,890</u>	<u>1,198</u>	<u>1,279</u>	<u>4,235</u>	<u>(6,776)</u>	<u>(15,425)</u>

(Continued on next page)

TABLE 4

TOWN OF PLAINVILLE, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other financing sources (uses):										
Transfers in	\$ 2,324	\$ 2,952	\$ 3,698	\$ 2,723	\$ 7,460	\$ 4,165	\$ 1,190	\$ 2,644	\$ 3,154	\$ 2,826
Transfers out	(3,424)	(2,952)	(3,698)	(3,223)	(7,460)	(4,165)	(1,190)	(2,644)	(3,154)	(2,926)
Bonds and loans issued							12,535	15,515	19,067	2,429
Refunding bonds issued		5,965	5,025					649		
Payment to bond escrow		(6,690)	(5,361)				(13,040)	(3,873)		
Premium on sale of debt		827	446				889	242		90
Capital leases issued				740		764				
Total other financing sources	(1,100)	102	110	240	0	764	384	12,533	19	2,419
Net Change in Fund Balances	\$ (2,461)	\$ (1,210)	\$ (149)	\$ (1,105)	\$ 1,890	\$ 1,962	\$ 1,663	\$ 16,768	\$ 12,291	\$ (13,006)
Debt Service as a Percentage of Noncapital Expenditures	7.9%	8.1%	8.7%	9.1%	9.0%	9.8%	9.2%	9.1%	7.2%	6.7%

Note 1: Schedule prepared on the modified accrual basis of accounting.

TABLE 5

TOWN OF PLAINVILLE, CONNECTICUT
ASSESSED VALE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Residential	Commercial	Industrial							
2018	\$ 847,897	\$ 201,247	\$ 102,065	\$ 125,641	\$ 145,368	\$ 41,144	\$ 1,381,074	33.43	\$ 1,972,963	70.00%
2017	869,460	193,616	96,769	116,254	141,643	39,370	1,378,372	31.99	1,969,103	70.00%
2016	863,102	188,669	97,897	110,607	140,437	35,356	1,365,356	31.83	1,950,509	70.00%
2015	862,320	182,174	99,042	108,488	140,374	36,822	1,355,576	31.38	1,936,537	70.00%
2014	857,668	187,548	96,997	100,415	135,092	36,099	1,341,621	31.38	1,916,601	70.00%
2013(1)	856,115	190,565	96,339	99,534	132,945	35,209	1,340,289	30.89	1,914,699	70.00%
2012	937,289	191,771	82,084	98,588	127,715	36,665	1,400,782	28.98	2,001,117	70.00%
2011	931,902	192,314	81,358	99,904	123,482	38,196	1,390,764	28.01	1,986,806	70.00%
2010	928,328	190,846	77,896	108,208	124,077	41,128	1,388,227	26.33	1,983,181	70.00%
2009	923,292	185,847	76,631	110,127	130,393	41,859	1,384,431	26.24	1,977,759	70.00%

Source: Town of Plainville Office of Tax Assessor

(1) A revaluation of real estate was performed.

TABLE 6

**TOWN OF PLAINVILLE, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEARS 2018 AND 2009**

Taxpayer	Grand List Years					
	October 1, 2016			October 1, 2007		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
BRE DDR Connecticut Commons LLC	\$ 49,626,390	1	3.59%	\$ 49,287,650	1	3.56%
Tilcon Connecticut	22,654,200	2	1.64%	23,852,570	2	1.72%
Manafort Brothers	13,990,390	3	1.01%	6,246,620	6	0.45%
Valley Water Systems	12,405,550	4	0.90%	11,246,560	4	0.81%
Eversource	11,837,560	5	0.86%	6,238,080	7	0.45%
North Mountain Land LLC	9,240,910	6	0.67%			
General Electric	8,643,980	7	0.63%	18,800,740	3	1.36%
Carling Technologies	7,931,680	8	0.57%	9,253,940	5	0.67%
Mott Metalurgical	7,773,870	9	0.56%	5,598,090	8	0.40%
Gem Sensors	6,963,570	10	0.50%	5,156,990	9	0.37%
Hayes-Kaufman Partnership				4,894,400	10	0.35%
Total	\$ 151,068,100		10.94%	\$ 140,575,640		10.15%

Source: Town of Plainville, Office of Tax Assessor

Total Town Net Taxable Assessed Value for October 1, 2016: \$ 1,381,073,382

TABLE 7

**TOWN OF PLAINVILLE, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

(In Thousands)

Fiscal Year Ended June 30,	Tax Rate in Mills	Taxes Levied for the Fiscal Year	Fiscal of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2018	33.43	\$ 46,236	\$ 45,520	98.45%	\$ -	\$ 45,520	98.45%
2017	31.99	44,437	43,591	98.10%	431	44,022	99.07%
2016	31.83	43,669	42,767	97.93%	528	43,295	99.14%
2015	31.38	42,585	41,608	97.71%	714	42,322	99.38%
2014	31.38	41,919	41,005	97.82%	627	41,632	99.32%
2013	30.89	41,282	40,284	97.58%	485	40,769	98.76%
2012	28.98	40,515	39,509	97.52%	793	40,302	99.47%
2011	28.01	38,842	37,977	97.77%	697	38,674	99.57%
2010	26.33	36,514	35,532	97.31%	844	36,376	99.62%
2009	26.24	36,386	35,572	97.76%	720	36,292	99.74%

Source: Tax Collector's Report - Comprehensive Annual Financial Report

TABLE 8

TOWN OF PLAINVILLE, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(In Thousands, except per capita)

Fiscal Year	Governmental Activities			Ratio of Debt to Taxable Assessed Value	Debt Per Capita	(a) Percentage of Personal Income
	General Obligation Bonds and Notes	Capital Leases	Total Primary Government			
2018	\$ 35,158	\$ 153	\$ 35,311	2.56%	\$ 1,987	3.21%
2017	40,116	404	40,520	2.94%	2,278	3.89%
2016	44,280	649	44,929	3.29%	2,524	4.55%
2015	48,584	890	49,474	3.65%	2,776	4.49%
2014	53,287	392	53,679	4.00%	3,012	4.88%
2013	57,758	564	58,322	4.35%	3,301	5.37%
2012	61,049	-	61,049	4.36%	3,444	5.26%
2011	65,017	-	65,017	4.67%	3,670	6.69%
2010	56,534	145	56,679	4.08%	3,251	5.92%
2009	41,742	280	42,022	3.04%	2,425	N/A

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(a) Personal income and population data are available only from the US Department of Commerce, Bureau of Census every ten years.

N/A - information not available

TOWN OF PLAINVILLE, CONNECTICUT
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	(a) Population	Gross Assessed Value	(b) Estimated Actual Value	(c) General Bonded Long- Term Debt	(d) Total Direct Debt	Total Direct Debt Per Capita	Percent of Direct Debt to Estimated Actual Value	(e) (f) Total Net Direct Debt	Total Net Direct Debt Per Capita	Percent of General Bonded Long-Term Debt to Estimated Actual Value	Total Direct Debt to Net Taxable Grand List	Total Overall Net Debt to Net Taxable Grand List
2009	17,436	\$ 1,494,150,270	\$ 2,134,500,386	\$ 41,742,291	\$ 42,022,632	\$ 2,410	1.97%	\$ 40,733,047	\$ 2,336	1.96%	2.92%	2.86%
2010	17,436	1,497,764,600	2,139,663,714	56,534,404	56,678,955	3,251	2.65%	56,227,343	3,225	2.64%	4.08%	4.05%
2011	17,716	1,497,764,600	2,139,663,714	65,017,171	65,017,171	3,670	3.04%	64,872,441	3,662	3.04%	4.67%	4.66%
2012	17,724	1,437,447,670	2,053,496,671	61,049,535	61,049,535	3,444	2.97%	61,049,535	3,444	2.97%	4.36%	4.36%
2013	17,670	1,375,497,425	1,964,996,321	57,758,071	58,322,537	3,301	2.97%	58,322,537	3,301	2.94%	4.35%	4.35%
2014	17,819	1,377,719,440	1,968,170,629	53,287,490	53,679,798	3,013	2.73%	53,679,798	3,013	2.71%	4.00%	4.00%
2015	17,820	1,392,397,504	1,989,139,291	48,584,439	49,473,960	2,776	2.49%	49,473,960	2,776	2.44%	3.65%	3.65%
2016	17,801	1,400,711,860	2,001,016,943	44,280,221	44,929,424	2,524	2.25%	44,929,424	2,524	2.21%	3.29%	3.29%
2017	17,791	1,417,742,251	2,025,346,073	40,116,296	40,519,979	2,278	2.00%	40,519,979	2,278	1.98%	2.94%	2.94%
2018	17,772	1,422,217,230	2,031,738,900	35,158,111	35,310,959	1,987	1.74%	35,310,959	1,987	1.73%	2.56%	2.56%

(a) Based on estimates from the State Department of Health.

(b) Total assessed value based on 70% of estimated actual value.

(c) Total general bonded long-term general obligation debt, all repaid with General Government resources. Does not include capital leases.

(d) Total direct long-term indebtedness.

(e) Total long-term debt after exclusions for State of Connecticut School Construction Grants.

(f) The Town of Plainville has no overlapping debt.

TOWN OF PLAINVILLE, CONNECTICUT
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2018

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2017	\$ 44,698,272
Reimbursement for revenue loss on: Tax relief for elderly - freeze	<u>2,000</u>

BASE \$ 44,700,272

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 100,575,612	\$	\$	\$	\$
4-1/2 times base		201,151,224			
3-3/4 times base			167,626,020		
3-1/4 times base				145,275,884	
3 times base					134,100,816
Total debt limitation	<u>100,575,612</u>	<u>201,151,224</u>	<u>167,626,020</u>	<u>145,275,884</u>	<u>134,100,816</u>
Indebtedness:					
Bonds and notes payable	1,990,000	17,865,000	13,766,725		
Bonds authorized - unissued	<u>5,000,000</u>				
Total indebtedness	<u>6,990,000</u>	<u>17,865,000</u>	<u>13,766,725</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 93,585,612</u>	<u>\$ 183,286,224</u>	<u>\$ 153,859,295</u>	<u>\$ 145,275,884</u>	<u>\$ 134,100,816</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation: \$ 312,901,904

TABLE 11

TOWN OF PLAINVILLE, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 312,902	\$ 312,902	\$ 308,814	\$ 298,750	\$ 297,456	\$ 289,732	\$ 283,032	\$ 277,077	\$ 255,151	\$ 255,676
Total net debt applicable to limit	<u>38,622</u>	<u>39,263</u>	<u>43,961</u>	<u>48,490</u>	<u>52,976</u>	<u>63,118</u>	<u>67,196</u>	<u>71,175</u>	<u>73,040</u>	<u>85,698</u>
Legal Debt Margin	<u>\$ 274,280</u>	<u>\$ 273,639</u>	<u>\$ 264,853</u>	<u>\$ 250,260</u>	<u>\$ 244,480</u>	<u>\$ 226,614</u>	<u>\$ 215,836</u>	<u>\$ 205,902</u>	<u>\$ 182,111</u>	<u>\$ 169,978</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>12.34%</u>	<u>12.55%</u>	<u>14.24%</u>	<u>16.23%</u>	<u>17.81%</u>	<u>21.78%</u>	<u>23.74%</u>	<u>25.69%</u>	<u>28.63%</u>	<u>33.52%</u>

Source: Comprehensive annual financial report - Computation of Legal Debt Margin

Note: See Table 10 for the calculation of current year debt limitation.

**TOWN OF PLAINVILLE, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population(1)	Total Personal Income (2)	Per Capita Income(2)	Median Age(2)	School Enrollment(3)	Unemployment Rate(4)
2018	17,772	*	*	41.0	2,376	4.8%
2017	17,791	*	*	41.0	2,366	5.0%
2016	17,801	*	*	42.0	2,312	5.4%
2015	17,820	*	*	43.0	2,380	4.9%
2014	17,819	*	*	43.0	2,271	5.8%
2013	17,670	*	*	43.0	2,353	7.7%
2012	17,724	*	*	41.0	2,401	8.3%
2011	17,716	*	*	39.6	2,418	8.8%
2010	17,436	*	*	42.0	2,524	9.0%
2009	17,436	*	*	42.0	2,522	5.9%

* Information not available or attainable.

(1) Source: Based on estimates from the State of Connecticut Department of Health

(2) Source: U.S. Department of Commerce, Bureau of Census

(3) Source: Board of Education

(4) Source: U.S. Department of Labor and Employment Security Division, Labor Department,
State of Connecticut

TABLE 13

**TOWN OF PLAINVILLE, CONNECTICUT
PRINCIPAL EMPLOYERS
2018 AND 2009**

Employer	Nature of Business	2018			2009		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Wheeler Clinic, Inc.	Psychiatric Center	560	1	5.39%	150	5	1.49%
Town of Plainville	Municipality	535	2	5.14%	544	1	5.39%
Manafort Construction	Construction/Quarry	420	3	4.04%	150	4	1.49%
GEMS Sensors	Electronic sensors	335	4	3.22%	180	3	1.78%
Tilcon Connecticut, Inc	Construction/Quarry	300	5	2.88%			
CWPM	Waste Hauler	200	6	1.92%	100	7	0.99%
Mott Corporation	Manufacturer	180	7	1.73%	145	6	1.44%
Carling Technologies, Inc	Manufacturer	155	8	1.49%	90	10	0.89%
Connecticut Tool & Manuf	Manufacturer	155	9	1.49%			
General Electric	Manufacturer	100	10	0.96%	220	2	2.18%
Plainville Health Care	Convalescent Home				100	8	0.99%
Lowe's Home Centers	Retail				100	9	0.99%
Total		<u>2,940</u>		<u>28.27%</u>	<u>1,779</u>		<u>17.63%</u>

Source: Town of Plainville, Economic Development Department

TABLE 14

**TOWN OF PLAINVILLE, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	17.00	15.50	15.50	15.50	15.50	15.50	15.50	15.33	15.33	19.00
Police	46.00	48.00	46.00	43.00	43.00	42.00	42.00	43.00	44.00	42.00
Fire	-	-	-	-	-	-	-	-	-	1.50
Water Pollution Control	7.25	7.58	7.58	7.58	7.58	7.58	7.58	6.58	7.58	6.00
Physical and Technical Services	26.75	28.92	28.92	28.92	28.92	28.92	28.92	30.42	32.42	28.00
Recreation	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00
Library	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	11.10
Human Services	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Education	<u>424.70</u>	<u>424.70</u>	<u>407.00</u>	<u>415.00</u>	<u>427.00</u>	<u>434.00</u>	<u>445.00</u>	<u>445.00</u>	<u>426.00</u>	<u>430.00</u>
Total	<u>534.70</u>	<u>537.70</u>	<u>518.00</u>	<u>523.00</u>	<u>535.00</u>	<u>541.00</u>	<u>552.00</u>	<u>553.33</u>	<u>538.33</u>	<u>544.10</u>

Source: Town Departments and Board of Education

TABLE 15

**TOWN OF PLAINVILLE, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Building permits issued	1,126	1,058	1,274	1,173	1,078	990	1,014	866	930	995
Police:										
Criminal arrests	2,342	2,363	1,262	1,181	1,157	1,068	1,231	1,100	1,078	1,023
Burglaries	108	53	112	98	85	72	148	136	125	109
Traffic violations	4,501	4,236	6,450	6,231	5,893	6,075	2,598	2,672	2,528	2,472
Fire:										
Emergency responses	572	501	505	634	623	576	615	522	515	506
Fire related injuries	6	8	6	7	6	4	2	2	3	2
Investigations reported to State	572	501	505	634	623	576	615	522	515	506
Refuse collection:										
Residential Refuse collected (tons per day)	15	14	14	21	21	21	21	20	19	19
Residential Recyclable collected (tons per day)	5	5	5	9	9	9	8	7	6	6
Other public works:										
Leaf collections (cubic yards)	15,236	14,287	17,000	17,000	17,000	17,000	17,000	16,773	15,987	16,251
Winter sand/salt mix used (cubic yards)	2,100	2,100	2,000	2,000	2,000	2,000	2,000	2,000	1,800	1,936
Parks and recreation:										
Athletic field permits issued	1,176	1,200	962	1,006	997	989	1,003	1,015	1,021	1,013
Pool attendance	20,832	21,027	24,496	22,321	21,657	21,943	22,879	25,322	25,467	24,561
Library:										
Volumes in collection	101,111	101,750	101,356	98,501	98,000	88,253	87,594	88,693	90,972	93,587
Total volumes borrowed	147,000	148,543	149,461	174,364	172,000	169,385	172,894	173,750	175,979	170,995
Reference Questions	7,100	7,025	6,666	8,500	8,500	8,421	8,415	8,239	7,852	7,105
Wastewater:										
Average daily sewage treatment (thousands of gallons)	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Miles of sanitary sewers	90	90	90	90	90	90	90	90	90	90

Source: Plainville municipal departments

TABLE 16

**TOWN OF PLAINVILLE, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	5	5	5
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works:										
Streets (miles)	64.90	64.90	64.90	64.90	64.90	64.90	64.90	64.90	64.90	64.90
Streetlights (Town owned)	1,475	1,475	1,475	1,475	1,462	1,462	1,430	1,429	1,429	1,429
Light poles (Town owned)	150	150	150	150	150	150	150	150	150	150
Traffic signals (Town owned)	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Acreage	146	146	146	146	146	146	146	146	146	146
Playstructures	8	8	8	8	8	8	8	8	7	7
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Wastewater:										
Pump Stations	8	8	8	8	8	8	8	8	9	9
Storm sewers (miles)	47	47	47	47	47	47	47	47	47	47
Treatment capacity (thousands of gallons)	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Transit - mini-buses	2	2	2	2	2	2	2	2	2	2

Source: Plainville municipal departments