

**Basic Financial Statements, Supplementary
Information and Independent Auditor's Report**

Town of Plainfield, Connecticut

June 30, 2013

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield, Connecticut (the "Town") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield, Connecticut, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-14 and the schedule of funding progress on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Glastonbury, Connecticut
December 27, 2013

Management's
Discussion and
Analysis

TOWN OF PLAINFIELD, CONNECTICUT
Management's Discussion and Analysis (Unaudited)

The management of the Town of Plainfield, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$73,302,216 (net position). Of this amount, \$3,203,884 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$477,754 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,899,888, an increase of 526,179 in comparison with the prior year. The primary cause of this fund balance increase is in the General Fund, which primarily relates to increases in property tax collections as compared to the prior year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$6,580,247 or 14.1% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.7 months of General Fund operating expenditures.
- The Town's total long-term bonded debt decreased by \$1,243,860 or 8.2% during the current fiscal year due to current year principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains 16 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements can be found on pages 27 - 55 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules that can be found on pages 56 and 57-70 respectively, of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$73,302,216 and \$73,779,970 as of June 30, 2013 and 2012, respectively, and are summarized as follows:

Town of Plainfield, Connecticut
Net Position
June 30, 2013

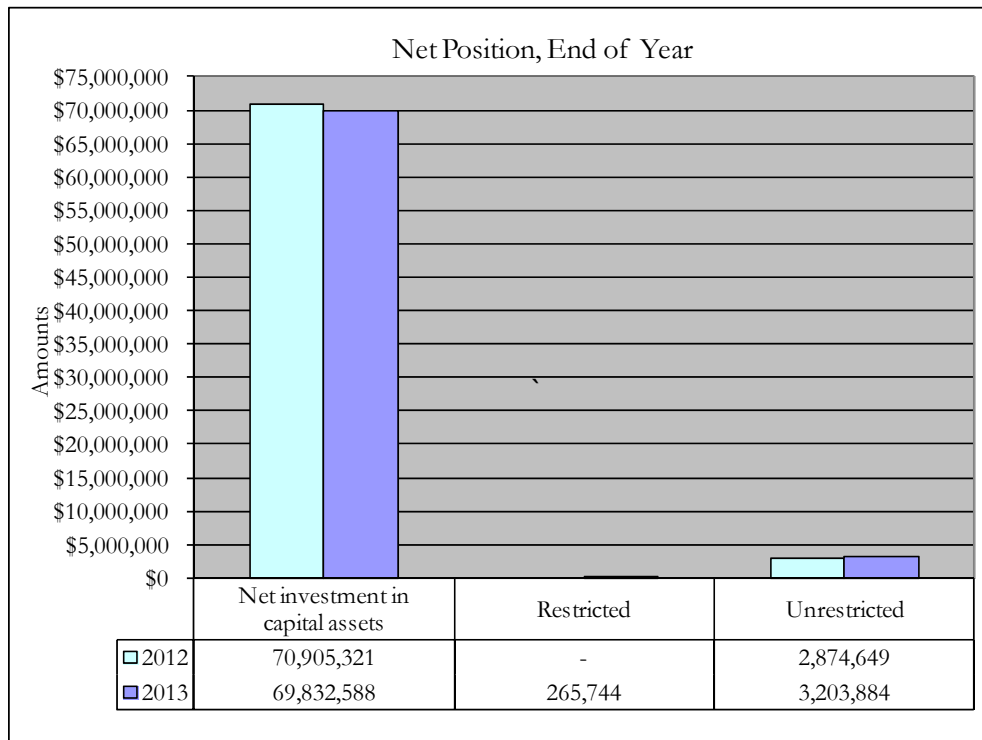
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 12,318,824	\$ 1,996,373	\$ 14,315,197
Capital assets	74,780,893	9,698,897	84,479,790
Total assets	87,099,717	11,695,270	98,794,987
Long-term debt outstanding	21,307,127	1,391,224	22,698,351
Other liabilities	2,644,354	150,066	2,794,420
Total liabilities	23,951,481	1,541,290	25,492,771
Net Position:			
Net investment in capital assets	61,457,019	8,375,569	69,832,588
Restricted	265,744	-	265,744
Unrestricted	1,425,473	1,778,411	3,203,884
Total net position	\$ 63,148,236	\$ 10,153,980	\$ 73,302,216

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

Town of Plainfield, Connecticut
Net Position
June 30, 2012
(As restated per Note M)

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 10,887,037	\$ 2,022,836	\$ 12,909,873
Capital assets	76,615,998	10,156,698	86,772,696
Total assets	<u>87,503,035</u>	<u>12,179,534</u>	<u>99,682,569</u>
Long-term debt outstanding	21,692,367	1,514,029	23,206,396
Other liabilities	2,669,796	26,407	2,696,203
Total liabilities	<u>24,362,163</u>	<u>1,540,436</u>	<u>25,902,599</u>
Net Position:			
Net investment in capital assets	62,185,367	8,719,954	70,905,321
Unrestricted	955,505	1,919,144	2,874,649
Total net position	<u>\$ 63,140,872</u>	<u>\$ 10,639,098</u>	<u>\$ 73,779,970</u>



As of June 30, 2013 95.3% of the Town's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

Restricted net position represents amounts restricted for social services which is equal to 0.4% of the Town's net position as these amounts are to be used as future rehabilitation loan programs.

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

Overall, net position decreased by \$477,754 in comparison to the prior year.

Changes in Net Position

Changes in net position for the years ended June 30, 2013 and 2012 are as follows:

Town of Plainfield
Changes in Net Position
For the Year Ended June 30, 2013

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 3,974,494	\$ 1,415,877	\$ 5,390,371
Operating grants and contributions	21,870,416	-	21,870,416
Capital grants and contributions	751,987	-	751,987
General revenues:			
Property taxes	23,373,905	-	23,373,905
Grants and contributions not restricted to specific progra	801,933	-	801,933
Gain on disposal of assets	2,640	-	2,640
Unrestricted investment earnings (loss)	11,115	(20,715)	(9,600)
Total revenues	<u>50,786,490</u>	<u>1,395,162</u>	<u>52,181,652</u>
Program expenses			
Education	41,016,979	-	41,016,979
General government	3,341,502	-	3,341,502
Public safety	2,337,645	-	2,337,645
Public works	2,092,691	-	2,092,691
Social Services	617,644	-	617,644
Administration	814,376	-	814,376
Interest	558,289	-	558,289
Sewer	-	1,880,280	1,880,280
Total expenses	<u>50,779,126</u>	<u>1,880,280</u>	<u>52,659,406</u>
Change in net position	7,364	(485,118)	(477,754)
Net position - beginning	<u>63,140,872</u>	<u>10,639,098</u>	<u>73,779,970</u>
Net position - ending	<u>\$ 63,148,236</u>	<u>\$ 10,153,980</u>	<u>\$ 73,302,216</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

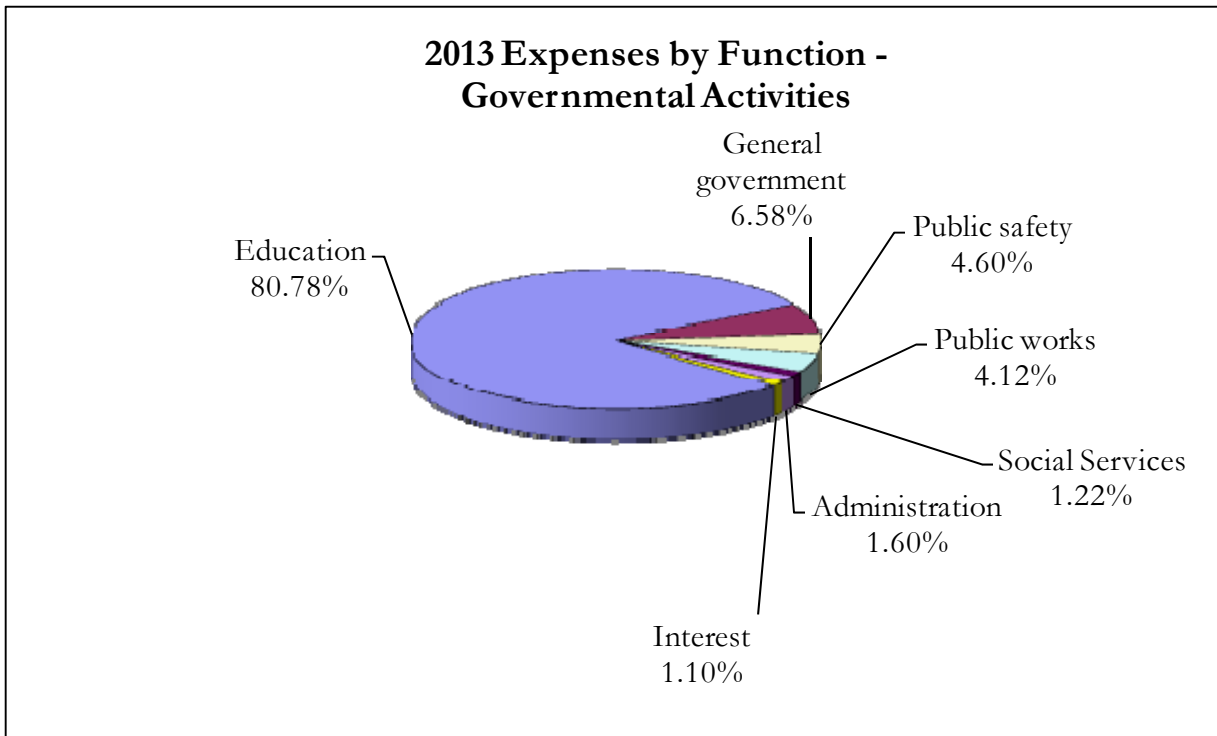
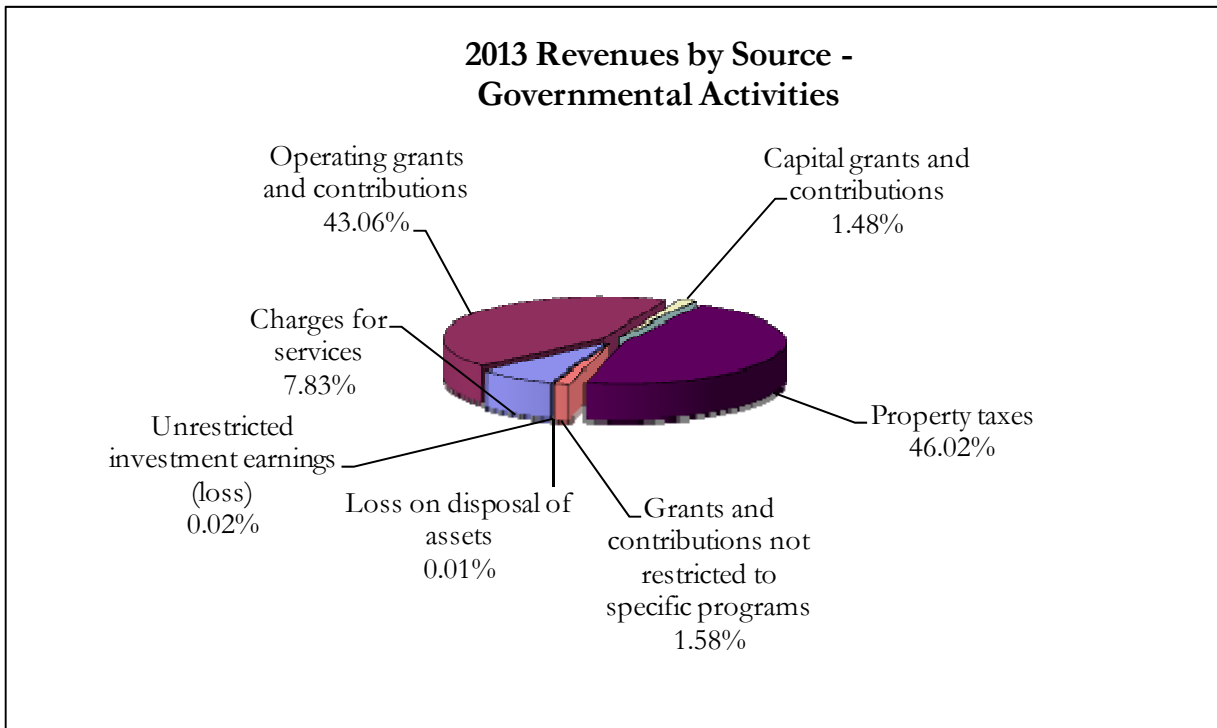
Change in Net Position *(Continued)*

Town of Plainfield
Changes in Net Position
For the Year Ended June 30, 2012
(As restated per Note M)

	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 5,279,053	\$ 1,378,545	\$ 6,657,598
Operating grants and contributions	22,293,065	-	22,293,065
Capital grants and contributions	1,805,613	-	1,805,613
General revenues:			
Property taxes	21,049,148	-	21,049,148
Grants and contributions not restricted to specific programs	441,136	87,951	529,087
Loss on disposal of assets	(20,300)	-	(20,300)
Unrestricted investment earnings (loss)	12,512	(14,727)	(2,215)
Total revenues	50,860,227	1,451,769	52,311,996
Program expenses			
Education	41,378,371	-	41,378,371
General government	3,064,631	-	3,064,631
Public safety	2,219,379	-	2,219,379
Public works	2,191,065	-	2,191,065
Social Services	679,787	-	679,787
Administration	943,801	-	943,801
Interest	620,396	-	620,396
Sewer	-	1,781,349	1,781,349
Total expenses	51,097,430	1,781,349	52,878,779
Change in net position	(237,203)	(329,580)	(566,783)
Net position - beginning	63,378,075	10,968,678	74,346,753
Net position - ending	\$ 63,140,872	\$ 10,639,098	\$ 73,779,970

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)



GOVERNMENT-WIDE FINANCIAL ANALYSIS (*Continued*)

Change in Net Position (*Continued*)

Governmental Activities

Governmental activities increased the Town's net position by \$7,364, thereby slightly offsetting the overall decline of the total the Town's net position. Current year revenues were offset by increases in the Town's net pension and other-post employment obligations.

Business-type Activities

Business-type activities decreased the Town's net position by \$485,118 thereby accounting for the majority of the total decline of the Town's net position. The decrease is related to overall operational costs, primarily depreciation expense exceeding current year sewer charges received.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,899,888, an increase of \$526,179 in comparison with the prior year. The primary cause of this fund balance increase is in the General Fund. The increase in the General Fund is due to increases in property tax collections offset with slight increases in expenses in most all expense categories as planned through the 2013 budget process

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,580,247. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.1% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.7 months of general fund operating expenditures.

The fund balance of the Town's General Fund increased by \$571,509 during the current fiscal year, which was primarily due to the unexpected revenues previously mentioned.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year ended June 30, 2013, additional appropriations of \$8,500 were made to the budget to reflect the award of additional intergovernmental revenues. The final budget for 2013 did not anticipate the utilization of fund balance, however the final budget anticipated a surplus of \$8,500. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$571,509 to fund balance. Expenditures were \$520,661 less than budgeted and total budgetary revenues were \$42,348 more than budgeted.

WATER POLLUTION CONTROL AUTHORITY BUDGETARY HIGHLIGHTS

The Town adopts an annual budget for its Water Pollution Control Authority (WPCA). During the year ended June 30, 2012 there were no additional appropriations made to the budget. The budget for 2013 planned on no change to net position. However, the actual net change in net position of the WPCA on a budgetary basis was an increase of \$61,274. Expenditures were \$26,771 greater than budgeted and total budgetary revenues were \$78,721 better than expected due primarily to increased collections of sewer use charges related to increases in activity due to the completion of sewer projects in the prior years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2013 and 2012 totaled \$84,479,790 and \$86,772,966, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total decrease in the Town's investment in capital assets for the current fiscal year was \$2,293,175 or 2.6%. This decrease consisted of capital asset additions of \$657,879 offset by current year depreciation expense of \$2,953,694. Major capital asset events during the current fiscal year included \$483,129 for construction costs for the infrastructure related to the Sterling Bridge and Starkweather Road projects as well as building improvements to the Town Hall pool, \$ 59,363 for Education technology equipment, \$43,402 for land and \$24,650 for police vehicles and \$10,195 for vehicles for the Public Works Department.

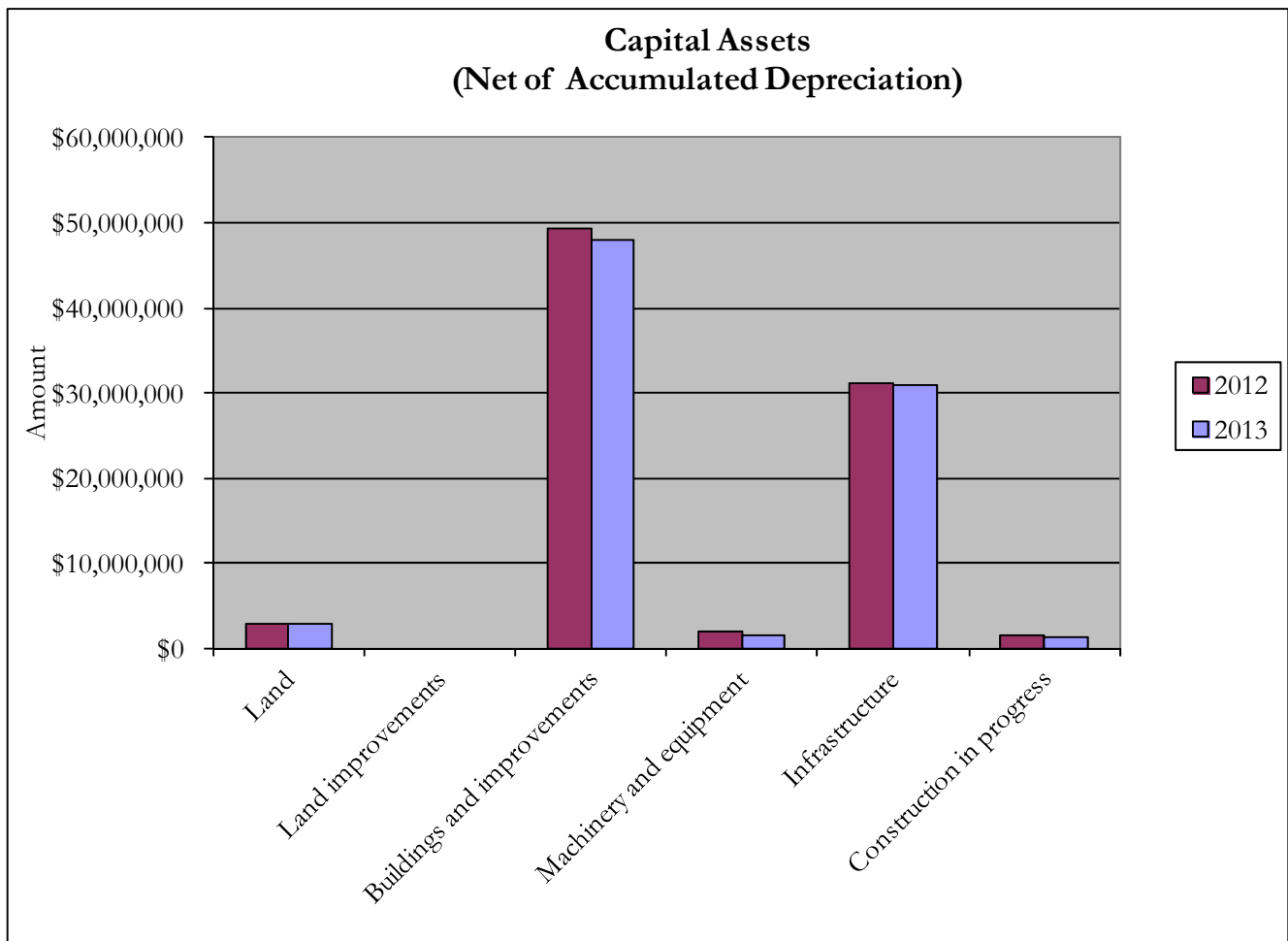
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

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

Town of Plainfield, Connecticut
Capital Assets, net
June 30, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,841,636	\$ 2,798,234	\$ 31,740	\$ 31,740	\$ 2,873,376	\$ 2,829,974
Land improvements	-	-	-	-	-	-
Buildings and improvem.	46,787,757	48,157,969	1,145,834	1,206,141	47,933,591	49,364,110
Machinery and equipmen	1,385,226	1,846,587	91,410	96,148	1,476,636	1,942,735
Infrastructure	22,410,555	22,249,497	8,429,913	8,822,939	30,840,468	31,072,436
Construction in progress	1,355,719	1,563,711	-	-	1,355,719	1,563,711
Total	\$ 74,780,893	\$ 76,615,998	\$ 9,698,897	\$ 10,156,968	\$ 84,479,790	\$ 86,772,966



Additional information on the Town's capital assets can be found in Note E on pages 40 and 41 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

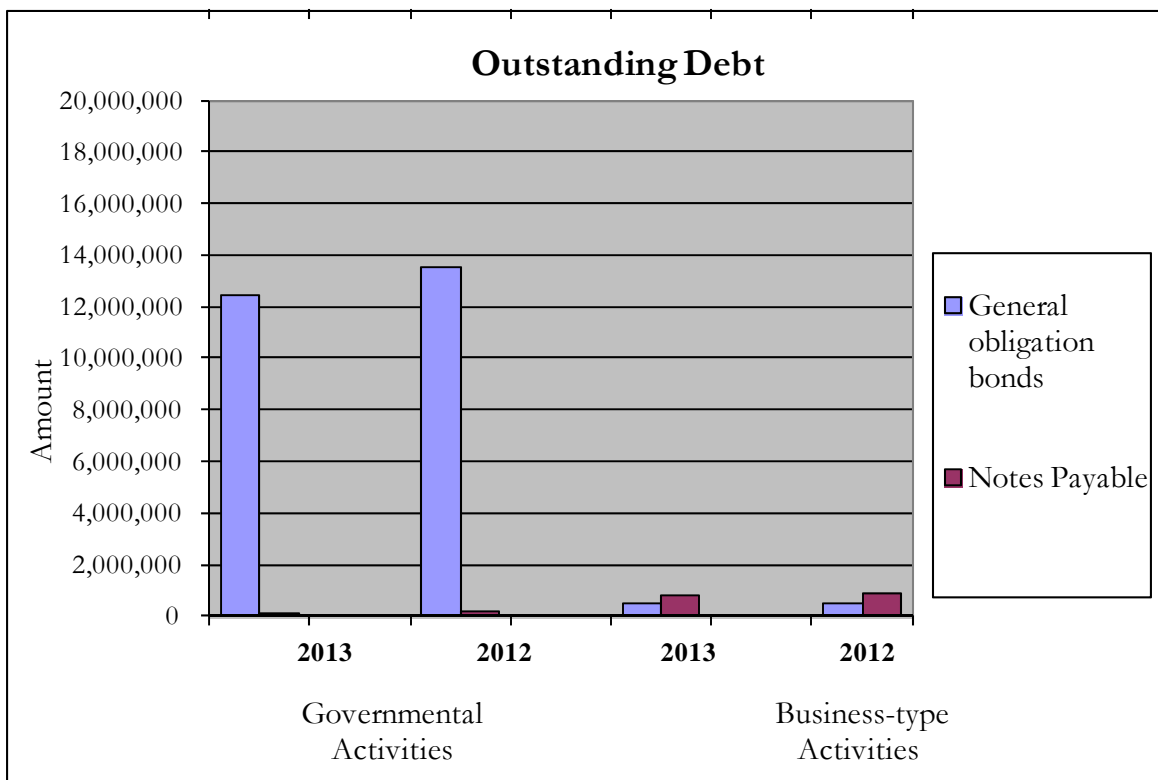
At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$13,900,375. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$1,243,860 or 8.2% during the current fiscal year due to current year principal repayments. The Town maintains an A3 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$158,082,225 which is significantly in excess of the Town's outstanding general obligation debt.

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

Town of Plainfield, Connecticut
Long-term Debt
June 30, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 12,456,000	\$ 13,566,000	\$ 489,375	\$ 522,400	\$12,945,375	\$14,088,400
Notes Payable	121,047	141,221	833,953	914,614	955,000	1,055,835
Total	\$ 12,577,047	\$ 13,707,221	\$ 1,323,328	\$ 1,437,014	\$ 13,900,375	\$ 15,144,235



Additional information on the Town's long-term debt can be found in Note H on pages 43 - 45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The unemployment rate for the Town is currently 10.7%, as compared to the state's average unemployment rate of 8.0% and the national unemployment rate of 7.6%.
- Inflationary trends in the region are comparable to national indices.
- During the current fiscal year, unassigned fund balance of the General Fund increased to \$6,580,247. The Town has not assigned funds for spending in the 2013 fiscal year.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2014, the Assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - Intergovernmental grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2014.

REQUESTS FOR INFORMATION

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

Basic
Financial
Statements

TOWN OF PLAINFIELD, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 9,595,706	\$ 1,618,564	\$ 11,214,270
Receivables:			
Property taxes, net of allowance of \$158,000	2,174,353	-	2,174,353
Intergovernmental	353,299	-	353,299
User charges, net allowance of \$16,000	-	54,354	54,354
Sewer assessments, net of allowance of \$3,000	-	152,571	152,571
Other	81,451	-	81,451
Loans, net of allowance of \$647,000	207,687	-	207,687
Inventory	33,171	-	33,171
Prepaid items	44,041	-	44,041
Internal balances	(170,884)	170,884	-
Capital assets:			
Non-depreciable	4,197,355	31,740	4,229,095
Depreciable, net	70,583,538	9,667,157	80,250,695
Total assets	<u>87,099,717</u>	<u>11,695,270</u>	<u>98,794,987</u>
LIABILITIES			
Accounts payable	662,827	131,379	794,206
Accrued liabilities:			
Salaries and benefits payable	1,427,020	10,029	1,437,049
Accrued interest	242,398	8,658	251,056
Other	66,208	-	66,208
Unearned revenue	245,901	-	245,901
Noncurrent liabilities:			
Due within one year	1,356,485	123,238	1,479,723
Due in more than one year	19,950,642	1,267,986	21,218,628
Total liabilities	<u>23,951,481</u>	<u>1,541,290</u>	<u>25,492,771</u>
NET POSITION			
Net investment in capital assets	61,457,019	8,375,569	69,832,588
Restricted for social services	265,744	-	265,744
Unrestricted	1,425,473	1,778,411	3,203,884
Total net position	<u>\$ 63,148,236</u>	<u>\$ 10,153,980</u>	<u>\$ 73,302,216</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Education	\$ 41,016,979	\$ 3,104,984	\$ 21,590,554	\$ -	\$ (16,321,441)	\$ -	\$ (16,321,441)
General government	3,341,502	346,384	94,804	-	(2,900,314)	-	(2,900,314)
Public safety	2,337,645	319,180	165,038	-	(1,853,427)	-	(1,853,427)
Public works	2,092,691	-	-	751,987	(1,340,704)	-	(1,340,704)
Social services	617,644	203,946	20,020	-	(393,678)	-	(393,678)
Administration	814,376	-	-	-	(814,376)	-	(814,376)
Interest and fiscal charges	558,289	-	-	-	(558,289)	-	(558,289)
Total governmental activities	<u>50,779,126</u>	<u>3,974,494</u>	<u>21,870,416</u>	<u>751,987</u>	<u>(24,182,229)</u>	<u>-</u>	<u>(24,182,229)</u>
Business-type activities:							
Water Pollution Control Authority	<u>1,880,280</u>	<u>1,415,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(464,403)</u>	<u>(464,403)</u>
Total business-type activities	<u>1,880,280</u>	<u>1,415,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(464,403)</u>	<u>(464,403)</u>
	<u>\$ 52,659,406</u>	<u>\$ 5,390,371</u>	<u>\$ 21,870,416</u>	<u>\$ 751,987</u>	<u>(24,182,229)</u>	<u>(464,403)</u>	<u>(24,646,632)</u>
General revenues:							
Property taxes					23,373,905	-	23,373,905
Grants and contributions not restricted to specific programs					801,933	-	801,933
Gain on disposal of capital assets					2,640	-	2,640
Unrestricted investment earnings (loss)					11,115	(20,715)	(9,600)
Total general revenues					<u>24,189,593</u>	<u>(20,715)</u>	<u>24,168,878</u>
					7,364	(485,118)	(477,754)
					63,140,872	10,639,098	73,779,970
					<u>\$ 63,148,236</u>	<u>\$ 10,153,980</u>	<u>\$ 73,302,216</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 8,682,348	\$ 913,358	\$ 9,595,706
Receivables:			
Property taxes, net of allowance of \$91,000	1,405,888	-	1,405,888
Property tax interest, net of allowance of \$67,000	768,465	-	768,465
Grants and contracts receivable	232,160	121,139	353,299
Loans, net of allowance of \$647,000	-	207,687	207,687
Other	81,451	-	81,451
Due from other funds	7,945	276,761	284,706
Inventory	9,902	23,269	33,171
Prepaid items	44,041	-	44,041
Total assets	<u>\$ 11,232,200</u>	<u>\$ 1,542,214</u>	<u>\$ 12,774,414</u>
LIABILITIES			
Accounts payable	\$ 539,909	\$ 122,918	\$ 662,827
Accrued liabilities:			
Salaries and benefits payable	1,360,350	66,670	1,427,020
Other accrued liabilities	66,208	-	66,208
Unearned revenue	-	245,901	245,901
Due to other funds	414,563	41,027	455,590
Total liabilities	<u>2,381,030</u>	<u>476,516</u>	<u>2,857,546</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>2,016,980</u>	<u>-</u>	<u>2,016,980</u>
FUND BALANCES (DEFICIT)			
Nonspendable:			
Inventories	9,902	23,269	33,171
Prepaid items	44,041	-	44,041
Restricted for:			
Social services	-	265,744	265,744
Committed to:			
Capital improvements	-	548,250	548,250
Public safety	-	24,310	24,310
Education	-	205,366	205,366
Other governmental purposes	-	3,657	3,657
Assigned to:			
Debt service	200,000	-	200,000
Unassigned	6,580,247	(4,898)	6,575,349
Total fund balances	<u>6,834,190</u>	<u>1,065,698</u>	<u>7,899,888</u>
Total liabilities deferred inflows of resources, and fund balances (deficit)	<u>\$ 11,232,200</u>	<u>\$ 1,542,214</u>	<u>\$ 12,774,414</u>

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

TOWN OF PLAINFIELD, CONNECTICUT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

JUNE 30, 2013

Total fund balances for governmental funds	\$ 7,899,888
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Total net position reported for governmental activities in the statement of net position is different because:

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

Construction in progress	\$ 1,355,719	
Land	2,841,636	
Land improvements	1,021,529	
Buildings and improvements	67,640,788	
Machinery and equipment	10,560,083	
Infrastructure	32,380,451	
Less: accumulated depreciation and amortization	<u>(41,019,313)</u>	
Total capital assets, net		74,780,893

Property tax revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds. 2,016,980

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:

Long-term debt:		
Bonds and notes payable	(12,577,047)	
Obligations under capital lease	(262,031)	
Accrued interest payable	(242,398)	
Other long-term liabilities:		
Compensated absences	(1,390,345)	
Claims and judgements	(525,000)	
Net pension obligation	(3,351,782)	
Net OPEB obligation	<u>(3,200,922)</u>	
Total long-term liabilities		<u>(21,549,525)</u>

Net position of governmental activities	<u>\$ 63,148,236</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 22,460,749	\$ -	\$ 22,460,749
Intergovernmental	19,492,530	2,121,677	21,614,207
State on-behalf payments	2,964,287	-	2,964,287
Licenses, permits and fees	1,736,939	554,108	2,291,047
Interest	10,222	893	11,115
Other	525,269	4,020	529,289
Total revenues	<u>47,189,996</u>	<u>2,680,698</u>	<u>49,870,694</u>
EXPENDITURES			
Current:			
General government	3,133,943	163,811	3,297,754
Public safety	2,204,423	34,308	2,238,731
Public works	1,087,057	-	1,087,057
Social services	456,715	107,680	564,395
Administration	814,376	-	814,376
Education	33,271,800	2,328,504	35,600,304
State on-behalf payments	2,964,287	-	2,964,287
Debt service:			
Principal payments	1,331,261	-	1,331,261
Interest and other charges	576,183	-	576,183
Capital outlays	762,859	107,308	870,167
Total expenditures	<u>46,602,904</u>	<u>2,741,611</u>	<u>49,344,515</u>
Excess (deficiency) of revenues over expenditures	587,092	(60,913)	526,179
OTHER FINANCING SOURCES (USES)			
Transfers in	-	15,583	15,583
Transfers out	(15,583)	-	(15,583)
Total other financing sources (uses)	<u>(15,583)</u>	<u>15,583</u>	<u>-</u>
Net change in fund balances	<u>571,509</u>	<u>(45,330)</u>	<u>526,179</u>
Fund balances - beginning	<u>6,262,681</u>	<u>1,111,028</u>	<u>7,373,709</u>
Fund balances - ending	<u>\$ 6,834,190</u>	<u>\$ 1,065,698</u>	<u>\$ 7,899,888</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - for governmental funds \$ 526,179

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 620,739	
Depreciation and amortization expense	<u>(2,458,484)</u>	
Net adjustment		(1,837,745)

In the statement of activities certain capital assets transactions are reported, but do not appear in the governmental funds because they are not financial resources. These transactions include the following:

Gain on disposal of capital assets		2,640
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Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred revenues in governmental funds. This amount represents the change in deferred inflows of resources. 913,156

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

Principal repayments:		
Bonds and notes payable	1,130,174	
Capital leases	<u>201,087</u>	
		1,331,261

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds recognize the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of such items is as follows:

Compensated absences	(88,323)	
Net pension obligation	(258,154)	
Net OPEB obligation	(599,544)	
Accrued interest	<u>17,894</u>	
		<u>(928,127)</u>

Change in net position of governmental activities \$ 7,364

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 22,222,768	\$ 22,222,768	\$ 22,460,749	\$ 237,981
Intergovernmental	17,553,347	17,561,847	17,602,421	40,574
Licenses, permits and fees	557,177	557,177	505,207	(51,970)
Interest	40,000	40,000	10,222	(29,778)
Out of town tuition	1,380,917	1,380,917	1,276,420	(104,497)
Other	575,231	575,231	525,269	(49,962)
Total revenues	<u>42,329,440</u>	<u>42,337,940</u>	<u>42,380,288</u>	<u>42,348</u>
EXPENDITURES				
General government	3,250,994	3,250,994	2,975,833	(275,161)
Public safety	1,918,013	1,918,013	1,905,576	(12,437)
Public works	1,183,950	1,183,950	1,087,057	(96,893)
Social services	384,830	384,830	380,786	(4,044)
Administration	827,696	827,696	814,376	(13,320)
Capital outlays	375,997	375,997	379,366	3,369
Education	32,682,475	32,682,475	32,560,300	(122,175)
Debt service	1,689,902	1,689,902	1,689,902	-
Total expenditures	<u>42,313,857</u>	<u>42,313,857</u>	<u>41,793,196</u>	<u>(520,661)</u>
Excess of revenues over expenditures	15,583	24,083	587,092	563,009
OTHER FINANCING USES				
Transfers out	(15,583)	(15,583)	(15,583)	-
Total other financing uses	<u>(15,583)</u>	<u>(15,583)</u>	<u>(15,583)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 8,500</u>	571,509	<u>\$ 563,009</u>
Fund balances - beginning			<u>6,262,681</u>	
Fund balances - ending			<u>\$ 6,834,190</u>	

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,618,564
Receivables:	
Sewer assessments	38,893
Usage receivable, net of allowance of \$9,000	42,184
Interest receivable, net of allowance of \$7,000	12,170
Due from other funds	170,884
Total current assets	<u>1,882,695</u>
Noncurrent assets:	
Sewer assessments, net of allowance of \$3,000	113,678
Capital assets:	
Non-depreciable	31,740
Depreciable, net	9,667,157
Total noncurrent assets	<u>9,812,575</u>
Total assets	<u>11,695,270</u>
LIABILITIES	
Current liabilities:	
Accounts payable	131,379
Accrued liabilities:	
Accrued salaries and benefits payable	10,029
Accrued interest	8,658
Compensated absences - current	6,790
Bonds and note payable - current	116,448
Total current liabilities	<u>273,304</u>
Noncurrent liabilities:	
Compensated absences	61,106
Bonds and note payable	1,206,880
Total liabilities	<u>1,541,290</u>
NET POSITION	
Net investment in capital assets	8,375,569
Unrestricted	1,778,411
Total net position	<u>\$ 10,153,980</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund Water Pollution Control Authority
OPERATING REVENUES	
Charges for services	\$ 1,415,877
Total operating revenues	<u>1,415,877</u>
OPERATING EXPENSES	
Personnel services	717,819
Operations and maintenance	667,251
Depreciation	495,210
Total operating expenses	<u>1,880,280</u>
Operating loss	(464,403)
NON-OPERATING REVENUES (EXPENSES)	
Interest income (expense), net	<u>(20,715)</u>
Total non-operating revenues (expenses)	<u>(20,715)</u>
Change in net position	(485,118)
Net position- beginning	<u>10,639,098</u>
Net position - ending	<u>\$ 10,153,980</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund
	Water Pollution Control Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for the following:	
Charges for services	\$ 1,448,685
Cash paid for the following:	
Personnel services	(726,901)
Operations and maintenance	(543,021)
Net cash provided by operating activities	<u>178,763</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(37,139)
Principal paid on capital debt	(113,686)
Interest paid on capital debt	(51,790)
Advances to other funds	(35,248)
Net cash used in capital and related financing activities	<u>(237,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>30,467</u>
Net cash provided by investing activities	<u>30,467</u>
Net decrease in cash and cash equivalents	(28,633)
Cash and cash equivalents, beginning of year	<u>1,647,197</u>
Cash and cash equivalents, end of year	<u>\$ 1,618,564</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (464,403)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	495,210
Decrease in assets:	
Accounts receivable	32,808
Increase (decrease) in liabilities:	
Accounts payable	124,230
Accrued liabilities	(9,082)
Net cash provided by operating activities	<u>\$ 178,763</u>

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Pension Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 556,168	\$ 12,643	\$ 156,875
Investments at fair value:			
U.S. government and agency bonds	698,551	-	-
Mutual funds	3,803,758	-	-
Equity Securities	9,583,778	-	-
Fixed annuity contract	-	103,609	-
Contribution receivable	129,271	-	-
Interest receivable	14,570	-	-
Total assets	<u>14,786,096</u>	<u>116,252</u>	<u>\$ 156,875</u>
LIABILITIES			
Due to student groups	-	-	156,875
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 156,875</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 14,786,096</u>	<u>\$ 116,252</u>	

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

TOWN OF PLAINFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 780,406	\$ -
Plan members	66,097	-
Total contributions	<u>846,503</u>	<u>-</u>
Investment income:		
Interest	383,155	3,804
Increase (decrease) in the fair value of investments	<u>942,049</u>	<u>(4,238)</u>
Total investment income	1,325,204	(434)
Less: investment expense	<u>(50,177)</u>	<u>-</u>
Net investment income	<u>1,275,027</u>	<u>(434)</u>
Total additions	<u>2,121,530</u>	<u>(434)</u>
DEDUCTIONS		
Benefit payments	679,660	-
Awards	<u>-</u>	<u>3,000</u>
Total deductions	<u>679,660</u>	<u>3,000</u>
Change in net position	1,441,870	(3,434)
Net position- beginning	<u>13,344,226</u>	<u>119,686</u>
Net position - ending	<u>\$ 14,786,096</u>	<u>\$ 116,252</u>

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

Fund Financial Statements

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary fund:

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

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

Pension Trust Fund - This fund type is used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees. This plan is discussed more fully in Note I.

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Cash Equivalents

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

Investments

The Town presents all investments at fair value, except for certain investments which are carried at amortized cost.

The fair value of investments traded on public markets is determined using quoted market prices. The Town invests in the Connecticut State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State of Connecticut Office of the Treasurer. The balance in the pool is reported at net asset value, which is representative of the pool shares.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories

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

Loans Receivable

The Town records loans receivable in the special revenue and capital projects funds as the loan proceeds are advanced, net of an allowance for uncollectible amounts.

Property Taxes, Sewer Assessment and Usage Charges

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

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

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

Capital Assets

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

Assets	Years
Buildings	50
Building improvements	20
Distribution and collection systems	50-65
System infrastructure	75
Machinery and equipment	5 – 20

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

Unearned Revenue

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and school construction grant funding. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences (Continued)

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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.

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

Net Position and Fund Balance

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

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

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

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position and Fund Balance (Continued)

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

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

Net Position Flow Assumption

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

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

Fund Balance Flow Assumption

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

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

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

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

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

Interfund Activities *(Continued)*

Interfund Services Provided and Used

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

Interfund Transfers

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

Interfund Reimbursements

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

Use of Estimates

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

NOTE B - BUDGETARY INFORMATION

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

- Other than the Education Department, which submits estimates directly to the Board of Finance, department heads submit their estimated budget to the Board of Selectmen, who review and may revise the budget before submitting to the Board of Finance for review and consideration. Expenditures are controlled at the department level.
- After one or more public hearings, the Board of Finance may revise the estimate for presentation at the Annual Town Budget Meeting, or at a referendum if an increase in the mill rate is proposed, which is held on the third Monday in May. The Town Meeting has the power to accept or reject the budget.
- Should the Annual Town Budget Meeting or referendum fail to adopt the budget, another meeting or referendum shall be held within fourteen days thereafter until final approval is given. Any budget which has been rejected by the Town Meeting shall be considered in the interim by the Board of Finance, which shall revise the rejected budget, and present a revision at the next subsequent Town Meeting for acceptance. If the budget remains unaccepted on July 1, the budget adopted for the immediately preceding fiscal year shall be deemed to be the temporary budget for the fiscal year beginning on July 1, and expenditures may be made on a month-to-month basis in accordance therewith, until such time as the Town Meeting finally adopts a budget.
- The Board of Finance upon written request of the Board of Selectmen may transfer unexpended balances from one appropriation to another in accordance with the General Statutes. .
- The Board of Education may transfer unexpended balances from one account to another within its total line appropriation. A number of such transfers were made during the year.
- Non-budgeted appropriations in excess of \$10,000 require a Town Meeting to become effective and non-budgeted appropriations in excess of \$50,000 require a referendum. During the year, there were no appropriations made that required approval at a Town meetings. However, additional appropriations of revenue of \$8,500 were made during the year.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. “On behalf” payments made by the State of Connecticut into the State Teacher’s Retirement System (*see Note I*) are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year. Generally, all unexpended appropriations lapse at year-end, except those for the Capital Projects Funds and certain Special Revenue Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

NOTE B - BUDGETARY INFORMATION (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2013:

	Total Revenues and Other Financing Sources	Total Expenditures and Other Financing Uses	Net Change in Fund Balance
Budgetary basis	\$ 42,380,288	\$ 41,808,779	\$ 571,509
"On-behalf" payments - State Teachers Retirement Fund (see Note I)	2,964,287	2,964,287	-
Miscellaneous reimbursements netted against expenditures	1,181,311	1,181,311	-
Intergovernmental grants netted against expenditures	664,110	664,110	-
GAAP basis	<u>\$ 47,189,996</u>	<u>\$ 46,618,487</u>	<u>\$ 571,509</u>

Expenditures which exceed appropriations

As discussed above, the legal level of control at which expenditures may not legally exceed appropriations is at the department level. During the year ended June 30, 2013, expenditures exceeded appropriations in the following amounts:

Department	Budget Line	Amount
Administration	Election and registrars	\$ 524
Public Safety	Fire Marshall	968
Public Safety	Planning and engineering	7,368
Public Safety	Animal control	537
Public Works	Town aid road	8,385
Other	Computer	9,500
Other	Purchased services	1,705
Capital Outlays	Capital Outlays	3,369

NOTE C - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2013 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 11,214,270
Statement of fiduciary net position:	
Cash and cash equivalents - pension trust funds	556,168
Cash and cash equivalents - private purpose trust funds	12,643
Cash and cash equivalents - agency funds	156,875
	<u>11,939,956</u>
Less: cash equivalents considered investments	
for purposes of GASB Statement No. 40	<u>(9,486,794)</u>
	<u><u>\$ 2,453,162</u></u>

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$2,772,349 of the Town's bank balance of \$3,245,879 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,495,114
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	277,235
	<u><u>\$ 2,772,349</u></u>

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

NOTE C - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2013 is as follows:

Statement of fiduciary net assets:	
Investments - pension trust fund	\$ 14,086,087
Investments - private purpose trust fund	<u>103,609</u>
	<u>14,189,696</u>
Plus: cash equivalents considered investments for purposes of GASB Statement No. 40	<u>9,486,794</u>
	<u><u>\$ 23,676,490</u></u>

Interest Rate Risk

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

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

Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:					
U.S. Government Agencies *	\$ 653,016	\$ -	\$ -	\$ -	\$ 653,016
U.S. Government Securities *	45,535	-	-	27,261	18,274
Money market mutual funds	556,168	556,168	-	-	-
STIF	8,930,626	8,930,626	-	-	-
	<u>10,185,345</u>	<u>\$ 9,486,794</u>	<u>\$ -</u>	<u>\$ 27,261</u>	<u>\$ 671,290</u>
Other investments:					
Equity mutual funds	3,907,367				
Common and preferred stocks *	<u>9,583,778</u>				
Total	<u><u>\$ 23,676,490</u></u>				

* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the Town's or pension fund's name.

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

NOTE C - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

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

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

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows at June 30, 2013:

Average Rating	U.S. Government Agencies	U.S Government Securities	STIF	Mutual Funds
AAA	\$ -	\$ 45,535	\$ 8,930,626	\$ -
AA+	653,016	-	-	-
A-	-	-	-	-
Unrated	-	-	-	556,168
	<u>\$ 653,016</u>	<u>\$ 45,535</u>	<u>\$ 8,930,626</u>	<u>\$ 556,168</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentrations of Credit Risk

The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer. More than 5 percent of the Town's investments are in STIF, equity mutual funds and common stocks. Investments in these types of accounts are considered to be diversified by nature.

NOTE D - LOANS RECEIVABLE

Loans receivable represents loans dispersed from Community Development Block Grant (“CDBG”) grant proceeds and Economic Development Committee proceeds.

These loans consist of deferred loans which are noninterest bearing and due on demand and direct loans with interest at 3% to 5% with maturities through 2016. The Town does not anticipate demanding payment on the deferred loans except in the event of default, which is death of borrower, transfer of title of property or refinancing property-related debt. Loans receivable consist of the following as of June 30, 2013:

Deferred loans	\$ 719,586
Direct loans	<u>135,304</u>
	854,890
Less allowance for collection losses	<u>647,203</u>
Total	<u><u>\$ 207,687</u></u>

NOTE E - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2013 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,798,234	\$ 43,402	\$ -	\$ 2,841,636
Construction in progress	<u>1,563,711</u>	<u>483,129</u>	<u>(691,121)</u>	<u>1,355,719</u>
Total capital assets, not being depreciated	<u>4,361,945</u>	<u>526,531</u>	<u>(691,121)</u>	<u>4,197,355</u>
Capital assets, being depreciated:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	67,542,464	98,324	-	67,640,788
Machinery and equipment	10,714,374	94,208	(248,499)	10,560,083
Infrastructure	<u>31,787,654</u>	<u>592,797</u>	<u>-</u>	<u>32,380,451</u>
Total capital assets, being depreciated	<u>111,066,021</u>	<u>785,329</u>	<u>(248,499)</u>	<u>111,602,851</u>
Less accumulated depreciation and amortization for:				
Land improvements	1,021,529	-	-	1,021,529
Buildings and improvements	19,384,495	1,468,537	-	20,853,032
Machinery and equipment	8,867,787	558,208	(251,139)	9,174,856
Infrastructure	<u>9,538,157</u>	<u>431,739</u>	<u>-</u>	<u>9,969,896</u>
Total accumulated depreciation and amortization	<u>38,811,968</u>	<u>2,458,484</u>	<u>(251,139)</u>	<u>41,019,313</u>
Total capital assets, being depreciated, net	<u>72,254,053</u>	<u>(1,673,155)</u>	<u>2,640</u>	<u>70,583,538</u>
Governmental activities capital assets, net	<u><u>\$ 76,615,998</u></u>	<u><u>\$ (1,146,624)</u></u>	<u><u>\$ (688,481)</u></u>	<u><u>\$ 74,780,893</u></u>

NOTE E - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
Education	\$ 1,755,113
Public safety	49,660
Public works	607,803
Social services	<u>45,908</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,458,484</u>

Capital asset activity for business-type activities for the year ended June 30, 2013 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 31,740	\$ -	\$ -	\$ 31,740
Total capital assets, not being depreciated	<u>31,740</u>	<u>-</u>	<u>-</u>	<u>31,740</u>
Capital assets, being depreciated:				
Buildings and improvements	2,713,818	-	-	2,713,818
Machinery and equipment	849,855	37,140	-	886,995
Infrastructure	<u>19,003,499</u>	<u>-</u>	<u>-</u>	<u>19,003,499</u>
Total capital assets, being depreciated	<u>22,567,172</u>	<u>37,140</u>	<u>-</u>	<u>22,604,312</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	1,507,677	60,307	-	1,567,984
Machinery and equipment	753,708	41,877	-	795,585
Infrastructure	<u>10,180,560</u>	<u>393,026</u>	<u>-</u>	<u>10,573,586</u>
Total accumulated depreciation and amortization	<u>12,441,945</u>	<u>495,210</u>	<u>-</u>	<u>12,937,155</u>
Total capital assets, being depreciated, net	<u>10,125,227</u>	<u>(458,070)</u>	<u>-</u>	<u>9,667,157</u>
Business-type activities capital assets, net	<u>\$ 10,156,967</u>	<u>\$ (458,070)</u>	<u>\$ -</u>	<u>\$ 9,698,897</u>

NOTE F - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2013 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 7,945
Other Governmental Funds	General Fund	243,679
Other Governmental Funds	Other Governmental Funds	33,082
		<u>276,761</u>
		<u>284,706</u>
Business-type Activities		
Water Pollution Control Fund	General Fund	<u>170,884</u>
Total due from/to other funds		<u>\$ 455,590</u>

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

NOTE G - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2013 consisted of the following:

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

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

NOTE H - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 13,566,000	\$ -	\$ (1,110,000)	\$ 12,456,000	\$ 1,061,000
Note payable	141,221	-	(20,174)	121,047	20,174
Total bonds and note payable	13,707,221	-	(1,130,174)	12,577,047	1,081,174
Other liabilities:					
Capital leases	463,118	-	(201,087)	262,031	136,276
Compensated absences	1,302,022	88,323	-	1,390,345	139,035
Claims and judgments	525,000	-	-	525,000	-
Net pension obligation	3,093,628	258,154	-	3,351,782	-
Net OPEB obligation	2,601,378	599,544	-	3,200,922	-
Total governmental activities long-term liabilities	<u>\$ 21,692,367</u>	<u>\$ 946,021</u>	<u>\$ (1,331,261)</u>	<u>\$ 21,307,127</u>	<u>\$ 1,356,485</u>
Business-type Activities					
USDA bonds payable	\$ 522,400	\$ -	\$ (33,025)	\$ 489,375	\$ 35,787
Clean Water notes payable	914,614	-	(80,661)	833,953	80,661
	1,437,014	-	(113,686)	1,323,328	116,448
Other liabilities:					
Compensated absences	77,015	-	(9,119)	67,896	6,790
Total business-type activities long-term liabilities	<u>\$ 1,514,029</u>	<u>\$ -</u>	<u>\$ (122,805)</u>	<u>\$ 1,391,224</u>	<u>\$ 123,238</u>

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

NOTE H - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable

A summary of bonds and notes payable outstanding at June 30, 2013 is as follows:

Description	Original Amount	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities				
Bonds Payable				
General purpose bonds, issued July 1, 2008	\$ 926,000	2013	3.8% - 4.0%	\$ 186,000
School bonds, issued July 1, 2007	16,295,000	2025	4.0% - 6.0%	12,270,000
				<u>\$ 12,456,000</u>
Note Payable				
DECD Note payable	197,500	2019	0.00%	<u>\$ 121,047</u>
Business-type Activities				
Bonds Payable				
USDA bonds, issued August 2003	752,000	2023	4.25%	<u>\$ 489,375</u>
Note Payable				
Clean Water note payable	1,606,152	2024	2.00%	<u>\$ 833,953</u>

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2013:

Year ending	Governmental Activities					
	General Obligation Bonds		Note Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30:						
2014	1,061,000	513,995	20,174	-	1,081,174	513,995
2015	925,000	472,025	20,174	-	945,174	472,025
2016	950,000	432,181	20,174	-	970,174	432,181
2017	950,000	391,806	20,174	-	970,174	391,806
2018	975,000	349,681	20,174	-	995,174	349,681
2019-2023	5,125,000	1,107,519	20,177	-	5,145,177	1,107,519
2024-2026	2,470,000	133,219	-	-	2,470,000	133,219
	<u>\$ 12,456,000</u>	<u>\$ 3,400,426</u>	<u>\$ 121,047</u>	<u>\$ -</u>	<u>\$ 12,577,047</u>	<u>\$ 3,400,426</u>
Year ending	Business-type Activities					
	USDA Bonds Payable		Clean Water Note Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30:						
2014	35,787	20,779	80,661	15,931	116,448	36,710
2015	37,308	19,258	80,661	14,317	117,969	33,575
2016	38,894	17,672	80,661	12,704	119,555	30,376
2017	40,547	16,019	80,661	11,091	121,208	27,110
2018	42,270	14,296	80,661	9,478	122,931	23,774
2019-2023	239,872	42,958	403,305	23,190	643,177	66,148
2024	54,697	2,305	27,343	112	82,040	2,417
	<u>\$ 489,375</u>	<u>\$ 133,287</u>	<u>\$ 833,953</u>	<u>\$ 86,823</u>	<u>\$ 1,323,328</u>	<u>\$ 220,110</u>

NOTE H - LONG-TERM LIABILITIES (Continued)

Bonds and Notes Payable (Continued)

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$158,082,225 as of June 30, 2013. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2013.

Authorized, Unissued Bonds

The amount of authorized, unissued bonds at June 30, 2013 totaled \$512,469 for school purposes.

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2013:

	Governmental Activities
Equipment	\$ 741,725
Less: accumulated amortization	315,463
	<u>\$ 426,262</u>

Amortization expense relative to leased property under capital leases totaled \$77,857 for the year ended June 30, 2013 and is included in depreciation and amortization expense disclosed in Note E.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 are as follows:

	Governmental Activities
Year Ending June 30:	
2014	\$ 145,420
2015	82,434
2016	48,103
Total minimum lease payments	<u>275,957</u>
Less: amount representing interest	<u>13,926</u>
Present value of minimum lease payments	<u>\$ 262,031</u>

NOTE I - EMPLOYEE RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The Town of Plainfield is the administrator of a single employer public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS is considered to be a part of the Town of Plainfield's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Plan does not issue a stand-alone report.

Summary of Significant Accounting Policies

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

Investments are recorded at fair value based on quoted market prices. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the mean of the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are value at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Administrative costs of the Plan are funded by the Plan.

Plan Membership

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

Retirees and beneficiaries receiving benefits	81
Terminated plan members entitled to but not yet receiving benefits	115
Active plan members	181
	377

Contributions, Funding Policy and Benefit Provisions

The Town provides retirement benefits through a single employer, contributory (for Police only), defined benefit plan. Under the Plan, all full-time members of the Police Department who are members of the bargaining unit are eligible. The retirement benefit is calculated at 2% to 7/1/2004 and 2.5% after 7/1/2004 of the average of the annual salaries, excluding overtime, commissions, bonuses, etc., of the highest 3 years of employment multiplied by service. For other employees, including new employees of the Town who have completed 2 years of service and are at least age 21; full-time employees of the Board of Education not covered by a collective bargaining agreement, and nurses, custodians, secretaries and bus drivers regardless of their coverage by a collective bargaining agreement; and paraprofessionals who became eligible on July 1, 1995 with service credited for periods after July 1, 1984, the retirement benefit is calculated at 1.2% of the average of the annual salaries, excluding overtime, commissions, bonuses, etc., of the highest 3 consecutive years of employment, multiplied by service. Participants (except Police) are 10% vested for each year of service. Benefits and contributions are established by the Town and by collective bargaining and may be amended by the Town.

The contribution requirements of Plan members and the Town are established and may be amended by the Town. Police participants are required to contribute 7% of their basic monthly earnings.

NOTE I-EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Concentrations

The investments of the Plan had no individual investments that represented five percent or more of the Plan's net position at June 30, 2013.

Schedule of Funded Status

The funded status of the Plan as of the most recent actuarial date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	(Overfunded) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2011	\$ 11,828,961	\$ 16,122,833	\$ 4,293,872	73.4%	\$ 6,875,098	62.5%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL for benefits.

Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$ 1,377,341
Interest on net pension obligation	232,022
Adjustment to annual required contribution	(419,191)
Annual pension cost	1,190,172
Contributions made	932,018
Increase in net pension obligation	258,154
Net pension obligation, beginning of year	3,093,628
Net pension obligation, end of year	\$ 3,351,782

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2008	\$ 1,006,183	\$ 925,230	92.0%
2009	1,006,183	603,790	60.0%
2010	1,290,421	574,088	44.5%
2011	1,290,421	501,052	38.8%
2012	1,377,341	571,052	41.5%
2013	1,377,341	932,018	67.7%

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 988,891	\$ 501,052	50.7%	\$ 2,434,638
2012	1,230,042	571,052	46.4%	3,093,628
2013	1,190,172	932,018	78.3%	3,351,782

Additional Information and Actuarial Assumptions

Valuation date:	July 1, 2011
Actuarial cost method:	Projected Unit Credit
Amortization method:	Open Level Dollar Amount
Remaining amortization period:	10 years
Asset valuation method:	Adjusted Market Value
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases	4.50%
Inflation rate	3.00%

*Includes inflation rate

Plan Financial Statements

**TOWN OF PLAINFIELD, CONNECTICUT
 STATEMENT OF PLAN NET POSITION
 JUNE 30, 2013**

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ 556,168
Contribution receivable	-
Investments, at fair value:	
U.S. government and agency bonds	698,551
Mutual funds	3,803,758
Equity securities	9,583,778
Contribution receivable	129,271
Interest receivable	14,570
Total assets	14,786,096
NET POSITION	
Held in trust for pension benefits (See schedule of funding progress on page 56)	\$ 14,786,096

NOTE I - EMPLOYEE RETIREMENT PLANS *(Continued)*

Defined Benefit Plan (Continued)

Plan Financial Statements *(Continued)*

TOWN OF PLAINFIELD, CONNECTICUT
 STATEMENT OF CHANGES IN PLAN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 780,406
Plan members	66,097
Total contributions	<u>846,503</u>
Investment income:	
Interest	383,155
Net increase in the fair value of investments	942,049
Total investment income	1,325,204
Less: investment expense	<u>(50,177)</u>
Net investment income	<u>1,275,027</u>
Total additions	<u>2,121,530</u>
DEDUCTIONS	
Benefit payments	<u>679,660</u>
Total deductions	<u>679,660</u>
NET INCREASE	1,441,870
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	<u>13,344,226</u>
End of year	<u>\$ 14,786,096</u>

NOTE I- EMPLOYEE RETIREMENT PLANS *(Continued)*

Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teachers Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the Plan and are required to contribute 7.25% of their annual earnings to the Plan. The Town does not, and is not legally responsible to, contribute to the Plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the Plan as a whole, which does not provide actuarial information on an individual city/town basis.

The Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were \$2,964,287 for the year ended June 30, 2013.

NOTE J- OTHER POST-EMPLOYMENT BENEFITS

Board of Education Plan Description

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

Funding Policy

Contribution requirements of the plan members and the Town are established by and may be amended through negotiations between the Board of Education and the union. Currently, Board of Education employees who are age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 10 years of service in the Plainfield School System are eligible to receive benefits. Those who choose to participate must pay 100% of the premium cost. The Town finances the Plan on a pay-as-you-go basis.

NOTE J- OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation:

Annual required contribution	\$ 909,800
Interest on net OPEB obligation	104,055
Adjustment to annual required contribution	<u>(144,682)</u>
Annual OPEB cost (expense)	869,173
Contributions made	<u>269,629</u>
Increase in net OPEB obligation	599,544
Net OPEB obligation, beginning of year	<u>2,601,378</u>
Net OPEB obligation, end of year	<u><u>\$ 3,200,922</u></u>

Three-Year Trend Information

Year Ended	Annual	Percentage of	Net OPEB
June 30	OPEB Cost	Annual OPEB	Obligation
		Cost Contributed	
2011	\$ 1,042,581	32.2%	\$ 2,079,185
2012	865,328	39.7%	2,601,378
2013	869,173	31.0%	3,200,922

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 (the date of the most recent actuarial valuation) was as follows:

Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as a
Valuation	Value of	Accrued	AAL	Ratio	Payroll	Percentage of
Date	(A)	Liability (AAL) -	(UAAL)	(A/B)	(C)	Covered
		Projected Unit	(B-A)			Payroll
		Credit Method (B)				((B-A)/C)
July 1, 2012	\$ -	\$ 11,964,800	\$ 11,964,800	0.0%	\$ 23,612,118	50.7%

NOTE J- OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

Valuation date:	July 1, 2012
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level Dollar Amount, Open
Remaining amortization period:	30 years
Asset valuation method:	Adjusted Market Value
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	4.00%
Healthcare cost trend rate	9.00% initial 5.00% final

NOTE K - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except health coverage. During 2013, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

NOTE K - RISK MANAGEMENT (Continued)

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

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

The Town of currently a member of the Eastern Connecticut Health Insurance Program (“ECHIP”), a cooperative formed in accordance with Public Act 10-174 of the Connecticut General Statutes in order to self-insure medical and dental costs to the employees of its member Towns and Boards of Education. Through this cooperative the Town accounts for and finances employee medical benefits claims for eligible full-time employees of both the Town and the Board of Education. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. Through ECHIP the Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$160,000 for combined hospital and major medical.

ECHIP establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2013. Claims liabilities are recorded in accordance with GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary the Town’s portion of claims activity for the years ended June 30, 2013 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2013	\$ -	\$ 6,259,626	\$ 6,016,189	\$ 243,437

NOTE L - COMMITMENTS AND CONTINGENCIES

Grants and Contracts

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

NOTE L - COMMITMENTS AND CONTINGENCIES (Continued)

Litigation

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

NOTE M – IMPLEMENTATION OF NEW PRONOUNCEMENTS

The Town has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2012. GASB Statement No. 63 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 results in the reclassification of certain financial statement line items on the statement of net position and balance sheet. The effect of the implementation of this standard only required the reclassification of certain liabilities to deferred inflows of resources and had no effect on the Town's net position as of July 1, 2012.

NOTE N - RECENTLY ISSUED ACCOUNTING STANDARDS

The GASB has issued several new accounting standards that will become effective in future years. Management is currently evaluating the effect implementation of these standards, as applicable, will have on its financial statements. A summary of recently issued accounting standards that will become effective in future years is as follows:

The GASB has issued Statement No. 66, *Technical Corrections – 2012*, which amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for 1) operating lease payments that vary from a straight-line basis, 2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The provisions in GASB 66 are effective for periods beginning after December 15, 2012 and early adoption is permitted.

NOTE N - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25*, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. The provisions in GASB 67 are effective for financial statements for periods beginning after June 15, 2013 and early adoption is permitted.

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and early adoption is permitted.

Required
Supplementary
Information

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS (Unaudited)
JUNE 30, 2013

Employee Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2005	\$ 8,014,434	\$ 9,864,480	\$ 1,850,046	81.2%	\$ 5,551,251	33.3%
July 1, 2007	10,299,619	11,864,443	1,564,824	86.8%	6,259,820	25.0%
July 1, 2009	11,540,470	14,054,791	2,514,321	82.1%	6,335,418	39.7%
July 1, 2011	11,828,961	16,122,833	4,293,872	73.4%	6,875,098	62.5%

Other Post-Employment Benefits Program

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2008	\$ -	\$ 13,057,675	\$ 13,057,675	0.0%	\$ 19,023,719	68.6%
July 1, 2010	-	10,515,600	10,515,600	0.0%	19,604,338	53.6%
July 1, 2012	-	11,964,800	11,964,800	0.0%	23,612,118	50.7%

See accompanying report of independent certified public accountants

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF REVENUES

BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
PROPERTY TAXES				
Property taxes	\$ 22,047,768	\$ 22,047,768	\$ 22,170,064	\$ 122,296
Interest and lien fees	175,000	175,000	290,685	115,685
Total property taxes	<u>22,222,768</u>	<u>22,222,768</u>	<u>22,460,749</u>	<u>237,981</u>
INTERGOVERNMENTAL				
Tax relief for elderly	109,982	109,982	114,920	4,938
Disability exemption	2,577	2,577	2,569	(8)
State property (PILOT)	43,287	43,287	42,788	(499)
Hospitals (PILOT)	9,088	9,088	37,094	28,006
Town aid road	147,120	155,620	145,930	(9,690)
Education equalization	15,560,284	15,560,284	15,528,428	(31,856)
Special education grant	832,527	832,527	734,167	(98,360)
Transportation	309,021	309,021	268,629	(40,392)
Telephone access lines	48,519	48,519	50,421	1,902
Veterans exemption	5,329	5,329	5,009	(320)
Local capital improvement program	132,668	132,668	121,728	(10,940)
Manufacturers equipment	120,562	120,562	235,232	114,670
Emergency management assistance	7,712	7,712	1,200	(6,512)
Mashantucket Pequot fund	157,851	157,851	169,891	12,040
Distressed enterprise zone	16,820	16,820	19,566	2,746
Other state revenue	50,000	50,000	124,849	74,849
Total intergovernmental revenues	<u>17,553,347</u>	<u>17,561,847</u>	<u>17,602,421</u>	<u>40,574</u>
LICENSES, PERMITS AND FEES				
Building permit fees	100,000	100,000	64,573	(35,427)
Planning and zoning permits	25,000	25,000	32,808	7,808
Town clerk fees	200,200	200,200	162,596	(37,604)
Police - other duty	20,000	20,000	45,339	25,339
Town clerk - copies	15,000	15,000	16,598	1,598
Assessor - copies	1,500	1,500	1,085	(415)
Town hall rentals	2,500	2,500	1,988	(512)
F.M. services - Canterbury/Sterling	5,137	5,137	4,709	(428)
Preschool fees	53,000	53,000	39,431	(13,569)
Recreation receipts	50,000	50,000	42,632	(7,368)
Swimming pool - rental	60,000	60,000	67,262	7,262
Cell tower rental	24,840	24,840	26,186	1,346
Total licenses, permits and fees	<u>557,177</u>	<u>557,177</u>	<u>505,207</u>	<u>(51,970)</u>

(Continued)

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT

SCHEDULE OF REVENUES

BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
INVESTMENT - INTEREST	\$ 40,000	\$ 40,000	\$ 10,222	\$ (29,778)
OUT OF TOWN TUITION	1,380,917	1,380,917	1,276,420	(104,497)
OTHER				
Other local revenue	65,000	65,000	33,619	(31,381)
Police - miscellaneous revenue	9,850	9,850	20,243	10,393
Industrial park lot sales	90,000	90,000	44,550	(45,450)
Tuition - special education	320,381	320,381	408,744	88,363
School miscellaneous fees	90,000	90,000	18,113	(71,887)
Total other	575,231	575,231	525,269	(49,962)
Total revenues	\$ 42,329,440	\$ 42,337,940	\$ 42,380,288	\$ 42,348

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
First Selectman	\$ 117,683	\$ 117,683	\$ 117,636	\$ (47)
Finance	205,770	205,770	198,416	(7,354)
Assessor	141,621	141,621	138,254	(3,367)
Tax Collector	148,347	148,347	145,338	(3,009)
Town Clerk	164,415	164,415	163,063	(1,352)
Election and registrars	42,246	42,246	42,770	524
Employee benefits	2,430,912	2,430,912	2,170,356	(260,556)
Total general government	<u>3,250,994</u>	<u>3,250,994</u>	<u>2,975,833</u>	<u>(275,161)</u>
PUBLIC SAFETY				
Fire Marshal	46,800	46,800	47,768	968
Police Department	1,610,078	1,610,078	1,591,903	(18,175)
Building Inspector	88,551	88,551	85,416	(3,135)
Planning and engineering	140,765	140,765	148,133	7,368
Animal control	31,819	31,819	32,356	537
Total public safety	<u>1,918,013</u>	<u>1,918,013</u>	<u>1,905,576</u>	<u>(12,437)</u>
PUBLIC WORKS				
Building and grounds	303,823	303,823	280,103	(23,720)
Highway	733,007	733,007	651,449	(81,558)
Town aid road	147,120	147,120	155,505	8,385
Total public works	<u>1,183,950</u>	<u>1,183,950</u>	<u>1,087,057</u>	<u>(96,893)</u>
SOCIAL SERVICES				
Economic Development	36,145	36,145	36,145	-
Recreation	291,780	291,780	287,736	(4,044)
Libraries	56,905	56,905	56,905	-
Total social services	<u>384,830</u>	<u>384,830</u>	<u>380,786</u>	<u>(4,044)</u>

(Continued)

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
OTHER				
Telephone	\$ 40,000	\$ 40,000	\$ 35,368	\$ (4,632)
Legal fees	100,000	100,000	99,532	(468)
Postage	33,000	33,000	27,751	(5,249)
Computer	99,198	99,198	108,698	9,500
Probate	6,171	6,171	6,171	-
Copy machines	31,208	31,208	27,907	(3,301)
Claims	2,000	2,000	725	(1,275)
Tax refunds	15,000	15,000	13,688	(1,312)
Board and commissions	24,100	24,100	16,617	(7,483)
Purchased services	367,326	367,326	369,031	1,705
Contributions	4,072	4,072	3,997	(75)
Contingency	105,621	105,621	104,891	(730)
Total other	<u>827,696</u>	<u>827,696</u>	<u>814,376</u>	<u>(13,320)</u>
CAPITAL OUTLAYS	<u>375,997</u>	<u>375,997</u>	<u>379,366</u>	<u>3,369</u>
EDUCATION	<u>32,682,475</u>	<u>32,682,475</u>	<u>32,560,300</u>	<u>(122,175)</u>
DEBT SERVICE				
Principal payments	1,130,174	1,130,174	1,130,174	-
Interest and fiscal charges	559,728	559,728	559,728	-
Total debt service	<u>1,689,902</u>	<u>1,689,902</u>	<u>1,689,902</u>	<u>-</u>
Total expenditures	<u>\$ 42,313,857</u>	<u>\$ 42,313,857</u>	<u>\$ 41,793,196</u>	<u>\$ (520,661)</u>

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
 SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
 FOR THE YEAR ENDED JUNE 30, 2013

Grand List Year	Balance Uncollected June 30, 2012	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections				Balance Uncollected June 30, 2013
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2011	\$ -	\$ 22,105,456	\$ 29,822	\$ 38,790	\$ 12,010	\$ 22,289,566	\$ 21,624,701	\$ 107,377	\$ 48	\$ 21,732,126	\$ 698,173
2010	680,002	-	648	7,964	39,076	633,610	357,605	80,420	2,654	440,679	281,091
2009	307,862	-	633	607	36,155	271,733	99,135	38,316	1,144	138,595	172,645
2008	155,718	-	84	-	11,141	144,661	48,514	22,970	528	72,012	96,048
2007	82,144	-	60	-	8,652	73,552	29,764	21,323	264	51,351	43,788
2006	43,373	-	-	-	4,125	39,248	12,861	9,444	48	22,353	26,387
2005	34,056	-	-	-	1,796	32,260	2,939	3,440	24	6,403	29,321
2004	29,561	-	-	-	1,693	27,868	1,230	650	-	1,880	26,638
2003	26,946	-	-	-	1,610	25,336	-	1,978	-	1,978	25,336
2002	20,218	-	-	-	1,481	18,737	822	32	25	879	17,915
2001	17,730	-	-	-	1,307	16,423	-	-	-	-	16,423
2000	17,905	-	-	-	1,283	16,622	-	-	-	-	16,622
1999	24,593	-	-	-	1,235	23,358	-	-	-	-	23,358
1998	24,185	-	-	-	1,190	22,995	-	-	-	-	22,995
1997	24,795	-	-	23,355	1,440	-	-	-	-	-	-
1996	28,882	-	-	28,882	-	-	-	-	-	-	-
	<u>\$ 1,517,970</u>	<u>\$ 22,105,456</u>	<u>\$ 31,247</u>	<u>\$ 99,598</u>	<u>\$ 124,194</u>	<u>\$ 23,635,969</u>	<u>\$ 22,177,571</u>	<u>\$ 285,950</u>	<u>\$ 4,735</u>	<u>\$ 22,468,256</u>	<u>\$ 1,496,740</u>

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2013

Total cash collections for the year ended
June 30, 2013:

Taxes	\$ 22,177,571
Interest and lien fees	290,684
Total	<u>22,468,255</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	114,920
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Base	<u>\$ 22,583,175</u>
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 50,812,144	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	101,624,288	-	-	-
3-3/4 times base	-	-	84,686,906	-	-
3-1/4 times base	-	-	-	73,395,319	-
3 times base	-	-	-	-	67,749,525
Total debt limitation	<u>50,812,144</u>	<u>101,624,288</u>	<u>84,686,906</u>	<u>73,395,319</u>	<u>67,749,525</u>
Indebtedness:					
Bonds and notes payable	307,047	12,270,000	1,323,328	-	-
Authorized, unissued bonds	-	512,469	-	-	-
	<u>307,047</u>	<u>12,782,469</u>	<u>1,323,328</u>	<u>-</u>	<u>-</u>
Less: sewer assessments receivable	-	-	155,570	-	-
Total indebtedness	<u>307,047</u>	<u>12,782,469</u>	<u>1,167,758</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 50,505,097</u>	<u>\$ 88,841,819</u>	<u>\$ 83,519,148</u>	<u>\$ 73,395,319</u>	<u>\$ 67,749,525</u>
Total capacity of borrowing (7 times base)	\$ 158,082,225				
Total present indebtedness	<u>14,257,274</u>				
Margin for additional borrowing	<u>\$ 143,824,951</u>				

See accompanying report of independent certified public accountants.

Nonmajor
Governmental
Funds

TOWN OF PLAINFIELD, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Nonmajor Special Revenue Funds							Nonmajor Capital Project Funds	
	Dog Fund	Day Care Fund	School Lunch Fund	Education Grants Fund	CDBG Fund	Probate Court Fund	Police Fund	Total	Construction Fund
ASSETS									
Cash and cash equivalents	\$ 18,913	\$ -	\$ 163,730	\$ -	\$ 138,057	\$ -	\$ 11,326	\$ 332,026	\$ 53,318
Receivables:									
Intergovernmental receivables	-	-	113,721	7,418	-	-	-	121,139	-
Loans receivable, net	-	-	-	-	207,687	-	-	207,687	-
Due from other funds	-	-	-	240,023	-	3,657	-	243,680	-
Inventory	-	-	23,269	-	-	-	-	23,269	-
Total assets	<u>\$ 18,913</u>	<u>\$ -</u>	<u>\$ 300,720</u>	<u>\$ 247,441</u>	<u>\$ 345,744</u>	<u>\$ 3,657</u>	<u>\$ 11,326</u>	<u>\$ 927,801</u>	<u>\$ 53,318</u>
LIABILITIES									
Accounts payable	\$ 2,882	\$ -	\$ 72,085	\$ 47,951	\$ -	\$ -	\$ -	\$ 122,918	\$ -
Accrued liabilities	-	-	-	66,670	-	-	-	66,670	-
Unearned revenue	-	-	-	132,820	80,000	-	-	212,820	-
Due to other funds	3,047	4,898	-	-	-	-	-	7,945	33,082
Total liabilities	<u>5,929</u>	<u>4,898</u>	<u>72,085</u>	<u>247,441</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>410,353</u>	<u>33,082</u>
FUND BALANCES (DEFICIT)									
Nonspendable:									
Inventories	-	-	23,269	-	-	-	-	23,269	-
Restricted for:									
Social Services	-	-	-	-	265,744	-	-	265,744	-
Committed to:									
Capital improvements	-	-	-	-	-	-	-	-	20,236
Public safety	12,984	-	-	-	-	-	11,326	24,310	-
Education	-	-	205,366	-	-	-	-	205,366	-
Other governmental purposes	-	-	-	-	-	3,657	-	3,657	-
Unassigned	-	(4,898)	-	-	-	-	-	(4,898)	-
Total fund balances (deficit)	<u>12,984</u>	<u>(4,898)</u>	<u>228,635</u>	<u>-</u>	<u>265,744</u>	<u>3,657</u>	<u>11,326</u>	<u>517,448</u>	<u>20,236</u>
Total liabilities and fund balances (deficit)	<u>\$ 18,913</u>	<u>\$ -</u>	<u>\$ 300,720</u>	<u>\$ 247,441</u>	<u>\$ 345,744</u>	<u>\$ 3,657</u>	<u>\$ 11,326</u>	<u>\$ 927,801</u>	<u>\$ 53,318</u>

(Continued)

TOWN OF PLAINFIELD, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 JUNE 30, 2013

	Nonmajor Capital Projects Funds						Total Nonmajor Governmental Funds
	Open Space & Land Trust Fund	Medical Building Fund	Moosup Sidewalk Fund	Starkweather Road Project Fund	Pool Grant Fund	Total	
ASSETS							
Cash and cash equivalents	\$ 71,214	\$ 456,800	\$ -	\$ -	\$ -	\$ 581,332	\$ 913,358
Receivables:							
Intergovernmental receivables	-	-	-	-	-	-	121,139
Loans receivable, net	-	-	-	-	-	-	207,687
Due from other funds	-	-	20,002	13,079	-	33,081	276,761
Inventory	-	-	-	-	-	-	23,269
Total assets	<u>\$ 71,214</u>	<u>\$ 456,800</u>	<u>\$ 20,002</u>	<u>\$ 13,079</u>	<u>\$ -</u>	<u>\$ 614,413</u>	<u>\$ 1,542,214</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,918
Accrued liabilities	-	-	-	-	-	-	66,670
Unearned revenue	-	-	20,002	13,079	-	33,081	245,901
Due to other funds	-	-	-	-	-	33,082	41,027
Total liabilities	<u>-</u>	<u>-</u>	<u>20,002</u>	<u>13,079</u>	<u>-</u>	<u>66,163</u>	<u>476,516</u>
FUND BALANCES (DEFICIT)							
Nonspendable:							
Inventories	-	-	-	-	-	-	23,269
Restricted for:							
Social services	-	-	-	-	-	-	265,744
Committed to:							
Capital improvements	71,214	456,800	-	-	-	548,250	548,250
Public safety	-	-	-	-	-	-	24,310
Education	-	-	-	-	-	-	205,366
Other governmental purposes	-	-	-	-	-	-	3,657
Unassigned	-	-	-	-	-	-	(4,898)
Total fund balances (deficit)	<u>71,214</u>	<u>456,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>548,250</u>	<u>1,065,698</u>
Total liabilities and fund balances (deficit)	<u>\$ 71,214</u>	<u>\$ 456,800</u>	<u>\$ 20,002</u>	<u>\$ 13,079</u>	<u>\$ -</u>	<u>\$ 614,413</u>	<u>\$ 1,542,214</u>

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds							Nonmajor Capital	
	Dog Fund	Day Care Fund	School Lunch Fund	Education Grants Fund	CDBG Fund	Probate Court Fund	Police Fund	Total	Construction Fund
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 648,522	\$ 1,389,321	\$ 16,000	\$ -	\$ 2,526	\$ 2,056,369	\$ -
Licenses, permits and fees	11,225	144,852	379,908	-	-	18,123	-	554,108	-
Interest	8	-	-	-	21	-	-	29	28
Other	20	-	-	-	-	-	-	20	-
Total revenues	<u>11,253</u>	<u>144,852</u>	<u>1,028,430</u>	<u>1,389,321</u>	<u>16,021</u>	<u>18,123</u>	<u>2,526</u>	<u>2,610,526</u>	<u>28</u>
EXPENDITURES									
General government	-	149,148	-	-	-	14,663	-	163,811	-
Public safety	27,222	-	-	-	-	-	7,086	34,308	-
Social services	-	-	-	-	107,680	-	-	107,680	-
Education	-	-	939,183	1,389,321	-	-	-	2,328,504	-
Capital outlays	-	-	-	-	-	-	-	-	-
Total expenditures	<u>27,222</u>	<u>149,148</u>	<u>939,183</u>	<u>1,389,321</u>	<u>107,680</u>	<u>14,663</u>	<u>7,086</u>	<u>2,634,303</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(15,969)	(4,296)	89,247	-	(91,659)	3,460	(4,560)	(23,777)	28
OTHER FINANCING SOURCES									
Transfers in	<u>15,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,583</u>	<u>-</u>
Net change in fund balances	(386)	(4,296)	89,247	-	(91,659)	3,460	(4,560)	(8,194)	28
Fund balances (deficit) - beginning	<u>13,370</u>	<u>(602)</u>	<u>139,388</u>	<u>-</u>	<u>357,403</u>	<u>197</u>	<u>15,886</u>	<u>525,642</u>	<u>20,208</u>
Fund balances (deficit) - ending	<u>\$ 12,984</u>	<u>\$ (4,898)</u>	<u>\$ 228,635</u>	<u>\$ -</u>	<u>\$ 265,744</u>	<u>\$ 3,657</u>	<u>\$ 11,326</u>	<u>\$ 517,448</u>	<u>\$ 20,236</u>

(Continued)

TOWN OF PLAINFIELD, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS *(Continued)*

FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor Capital Projects Funds						Total Nonmajor Governmental Funds
	Open Space & Land Trust Fund	Medical Building Fund	Moosup Sidewalk Fund	Starkweather Road Project Fund	Pool Grant Fund	Total	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 43,517	\$ 21,791	\$ 65,308	\$ 2,121,677
Licenses, permits and fees	-	-	-	-	-	-	554,108
Interest	117	719	-	-	-	836	893
Other	4,000	-	-	-	-	4,000	4,020
Total revenues	<u>4,117</u>	<u>719</u>	<u>-</u>	<u>43,517</u>	<u>21,791</u>	<u>70,144</u>	<u>2,680,698</u>
EXPENDITURES							
General government	-	-	-	-	-	-	163,811
Public safety	-	-	-	-	-	-	34,308
Social services	-	-	-	-	-	-	107,680
Education	-	-	-	-	-	-	2,328,504
Capital outlay	42,000	-	-	43,517	21,791	107,308	107,308
Total expenditures	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>43,517</u>	<u>21,791</u>	<u>107,308</u>	<u>2,741,611</u>
Excess (deficiency) of revenues over expenditures	(37,883)	719	-	-	-	(37,136)	(60,913)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	-	15,583
Net change in fund balances	(37,883)	719	-	-	-	(37,136)	(45,330)
Fund balances (deficit) - beginning	<u>109,097</u>	<u>456,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,386</u>	<u>1,111,028</u>
Fund balances (deficit) - ending	<u>\$ 71,214</u>	<u>\$ 456,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 548,250</u>	<u>\$ 1,065,698</u>

See accompanying report of independent certified public accountants.

Proprietary
Fund

TOWN OF PLAINFIELD CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL -
BUDGETARY BASIS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Sewer use charges	\$ 1,317,473	\$ 1,317,473	\$ 1,372,408	\$ 54,935
Lien charges	100	100	(1,456)	(1,556)
Interest charges	10,000	10,000	30,467	20,467
Sewer permits	50	50	60	10
Other revenue	40,000	40,000	44,865	4,865
Total revenues	<u>1,367,623</u>	<u>1,367,623</u>	<u>1,446,344</u>	<u>78,721</u>
EXPENDITURES				
Personnel costs	741,289	740,389	717,819	(22,570)
Administration	73,610	73,862	141,854	67,992
Operations	299,000	314,000	307,625	(6,375)
Utilities	195,000	185,648	162,579	(23,069)
Vehicles	29,400	29,400	19,900	(9,500)
Equipment replacement	20,000	15,000	35,293	20,293
Total expenditures	<u>1,358,299</u>	<u>1,358,299</u>	<u>1,385,070</u>	<u>26,771</u>
Excess of revenues over expenditures	9,324	9,324	61,274	51,950
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital Projects Fund	<u>(9,324)</u>	<u>(9,324)</u>	-	<u>9,324</u>
Total other financing sources (uses)	<u>(9,324)</u>	<u>(9,324)</u>	-	<u>9,324</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,274</u>	<u>\$ 61,274</u>

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
 SCHEDULE OF SEWER ASSESSMENT COLLECTIONS
 FOR THE YEAR ENDED JUNE 30, 2013

	Uncollected Assessments July 1, 2012	Current Assessments	Lawful Corrections		Adjusted Assessments Collectible	Collections			Uncollected Assessments June 30, 2013
			Additions	Deductions		Assessments Collected	Interest and Lien Fees	Total	
Special Assessment	\$ 189,588	\$ -	\$ 61,540	\$ 3,000	\$ 248,128	\$ 89,296	\$ 9,693	\$ 98,989	\$ 155,570

See accompanying report of independent certified public accountants.

TOWN OF PLAINFIELD, CONNECTICUT
SCHEDULE OF SEWER USAGE COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2013

Grand List Year	Uncollected Charges July 1, 2012	Current Billings	Lawful Corrections		Transfer to Suspense	Adjusted Charges Collectible	Collections			Uncollected Charges June 30, 2013
			Additions	Deductions			Charges Collected	Interest and Lien Fees	Total	
2011	\$ -	\$ 1,261,265	\$ 63,074	\$ 5,542	\$ -	\$ 1,318,797	\$ 1,288,774	\$ 7,118	\$ 1,295,892	\$ 30,023
2010	27,147	-	-	-	1,150	25,997	15,453	3,756	19,209	10,544
2009	13,026	-	-	-	690	12,336	6,047	2,373	8,420	6,289
2008	7,903	-	-	-	660	7,243	4,444	2,645	7,089	2,915
2007	2,323	-	-	-	220	2,103	1,004	691	1,695	1,099
2006	550	-	-	-	110	440	-	-	-	440
2005	421	-	-	-	-	421	-	-	-	421
2004	378	-	-	-	-	378	-	-	-	378
2003	378	-	-	-	-	378	191	302	493	187
2002	94	-	-	-	-	94	-	-	-	94
2001	283	-	-	-	-	283	-	-	-	283
2000	160	-	-	-	-	160	-	-	-	160
1999	(1,029)	-	-	-	-	(1,029)	-	-	-	(1,029)
1998	(620)	-	-	-	-	(620)	-	-	-	(620)
1997	(527)	-	-	527	-	-	-	-	-	-
1996	130	-	-	130	-	-	-	-	-	-
	<u>\$ 50,617</u>	<u>\$ 1,261,265</u>	<u>\$ 63,074</u>	<u>\$ 6,199</u>	<u>\$ 2,830</u>	<u>\$ 1,366,981</u>	<u>\$ 1,315,913</u>	<u>\$ 16,885</u>	<u>\$ 1,332,798</u>	<u>\$ 51,184</u>

See accompanying report of independent certified public accountants.

Fiduciary Funds

TOWN OF PLAINFIELD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance, July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2013</u>
Student Activities				
Assets				
Cash and cash equivalents	\$ 162,103	\$ 411,376	\$ 416,604	\$ 156,875
Total assets	<u>\$ 162,103</u>	<u>\$ 411,376</u>	<u>\$ 416,604</u>	<u>\$ 156,875</u>
Liabilities				
Due to student groups	\$ 162,103	\$ 411,376	\$ 416,604	\$ 156,875
Total liabilities	<u>\$ 162,103</u>	<u>\$ 411,376</u>	<u>\$ 416,604</u>	<u>\$ 156,875</u>

See accompanying report of independent certified public accountants.