

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 27, 2018

New Money Issue: Book-Entry-Only

Rating: See "Rating" herein.

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax for individuals; however, for tax years beginning before January 1, 2018, interest on the Bonds is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to, the federal alternative minimum tax for certain corporations; the Bonds are "qualified tax-exempt obligations"; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B "Opinion of Bond Counsel and Tax Status" herein.)



Town of Plainville, Connecticut
\$10,000,000
General Obligation Bonds, Issue of 2018
(Bank Qualified)

Dated: Date of Delivery

Due: September 1, 2019-2038,
as shown below:

The Bonds will bear interest payable September 1, 2019 and semiannually thereafter on March 1 and September 1 in each year until maturity. The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

<i>Maturity</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP¹</i>	<i>Maturity</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP¹</i>
2019	\$ 500,000	__%	__%	726770__	2029	\$ 500,000	__%	__%	726770__
2020	500,000	__%	__%	726770__	2030	500,000	__%	__%	726770__
2021	500,000	__%	__%	726770__	2031	500,000	__%	__%	726770__
2022	500,000	__%	__%	726770__	2032	500,000	__%	__%	726770__
2023	500,000	__%	__%	726770__	2033	500,000	__%	__%	726770__
2024	500,000	__%	__%	726770__	2034	500,000	__%	__%	726770__
2025	500,000	__%	__%	726770__	2035	500,000	__%	__%	726770__
2026	500,000	__%	__%	726770__	2036	500,000	__%	__%	726770__
2027	500,000	__%	__%	726770__	2037	500,000	__%	__%	726770__
2028	500,000	__%	__%	726770__	2038	500,000	__%	__%	726770__

The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.

Electronic bids via PARITY® for the Bonds will be received until 11:30 A.M. (Eastern Time) on Wednesday, September 5, 2018, at Plainville Municipal Center, Office of the Town Manager, One Central Square, Plainville, Connecticut 06062.

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

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about September 14, 2018.

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

No dealer, broker, salesman or other person has been authorized by the Town of Plainville, Connecticut (the "Town") to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

Set forth in Appendix A – "2017 Financial Statements Excerpted from the Town's Comprehensive Annual Financial Report" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth as its opinion in Appendix B "Opinion of Bond Counsel and Tax Status" herein), and makes no representation that it has independently verified the same.

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Bond Issue Summary

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, September 5, 2018 at 11:30 A.M. (Eastern Time).
Location of Sale:	Plainville Municipal Center, Office of the Town Manager, One Central Square, Plainville, Connecticut 06062.
Issuer:	Town of Plainville, Connecticut (the "Town").
Issue:	\$10,000,000 General Obligation Bonds, Issue of 2018 (the "Bonds").
Dated Date:	Date of Delivery
Principal and Interest Due:	Principal due serially September 1, 2019 through September 1, 2038. Interest due March 1 and September 1 in each year until maturity, commencing September 1, 2019.
Purpose:	Bond proceeds will be used to finance various general purpose and school projects, see "Authorization and Purpose" herein.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
Security:	The Bonds will be general obligations of the Town of Plainville, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	Application for a rating on the Bonds has been made to S&P Global Ratings ("S&P"). The Town's outstanding long-term rating is "AA+" from S&P and "Aa3" from Moody's Investors Service.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bank Qualification:	The Bonds <u>shall be</u> designated by the Issuer as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Day Pitney LLP, of Hartford, Connecticut.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 14, 2018. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Robert Buden, Director of Finance, Town of Plainville, 1 Central Square, Plainville, CT 06062 (860) 793-0221.

SECTION I – SECURITIES OFFERED

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Plainville, Connecticut (the “Town”), in connection with the issuance and sale of \$10,000,000 General Obligation Bonds, Issue of 2018 (the “Bonds”) of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank National Association will certify and act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

The Town deems this Official Statement to be “final” for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut will serve as Municipal Advisor to the Town with respect to the issuance of the Bonds (the “Municipal Advisor”). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Bonds

Description of the Bonds

The Bonds will mature on September 1 in each of the years as set forth on the cover page hereof. The Bonds will be dated the date of delivery and bear interest at the rates per annum specified on the cover page, payable semiannually on March 1 and September 1 in each year until maturity, commencing September 1, 2019. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the fifteenth day of February and August, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree.

Redemption Provisions

The Bonds maturing on or before September 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on September 1, 2025 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after September 1, 2024 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
September 1, 2024 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its successor nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds. The legal opinion for the Bonds will be rendered by Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. See Appendix B “Opinion of Bond Counsel and Tax Status”.

Use of Proceeds

<i>Project</i>	<i>Borrowing Authorization</i>	<i>Notes Due: Due: 9/14/18</i>	<i>Paydowns</i>	<i>New Money</i>	<i>This Issue: The Bonds</i>
Road Improvements	\$ 5,000,000	\$ 4,000,000	\$ (100,000)	\$ 1,000,000	\$ 4,900,000
Wheeler Elementary & H.S. Renovations....	25,260,000	-	-	3,000,000	3,000,000
Fire Truck Acquisition	2,100,000	-	-	2,100,000	2,100,000
Total	\$ 32,360,000	\$ 4,000,000	\$ (100,000)	\$ 6,100,000	\$ 10,000,000

Book-Entry-Only Transfer System

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

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

Replacement Securities

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

Security and Remedies

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount

in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

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

Rating

Application for a rating on the Bonds has been made to S&P Global Ratings ("S&P"). The Town's outstanding long-term rating is "AA+" from S&P and "Aa3" from Moody's Investors Service. The Town furnished to the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town's bonds and notes, including the Bonds.

The Town expects to furnish the rating agency with certain information and materials that the agency may request. However, the Town may issue short-term or other debt for which a rating is not requested.

Availability of Continuing Information

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form included in Appendix C to this Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds not later than ten (10) business days after the occurrence of such events and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement. The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town prepares, in accordance with state law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management, within six months of the end of its fiscal year. The Town provides, and will continue to provide, to Moody's Investors Service and S&P Global Ratings ongoing disclosure in the form of the Annual Financial Report, Recommended and Adopted Budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

Except as described below, in the past five years the Town has not defaulted in any of its obligations under any continuing disclosure agreement for the benefit of holders of its debt obligations to provide annual financial information or event notices pursuant to the Rule.

The Town's 2007 Series A Bonds are insured by Financial Security Assurance Inc. ("FSA"), now Assured Guaranty Municipal Corp. ("AGM"). On March 18, 2014 AGM was upgraded to AA by Standard & Poor's, however this rating action was not filed on EMMA until August 11, 2015. The Town's 2007 Series B Bonds are insured by MBIA Insurance Corporation, (now National Public Finance Guarantee Corp.). On March 18, 2014 National Public Finance Guarantee Corp. was upgraded to AA- by Standard & Poor's, however notice of this rating action was not filed on EMMA until August 11, 2015. The Town will work closely with its municipal advisor to ensure timely compliance in the future.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Bonds.

SECTION II – THE ISSUER



Description of the Town

The Town of Plainville covers an area of 9.6 square miles in Hartford County midway between the cities of Bristol and New Britain and 14 miles southwest of Hartford. It is bordered on the west by Bristol, on the north by Farmington, on the east by New Britain, and on the south by Southington.

Plainville, originally part of Farmington, was first settled about 1657 and incorporated as a separate town in July of 1869. The name developed about 1830 from earlier reference to the area as the “Great Plain.” The Town had a population of 1,433 in the first census taken after its incorporation (1870). The industrial history of Plainville dates back to about 1828 following the opening of the Plainville Canal and the early industrial sites located in what is now the business section.

Economy

The Town enjoys a diverse economic base, which includes small, mid-size, and large manufacturers consisting of General Electric, Carlingswitch (an electrical component maker), Gems Sensors and Controls, Mott Corporation, and Connecticut Tool and Manufacturing. Plainville is home to a number of medium and large sized construction firms including Manafort Brothers, Walker Rigging, and Atlantic Pipe Corporation. Tilcon CT, Inc. and Aiudi & Sons, LLC also continue to operate quarries and ancillary facilities in Plainville. The Town purchased Robertson Airport, a general aviation facility that serves private, corporate and charter aircraft. The purchase will ensure continued operations. The Town has entered into an agreement with a Fixed-Based Operator for day-to-day management of the facility. Pan Am Railways continues to provide freight rail service to the community.

During the past fiscal year the Town of Plainville approved or had substantial construction start or finish on a number of new commercial, industrial, and residential projects, including numerous zoning approvals for adaptive re-use of existing, vacant space.

BRE DDR Connecticut Commons LLC, the largest taxpayer in the community, had an assessment of \$46,947,210 on the October 1, 2014 grand list. The retail facility continues to maintain a high occupancy level. Recent development in the immediate area of Connecticut Commons includes a retail bakery, banking, and other miscellaneous retail space. A new convenience center is currently under construction. In addition, there are currently over 22 acres available for development directly across from Connecticut Commons. A new pharmacy location was approved on that acreage, and the recent purchase of 10 acres of this land by an active development firm has renewed optimism that the site will be redeveloped soon. In addition, an approved pad site with a 20,000-square-foot retail facility is currently being marketed in the area. Lowes Theaters and successful area restaurants such as the recently renovated J. Timothy's Tavern and First and Last Tavern continue to add a dimension of entertainment to the area. The recently renovated Fairfield Inn (a Marriott product) includes an Irish pub. A 70,000-square-foot medical office building and 60,000-square-foot cancer center on the Plainville–New Britain town line (Plainville will house the medical office complex) has been completed and is open. This project represents a major step forward for cancer treatment in Central Connecticut. Thirty-eight additional acres of technology park-zoned land remains available and, with recent tax credits enacted by the General Assembly for medical development within this specific area, the potential for future similar development is high. In the same area, Connecticut Self Storage was granted site plan modification approval to add approximately 14,000 square feet to its existing facility.

Limestone Business Park continues to grow with a 14,700 square foot addition completed in 2014. Connecticut Tool and Manufacturing on Corporate Avenue purchased adjacent property and constructed a 16,000-square-foot addition to its manufacturing facility in 2013 and a similar size addition (phase II) completed in 2014. Approval was granted and construction is under way for a landscaping center on Plainville Valley Drive. The plan includes a 4,000-square-foot operation building. GEMS Sensors and Controls on Cowles Road is in the process of putting the finishing touches on a 20,000-square-foot expansion for which it received approval in 2014.

General Electric has opened a new division, General Electric Energy/Industrial Solutions, on Woodford Avenue. Employment numbers are growing and a recently completed solar demonstration project for General Electric designed to market and provide a springboard for GE's advancements in solar and electric automobile technology has been constructed and is fully operational.

The Town of Plainville approved an Enterprise Zone in February 1999 that consists of 200 acres. The Enterprise Zone allows for special tax incentives for manufacturing businesses within its boundaries. All but approximately 50 acres have been developed. In the Enterprise Zone, recent construction includes Allstate Fire Protection, Inc. and Roma Tool, LLC. A recent vacancy created by a failed business has been sold and no vacancies remain. Plainville's Economic Development Director continues to aggressively market vacant properties. The Town is currently in talks with interested parties for occupancy on two key vacant properties including 180,000 square feet of manufacturing space on New Britain Avenue. Recently, an industrial facility with over 186,000 square feet, Neal Court, was purchased by a local development firm and the Town is in talks with several prospective tenants.

Nine zoning applications were approved over the last year allowing new uses to occupy existing, vacant buildings in the Town of Plainville. Six of the nine approved are open and operating while the remaining three are in the process of renovations.

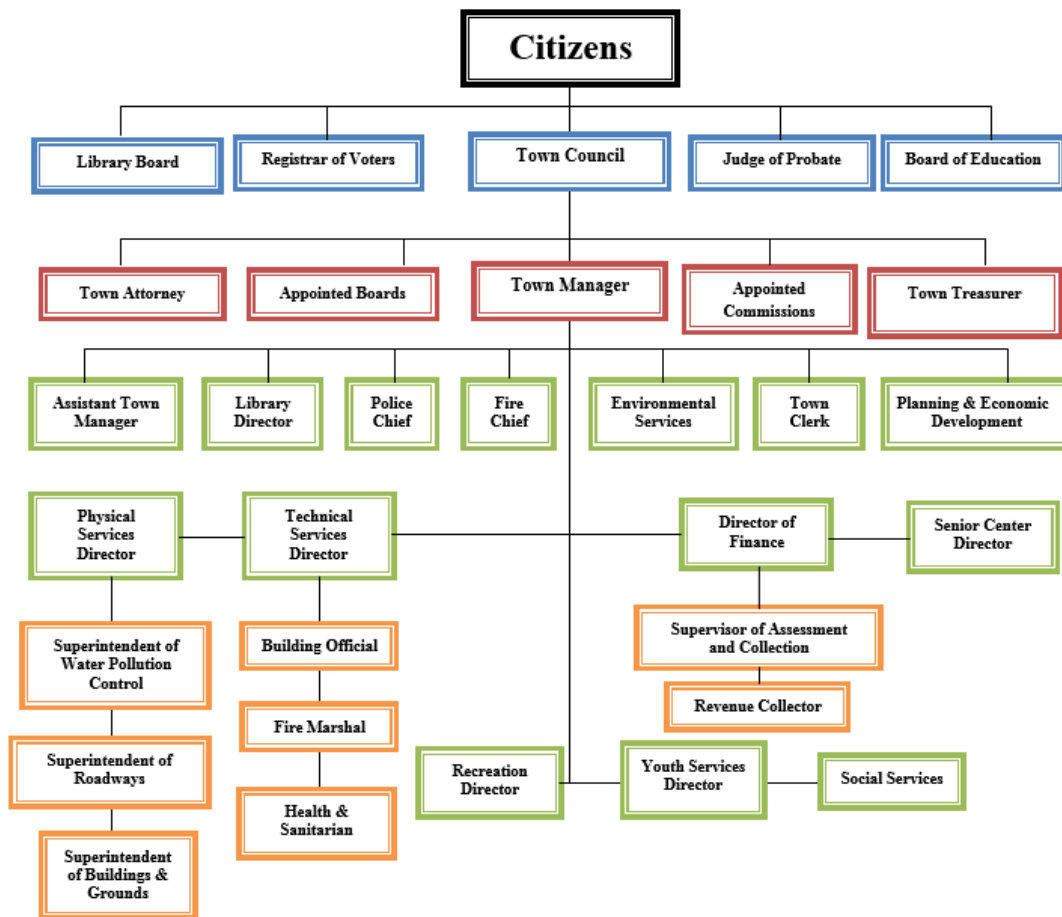
Residential activity remains slow; however, Plainville's reputation as a desirable location to live leaves few existing homes on the market. The result has been a steady rate of sales of new residential units. Most notably, the 116 units under construction at Samuel's Crossing continue to sell at a reasonable pace. Single-family homes built on speculation by local developers continue to sell before completion. While little new development of rental multi-family has occurred (8 units approved), Plainville maintains close to 40% of its housing stock as multi-family and condominium.

Form of Government

Plainville has been governed under the Council–Manager form of government since 1959. Each member of the Town Council, comprising seven members including the Chairman, is elected biennially to serve a two-year term. The Town Manager, appointed by the Town Council for an indefinite term, is the Chief Executive Officer of the Town and serves at the pleasure of the Town Council. The Charter, last revised on November 7, 2006, provides for an advisory question to the all-day budget vote by machine for the adoption of the Annual Town Budget.

The Town Manager is directly responsible to the Town Council for planning, organizing, and directing municipal activities, except for schools and commissions separately elected, or appointed by the Town Council. The Town Manager appoints department heads, sees that laws and ordinances governing the Town are enforced, makes recommendations and reports to the Town Council, prepares the annual report, keeps the Town Council advised on the Town's financial condition, and performs other duties prescribed by Charter, ordinance, or council resolution.

TOWN OF PLAINVILLE ORGANIZATIONAL CHART



Principal Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection/Term</i>	<i>Years of Service</i>
Town Council:			
Chairwoman	Katherine Pugliese	Elected/2 years	7 years
Vice Chairman	Vacant	Elected/2 years	
Member	Christopher J. Wazorko	Elected/2 years	21 years
Member	Rosemary Morante	Elected/2 years	2 years
Member	Deborah Tompkins	Elected/2 years	5 years
Member	Ty Cox	Elected/2 years	1 year
Member	Jesse Gnazzo	Elected/2 years	1 year
Corporation Counsel	Michael Matrianni	Council appointment/2 years	7 years
Treasurer	Duncan May	Council appointment/2 years	7 years
Town Manager	Robert E. Lee	Council appointment/indef.	14 years
Director of Finance	Robert Buden	Manager appointment/indef.	10 years ¹
Assessor	Ann Marie Heering	Manager appointment/indef.	1 year ²
Tax Collector	Ana LeGassey	Manager appointment/indef.	5 years
Superintendent of Schools....	Maureen Brummett	BOE appointment/indef.	7 years

¹ Has twenty years of experience in similar positions.

² Has twenty-four years of experience in similar positions.

Summary of Municipal Services

Police Department: The Plainville Police Department, which is housed in an 18,000-square-foot, state-of-the-art facility, is a self-contained professional law enforcement agency. The full-time staff consists of a chief, one captain, one criminal investigation lieutenant, five patrol sergeants, one detective sergeant, one traffic sergeant, three patrol corporals, 22 patrol officers, five civilian dispatchers, three clerks, and an animal control officer. Part-time employees consist of six school traffic monitors and two assistant animal control officers. The staff is organized into several functional divisions including patrol, criminal investigation, traffic, records administration, and animal control. The animal control officer serves under the direct command of the chief of police and enforces those state laws which pertain to animals. The animal control officer investigates violations at the Town level and provides emergency canine service 24 hours a day.

Emergency Medical Services: Emergency Medical Services has undergone a significant transition in recent years. More sophisticated pre-hospital care has been shown to improve the survivability of patients who encounter the sudden onset of illness or injury. The use of paramedics makes such early intervention possible. Plainville has negotiated a contract for full paramedic and ambulance coverage 24 hours a day, 7 days a week with American Medical Response ("AMR"). The police contact AMR for all 911 ambulance calls and dispatch a police officer, who is designated first responder, to give initial assistance to the sick or injured until relieved by AMR personnel. In addition, all police vehicles are equipped with automatic external defibrillators.

Fire Protection: Citizens and property within the Town are protected from fire by the Plainville Fire Department. The department consists of 75 volunteer members providing on-call fire protection 24 hours per day, 365 days per year. Department members are highly trained individuals with greater than 95% State of Connecticut certified in basic firefighting, greater than 80% certified in advanced firefighting, and greater than 50% certified in specialty training such as officer training, fire service instructor training, emergency medical technician, water rescue, and many other training courses. The department provides all aspects of emergency services, including traditional firefighting services, water and vehicle rescue, hazardous material response, and various support functions.

Department staffing includes a chief, two assistant chiefs, five line officers, one part-time office assistant, a full-time alarm attendant, and several part-time alarm attendants, with all chiefs and officers being volunteers. The alarm attendants provide dispatching services for the department and staff the fire station 24 hours per day, 365 days per year, allowing access to the department by the public. Department members also provide fire prevention services to the public by providing station tours and onsite fire safety education utilizing a fire prevention education trailer.

All fire apparatus is state of the art, meeting national fire protection standards at the time of purchase. Apparatus includes three class A pumpers, one heavy rescue truck, one ladder tower truck, a mini-pumper, two service vehicles, a water

rescue boat, and a fire prevention/command post trailer. Equipment and staff operate from one centrally located station that serves the entire nine square miles of Town with response times that exceed Insurance Services Organization standards.

Departments of Technical and Physical Services: The Departments are responsible for maintenance, cleaning, repair, and construction of public streets, public lots, and storm drainage systems. They are also charged with snow removal and sanding of public streets and parking areas, tree removal, planting and maintaining landscaping within street rights of way, operating the recycling Drop Off Center, and the repair and replacement of public sidewalks. Normal maintenance operations include sweeping the 64.6 miles of Town streets, cleaning 1,900 catch basins, installing and repairing street and road signs, mowing grass along the roadside, and cutting brush.

Building and Grounds: Building and Grounds maintains and services Town buildings and grounds, parks, school grounds, athletic facilities, swimming pools, and vehicles. The Department's activities are based on scheduled maintenance, required repairs, vandalism, community events, requests for improvement, weather, and emergency service. In addition, the Department is responsible for rubbish removal, snow removal and ice control, fertilizing, seeding, shrub trimming, weeding, pruning, and the grooming and lining of athletic fields. Building and Grounds services its own vehicles and equipment as well as those of the Building Inspector, Director of Technical and Physical Services, and Town Manager along with the Recreation Division van, pool vehicles, and Engineering Division van. All vehicles and equipment are monitored, maintained, and serviced under strict emission guidelines.

Engineering: The Engineering Department is responsible for preparing plans and specifications for constructing municipal streets, curbs, sidewalks, gutters, storm, sanitary sewers, and minor renovations to municipal buildings. The Division must coordinate municipal improvements with other departments, public utilities, the State Departments of Transportation and Environmental Protection, and consulting engineering firms. On occasion, Town engineers work with the Police Department, Assessor, Town Clerk, Building Official, the Planning and Zoning Commission, Inland Wetlands Commission, and special commissions and sub-committees on matters not strictly related to engineering design.

Solid Waste Disposal: Recyclable solid waste is collected every other week by private contractors employed by the Town and taken to the Berlin Intermediate Processing Center. Household bulky waste is collected twice a year by contractors hired by the Town. A Drop Off Center processes state mandated recyclable solid waste that is not collected curbside (scrap metal, automotive batteries, waste oil, leaves). These items are properly disposed of at a licensed facility. Once a year, the Drop Off Center collects hazardous materials for proper disposal by a state licensed vendor.

Water Pollution Control: The Water Pollution Control Department processes approximately 2.3 million gallons of wastewater each day with a capacity for 3.7 million gallons per day. Wastewater sludge is properly disposed of at a DEEP-licensed facility. The Connecticut Department of Energy & Environmental Protection checks the facility periodically for proper maintenance and operation. Equipment management, cleanliness, accuracy of records, and effluent water quality discharged into the Pequabuck River are all considered. The Water Pollution Control Department is staffed with a Superintendent, two plant operators, an assistant operator II, three plant operators I, a chemist, an inspector, and a part time secretary-clerk. The 90 miles of the sewer collection system are constantly maintained where each branch and main is flushed and every manhole structure inspected to minimize the number of blockages which would demand immediate attention. The nine pumping stations are inspected three times a week for abnormal mechanical behavior in any of the pumps, motors, compressors, or electrical components.

At referendum held November 7, 2006, the Town approved a \$3,700,000 increase to the prior appropriations and borrowing authorizations totaling \$25,550,000 (bringing the total authorization to \$29,250,000) for improvements to the Town's water pollution control facility and sanitary sewer collection system, including, but not limited to, conversion of the existing wastewater treatment process to a sequencing batch reactor alternative treatment process and renovations and replacements to five of the wastewater collection system pumping stations and force main improvements. Eligible costs of the project have been financed through a combination of user fees, grants, and loans under the State of Connecticut's Clean Water Fund Program. The facility is officially open and operational.

Building Official: The Building Official is responsible for issuing building, sidewalk, and driveway permits and for making inspections as required by the Connecticut Basic Building Code. The Building Code covers all matters concerning construction, maintenance of all buildings and structures, and their service equipment. The Code's intent is: (1) to ensure public safety, health, and welfare insofar as they are affected by building construction, structural strength, adequate egress facilities, sanitary equipment, light and ventilation, and fire safety; and (2) to secure safety for life and property from all hazards incidental to the design, erection, removal, demolition, use, and occupancy of buildings. The Building Official is also responsible for the enforcement of the Town Ordinance No. 20-17 regarding parking of unregistered or inoperable vehicles and other unsightly materials or equipment.

Health and Human Services: Effective July 1, 2011, the Town entered into a regional health district called The Plainville/Southington Health District. The services provided by the District are the same as or more expansive than those provided by the individual Town departments and operate as one. Through the duties of the District Sanitarians, the District is responsible for protecting and promoting the public's health and well-being as well as the environment in which residents live through education and enforcement of the many federal, state, and local laws and regulations. Health inspections and investigations are required in such areas as, but not limited to: public and private water supplies; food preparation and service establishments; sub-surface sewage disposal systems; public bathing and swimming areas; day cares; schools; indoor/outdoor air quality; lead poisoning; public and private housing; hair/nail salons; physical or chemical hazards/spills and investigating all nuisance complaints. The District also has the responsibility to prevent and investigate all communicable diseases and outbreaks; develop and implement successful immunization and health awareness programs and clinics; mosquito, rodent and tick control programs; West Nile Virus and Lyme Disease awareness campaigns; Bio-terrorism related implementations, such as a smallpox mass vaccination clinic and emerging infection programs. The District must also represent the Town in courts of law, regional and state meetings, organizations and other health-related matters.

Youth Services: The Youth Services Bureau coordinates, plans, and develops services for Plainville's youth and their families. The primary goal of the Bureau is to prevent problems such as delinquency, drug and alcohol abuse, and teenage pregnancy. The goal is achieved through a broad range of services that form a continuum of care ranging from prevention to intervention and treatment. The Youth Services Bureau sponsors peer mediation programs in the middle and high schools. The Director also represents the needs of Plainville youth on advisory boards and committees for many youth programs and agencies. The Bureau is continually assessing needs and evaluating programs in order to achieve its goal of developing a coordinated network of services.

Social Services: The Department of Social Services is a clearinghouse of services for those in need. This office provides care assessment, care management, counseling, referral services, and general assistance. The Department's involvement in inter-agency human service networking keeps the Town informed about available state and federal funding and programs.

Recreation Department: The Recreation Department provides both seasonal and year-round activities along with numerous special events to provide constructive use of citizens' leisure time. Programs are designed to meet the social, cultural, educational, physical, and recreational needs of the entire community. Children's programs include baseball, wrestling, softball, soccer and basketball leagues, day camps, swim teams, tennis, indoor soccer, pillow polo, youth/modern dance, a lifeguard training course, ski/snowboard lessons, karate, competitive stroke clinic, pool play, beginner skin diving, diving, pottery camp, toddler time, kidz-r-size, guard start, gymnastics, girls' basketball clinic, IPAP, and golf. Adult programs cover the spectrum of softball and basketball, aqua dynamics, women's fitness, swim instruction, quilting, craft classes, golf clinic, public boating courses, pet first aid, scuba, basketball program, co-ed volleyball, community band, yoga, canine good citizen's program, and dog obedience. In addition, the Town sponsors special events, year-round swimming, and a series of summer concerts in Norton Park. The Department also issues permits to individuals and groups to use Town softball diamonds, picnic facilities, and tennis courts.

Senior Citizens Center: Since 1975 the Plainville Senior Citizens' Center has served as the focal point for services and programs for residents age 60 and older. The primary goal of the Senior Center is to be a clearinghouse for all social service programs designed for senior citizens. The Center accomplishes its goal by providing direct services, disseminating information, making referrals to appropriate agencies, and follow-up. The Center just completed a \$1.4 million renovation/addition funded by a \$1 million State of Connecticut Small Cities grant and local funds.

Heralded as being one of the most active senior centers in the state, the Plainville Senior Center offers numerous activities ranging from health and wellness classes, education, outreach, financial assistance, entitlement counseling, caregivers and family support, physical and mental illness services, meals, insurance assistance, transportation, volunteerism, trips, leisure services, intergenerational programming and more.

The Center provides a variety of programs and services for homebound seniors. The Senior Center Outreach Coordinator offers social service assistance and case management to homebound individuals including information, referral, support and monitoring to aid persons in remaining safe and independent in their homes. Additional homebound services include Friendly Visitors, Friends Bringing Books, Crafts on Wheels, Art Therapy, CareLink, Party Lines, and coordination of special events and projects with local community organizations.

Volunteers are the core of the Senior Center and make many of the programs and services possible. Volunteers are active in many areas including, but not limited to, the computer learning center, PEAK fitness center, fund raising, receptionists, mass mailings, data base management, outreach, homebound meal delivery, senior community café, entertainment, and friendly visiting.

School Enrollments

As of October 1	Grades Pre-K–5	Grades 6–8	Grades 9–12	Total Enrollment
Historical				
2008.....	1,097	580	841	2,518
2009.....	1,100	574	859	2,533
2010.....	1,092	575	790	2,457
2011.....	1,104	547	752	2,403
2012.....	1,078	538	736	2,352
2013.....	1,064	531	723	2,318
2014.....	1,143	538	707	2,388
2015.....	1,100	544	735	2,379
2016.....	1,105	552	721	2,378
2017.....	1,105	552	725	2,382
Projected				
2018.....	1,107	539	753	2,399
2019.....	1,066	542	756	2,364
2020.....	1,059	524	772	2,355

School Facilities

School	Grades	Date of Construction (Remodeled)	Number of Classrooms	Enrollment 10/1/2017	Rated Capacity
Linden Street	Pre-K–5	1924 (1928, 1970, 2006)	27	404	516
Toffolon	K–5	1968 (2010)	27	394	511
Wheeler	K–5	1951 (1954, 1995)	21	307	418
Plainville Middle	6–8	1992	45	552	700
Plainville High	9–12	1956 (1964, 1971, 1973, 2009)	70	725	920
Total			190	2,382	3,065

Municipal Employees

	2017-18	2016-17	2015-16	2014-15	2013-14
General Government	105	113	108	108	108
Board of Education	425	405	407	415	427
Total	530	518	515	523	535

Municipal Employees Bargaining Organizations

Employees	Organization	Number of Employees	Current Contract Expiration Date
General Government			
Police	AFSCME, Local #1706, Council #15	37	6/30/2020
Public Works	AFSCME, Local #1303, Council #4	21	6/30/2019
Municipal and Library	NAGE Local RI-269	21	6/30/2019
Organized		79	
Non-Union		26	
Subtotal		105	
Board of Education			
Principals	Plainville Association of School Administrators	14	6/30/2021
Teachers	Education Association of Plainville, CT	220	6/30/2020
Custodians and Maintenance ...	AFSCME, Local #1303, Council #4	21	6/30/2019
Tutors and Aides	Plainville Paraprof. Association CSEA, Inc. Aff.	92	6/30/2019
Secretaries/Clerks	Office Professionals and Clerks	24	6/30/2019
Nurses	Nurses Agreement	8	6/30/2020
Organized		379	
Non-Union		46	
Subtotal		425	
Total		530	

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

SECTION III – ECONOMIC AND DEMOGRAPHIC DATA SECTION

Population Trends and Densities

Year	Population¹	Percent Change	Density²
2016.....	17,772	0.32	1,851
2010	17,716	2.24	1,845
2000	17,328	-0.37	1,805
1990	17,392	6.04	1,812
1980	16,401	-1.98	1,708
1970	16,733	27.26	1,743
1960	13,149	–	1,370

¹ U.S. Department of Commerce, Bureau of Census, Census of Population for 1960–2016.

² Population per square mile: 9.6 square miles.

Age Distribution of the Population

Age	Town of Plainville		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	1,124	6.3%	188,812	5.3%
5 to 9 years	728	4.1	210,557	5.9%
10 to 14 years	915	5.1	228,543	6.4%
15 to 19 years	1,112	6.3	252,522	7.0%
20 to 24 years	973	5.5	242,007	6.7%
25 to 34 years	2,170	12.2	438,471	12.2%
35 to 44 years	2,554	14.4	439,606	12.3%
45 to 54 years	2,365	13.3	545,977	15.2%
55 to 59 years	1,538	8.7	263,778	7.4%
60 to 64 years	1,319	7.4	223,274	6.2%
65 to 74 years	1,615	9.1	303,959	8.5%
75 to 84 years	975	5.5	163,137	4.5%
85 years and over	384	2.2	87,927	2.5%
Total.....	17,772	100%	3,588,570	100%
Median Age (Years) 2016.....	41.4		40.6	
Median Age (Years) 2010..... ¹	39.6		38.5	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2012-2016

Income Distribution

Income	Town of Plainville		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	186	4.1%	29,623	3.3%
10,000 - 14,999.....	10	0.2	17,060	1.9%
15,000 - 24,999.....	226	4.9	44,354	5.0%
25,000 - 34,999.....	244	5.3	54,456	6.1%
35,000 - 49,999.....	567	12.4	81,300	9.1%
50,000 - 74,999.....	839	18.3	137,336	15.4%
75,000 - 99,999.....	754	16.4	124,033	13.9%
100,000 - 149,999.....	1,222	26.6	186,214	20.8%
150,000 - 199,999.....	312	6.8	96,075	10.7%
200,000 and over.....	226	4.9	123,962	13.9%
Total.....	4,586	100.0%	894,413	100.0%

Source: American Community Survey 2012-2016

Comparative Income Measures

	Town of Plainville	State of Connecticut
Per Capita Income, 2016.....	\$ 32,839	\$ 39,906
Median Family Income, 2016.....	\$ 83,792	\$ 91,274
Median Household Income, 2016.....	\$ 61,907	\$ 71,755

Source: American Community Survey 2012-2016

Educational Attainment (Years of School Completed – Age 25 and Over)

Education	Town of Plainville		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	557	6.0%	103,279	4.2%
9th to 12th grade.....	774	8.4	139,653	5.7
High School graduate.....	4,188	45.3	673,220	27.3
Some college, no degree.....	2,381	25.7	427,232	17.3
Associate's degree	1,239	13.4	184,426	7.5
Bachelor's degree.....	2,318	25.1	524,370	21.3
Graduate or professional degree.....	1,463	15.8	413,949	16.8
Total.....	9,247	100.0%	2,466,129	100.0%
Total high school graduate or higher (%)....	89.7%		90.1%	
Total bachelor's degree or higher (%).....	29.3%		38.0%	

Source: American Community Survey 2012-2016

Labor Force Data

Period	Town of Plainville		Percentage Unemployed		
	Employed	Unemployed	Town of Plainville	Hartford Labor Market	State of Connecticut
July 2018.....	10,234	468	4.4	4.5	4.5
Annual Average					
2017.....	10,066	500	4.7	4.8	4.7
2016.....	9,923	523	5.0	5.3	5.3
2015.....	9,940	548	5.2	5.6	5.6
2014.....	9,616	654	6.4	6.7	6.7
2013.....	9,425	780	7.6	7.8	7.9
2012.....	9,421	832	8.1	8.4	8.3
2011.....	9,514	747	7.9	7.9	8.8
2010.....	9,343	1,006	10.8	9.2	9.0
2009.....	9,436	880	9.3	8.3	8.2
2008.....	9,564	597	6.2	5.8	5.7

Source: State of Connecticut, Department of Labor.

Industry Classification

Sector	Town of Plainville		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	10	0.1%	7,209	0.4%
Construction.....	686	7.2	101,497	5.7
Manufacturing.....	1182	12.3	190,713	10.6
Wholesale trade.....	204	2.1	45,110	2.5
Retail trade.....	1097	11.4	193,853	10.8
Transportation warehousing, and utilities....	279	2.9	66,516	3.7
Information.....	205	2.1	42,374	2.4
Finance, insurance, real estate, and leasing..	845	8.8	163,765	9.1
Professional, scientific, management, administrative, and waste management.....	750	7.8	206,042	11.5
Education, health and social services.....	2,679	27.9	474,976	26.5
Arts, entertainment, recreation, accommodation and food services.....	755	7.9	153,754	8.6
Other services (except public admin.).....	451	4.7	81,588	4.5
Public Administration.....	450	4.7	66,291	3.7
Total Labor Force, Employed.....	9,593	100%	1,793,688	100.0%

Source: American Community Survey 2012-2016

**Major Employers
Full-Time Equivalents
As of August 2018**

		Approximate Number
<i>Employer</i>	<i>Nature of Business</i>	<i>of Employees</i>
Wheeler Clinic, Inc.	Psychiatric center	560
Town of Plainville	Municipality	518
Manafort Construction	Construction/quarry	420
GEMS Sensors	Electronic sensors	335
Tilcon Connecticut, Inc.	Construction/quarry	300
General Electric	Manufacturer	240
CWPM	Waste hauler	200
Mott Corporation	Manufacturer	180
Connecticut Tool & Manufacturing	Manufacturer	155
Carling Technologies, Inc.	Manufacturer	155

Source: Town of Plainville, phone survey.

Commute to Work
(16 years of age and over)

	<i>Town of Plainville</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Drove alone	8,145	87.8%	1,379,406	78.3%
Car pools	667	7.2	143,187	8.1
Used public transportation	50	0.5	85,762	4.9
Walked	136	1.5	51,845	2.9
Used other means	141	1.5	20,266	1.2
Worked at home	137	1.5	81,050	4.6
Total	9,276	100.0%	1,761,516	100.0%

Mean travel to work (minutes)	20.3	25.7
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Source: American Community Survey 2012-2016

Number and Value of Building Permits

Fiscal Year	Residential		Commercial		Industrial/Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2017	662	\$ 3,821,581	396	\$ 7,509,194	-	\$ -	1,058	\$ 11,330,775
2016	1,034	12,672,588	231	4,687,352	9	26,897	1,274	17,386,837
2015	968	15,346,220	195	4,040,277	10	39,169	1,173	19,425,666
2014	914	14,115,507	150	2,961,954	14	51,754	1,078	17,129,215
2013	807	16,998,466	169	3,559,778	14	129,080	990	20,687,324
2012	782	8,251,496	216	2,279,185	16	78,378	1,014	10,609,059
2011	673	7,076,682	234	2,802,544	23	78,456	930	9,957,682
2010	750	8,402,916	175	2,627,501	5	74,500	930	11,104,917
2009	869	9,182,765	120	7,369,548	6	26,633	995	16,578,946
2008	327	6,512,103	100	6,958,934	691	18,773,679	1,118	32,244,716

Source: Town of Plainville, Building Department

Age Distribution of Housing

Year Built	Town of Plainville		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,472	18.3%	334,202	22.4%
1940 to 1969.....	3,094	38.4	533,202	35.7
1970 to 1979.....	1,239	15.4	200,614	13.4
1980 to 1989.....	1,210	15.0	190,755	12.8
1990 to 1999.....	504	6.3	113,584	7.6
2000 or 2009.....	464	5.8	104,308	7.0
2010 or later.....	71	0.9	17,133	1.1
Total	8,054	100.0%	1,493,798	100.0%

Source: American Community Survey 2012-2016

Housing Units by Type of Structure

Housing Units	Town of Plainville		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	4,920	61.1%	882,236	59.1%
1-unit, attached.....	392	4.9	80,639	5.4
2 units.....	463	5.7	123,152	8.2
3 or 4 units.....	847	10.5	130,686	8.7
5 to 9 units.....	601	7.5	82,581	5.5
10 to 19 units.....	354	4.4	56,858	3.8
20 or more units.....	419	5.2	125,758	8.4
Mobile home.....	58	0.7	11,534	0.8
Boat, RV, van, etc.....	-	-	354	0.0
Total Inventory.....	8,054	100.0%	1,493,798	100.0%

Source: American Community Survey 2012-2016

Owner-Occupied Housing Units

Specified Owner-Occupied Units	Town of Plainville		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	135	2.6%	24,343	2.7%
\$50,000 to \$99,000.....	250	4.9	29,703	3.3
\$100,000 to \$149,999.....	821	15.9	81,158	9.0
\$150,000 to \$199,000.....	1,292	25.1	139,979	15.5
\$200,000 to \$299,999.....	1,849	35.9	246,071	27.3
\$300,000 to \$499,999.....	726	14.1	233,345	25.9
\$500,000 to \$999,999.....	35	0.7	104,952	11.7
\$1,000,000 or more.....	42	0.8	40,672	4.5
Total.....	5,150	100.0%	900,223	100.0%
Median Value.....	\$204,000		\$269,300	

Source: American Community Survey 2012-2016

Number and Size of Households

<i>Household Characteristics</i>	<i>Town of Plainville</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Persons in households	17,606	—	3,471,703	—
Persons per household (average)	2.36	—	2.56	—
Persons per family (average)	3.02	—	3.16	—
Family households	4,586	61.5%	894,413	66.0%
Non-family households	2,869	38.5%	460,300	34.0%
All households	7,455	100.0%	1,354,713	100.0%
<i>Family households by type</i>				
Married couple	3,481	75.9%	660,846	73.9%
Female householders, no spouse ...	840	18.3%	173,543	19.4%
Other	265	5.8%	60,024	6.7%
Total family households	4,586	100.0%	894,413	100.0%
<i>Non-family households by type</i>				
Householders living alone	2,479	86.4%	378,927	82.3%
Other	390	13.6%	81,373	17.7%
Total non-family households	2,869	100.0%	460,300	100.0%

Source: American Community Survey 2012-2016

Housing Unit Vacancy Rates

<i>Housing Units</i>	<i>Town of Plainville</i>		<i>State of Connecticut</i>	
	<i>Units</i>	<i>Percent</i>	<i>Units</i>	<i>Percent</i>
Occupied Housing Units	7,455	92.6%	1,354,713	90.7%
Vacant Housing Units	599	7.4%	139,085	9.3%
Total Units	8,054	100.0%	1,493,798	100.0%
Homeowner Vacancy Rate		3.2		1.8
Rental Vacancy Rate		5.2		6.5

Source: American Community Survey 2012-2016

SECTION IV – DEBT SECTION

Debt Summary Pro Forma As of September 14, 2018

Outstanding Bonded Debt ¹

Dated Date	Purpose	Rate	Original Issue	Amount Outstanding	Final Maturity
9/30/2006.....	State of Connecticut Clean Water Fund loan	2.00%	\$ 727,352	\$ 307,557	03/31/26
6/4/2007.....	General purpose refunding, 2007 Series B	3.875–5.00	6,855,000	1,990,000	04/01/21
4/1/2009.....	State of Connecticut Clean Water Fund loan	2.00	2,429,116	1,333,042	10/01/28
3/31/2010.....	State of Connecticut Clean Water Fund loan	2.00	19,066,549	11,150,573	09/30/29
10/28/2010.....	School, 2010 Series A	1.50–4.00	10,700,000	1,070,000	07/15/20
10/28/2010.....	Sewer, 2010 Series A	1.50–4.00	1,300,000	130,000	07/15/20
1/4/2012.....	School, 2012	2.50–4.00	12,535,000	5,080,000	08/15/23
9/15/2015.....	School refunding, 2015	3.00–4.00	5,025,000	4,510,000	04/15/27
8/31/2016.....	School Refunding	2.00–4.00	5,370,000	5,370,000	07/15/30
8/31/2016.....	Sewer Refunding	2.00–4.00	595,000	595,000	07/15/30
Total Bond Outstanding			\$ 64,603,017	\$ 31,536,172	

¹ Excludes Refunded Bonds.

This Issue

9/14/2018.....	General Purpose	<i>tbd</i>	\$ 7,000,000	\$ 7,000,000	9/1/2038
9/14/2018.....	School	<i>tbd</i>	3,000,000	3,000,000	9/1/2038
Total Bond This Issue			10,000,000	10,000,000	
Grand Total			\$ 74,603,017	\$ 41,536,172	

Outstanding Short-Term Debt

As of September 14, 2018, the Town does not have any outstanding short-term debt

Overlapping/Underlying Debt Pro Forma As of September 14, 2018

The Town does not have any overlapping or underlying debt.

**Bonded Debt Maturity Schedule
Pro Forma
As of September 14, 2018**

Fiscal Year Ending	Principal Payments ²	Interest Payments	Total Payments	This Issue	Total Principal	Cumulative Percent of Principal Retired
2019 ¹	\$ 2,156,975	\$ 665,207	\$ 2,822,182	\$ -	\$ 2,156,975	5.19%
2020	4,333,974	809,583	5,143,557	500,000	4,833,974	16.83%
2021	3,870,854	657,204	4,528,058	500,000	4,370,854	27.35%
2022	3,518,175	532,008	4,050,183	500,000	4,018,175	37.03%
2023	2,855,946	436,737	3,292,683	500,000	3,355,946	45.11%
2024	2,869,177	354,205	3,223,382	500,000	3,369,177	53.22%
2025	2,297,877	278,730	2,576,607	500,000	2,797,877	59.95%
2026	2,306,101	215,570	2,521,671	500,000	2,806,101	66.71%
2027	2,297,354	152,560	2,449,914	500,000	2,797,354	73.45%
2028	1,831,623	89,391	1,921,014	500,000	2,331,623	79.06%
2029	1,753,417	47,103	1,800,520	500,000	2,253,417	84.48%
2030	869,698	18,333	888,031	500,000	1,369,698	87.78%
2031	575,000	5,750	580,750	500,000	1,075,000	90.37%
2032	-	-	-	500,000	500,000	91.57%
2033	-	-	-	500,000	500,000	92.78%
2034	-	-	-	500,000	500,000	93.98%
2035	-	-	-	500,000	500,000	95.18%
2036	-	-	-	500,000	500,000	96.39%
2037	-	-	-	500,000	500,000	97.59%
2038	-	-	-	500,000	500,000	98.80%
2039	-	-	-	500,000	500,000	100.00%
Total	\$ 31,536,171	\$ 4,262,381	\$ 35,798,552	\$10,000,000	\$41,536,171	

¹ Excludes \$2,085,553 in principal payments and \$287,723 in interest payments from July 1, 2018 through September 14, 2018.

² Excludes Refunded Bonds.

**THE TOWN OF PLAINVILLE HAS NEVER DEFAULTED IN THE PAYMENT OF ITS
DEBT OBLIGATIONS EITHER AS TO PRINCIPAL OR INTEREST**

**Current Debt Statement
Pro Forma
As of September 14, 2018**

Long-Term Debt Outstanding:

General Purpose (Includes This Issue).....	\$ 8,990,000
Schools (Includes This Issue).....	19,030,000
Sewers	13,516,172
Total Long-Term Debt	\$ 41,536,172
Short-Term Debt	-
Total Direct Debt	\$ 41,536,172
Less: School Construction Grants Receivable (As of June 30, 2018).....	-
Total Net Direct Debt.....	\$ 41,536,172
Underlying Debt.....	-
Total Overall Net Debt.....	\$ 41,536,172

Current Debt Ratios
Pro Forma
As of September 14, 2018

Population, 2016 ¹	17,772
Per capita income, 2016 ¹	\$83,792
Net taxable grand list, 10/1/17	\$ 1,388,895,000
Estimated full value @ 70%	\$ 1,984,135,714
Equalized net grand list (10/1/15) ²	\$ 1,903,145,342

	Total Direct Debt \$41,536,172	Total Net Direct Debt \$41,536,172	Total Overall Direct Debt \$41,536,172
Per capita	\$2,337.17	\$2,337.17	\$2,337.17
To net taxable grand list	2.99%	2.99%	2.99%
To estimated full value	2.09%	2.09%	2.09%
To equalized net grand list	2.18%	2.18%	2.18%
Ratio of debt per capita to per capita income	2.79%	2.79%	2.79%

¹ U.S. Census Bureau, American Community Survey, 2012-2016.

² State of Connecticut, Office of Policy and Management.

Statement of Statutory Debt Limitation
Pro Forma
As of September 14, 2018

Estimated total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2018 ¹	\$ 47,000,000
Reimbursement for revenue loss on Elderly Tax Relief	2,000
Debt Limitation Base	\$ 47,002,000

Debt Limitation by Purpose	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit Funding
2.25 x base	\$ 105,754,500	-	-	-	-
4.50 x base	-	\$ 211,509,000	-	-	-
3.75 x base	-	-	\$ 176,257,500	-	-
3.25 x base	-	-	-	\$ 152,756,500	-
3.00 x base	-	-	-	-	\$ 141,006,000
Total Debt Limitation	\$ 105,754,500	\$ 211,509,000	\$ 176,257,500	\$ 152,756,500	\$ 141,006,000

Less indebtedness:

Bonds Outstanding	\$ 1,990,000	\$ 16,030,000	\$ 13,516,172	\$ -	\$ -
Bonds (This Issue)	7,000,000	3,000,000	-	-	-
Notes	-	-	-	-	-
Bonds authorized but unissued	-	22,260,000	15,761,000	-	-
Total Direct Debt	\$ 8,990,000	\$ 41,290,000	\$ 29,277,172	\$ -	\$ -

Debt limitation in excess of outstanding

and authorized debt	\$ 96,764,500	\$ 170,219,000	\$ 146,980,328	\$ 152,756,500	\$ 141,006,000
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Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$329,014,000

¹ Unaudited.

Authorized but Unissued Debt

Project	Borrowing Authorization	Maturing Notes Due: Due: 9/14/18	Paydowns	New Money	This Issue: The Bonds	Authorized but Unissued Debt
Road Improvements	\$ 5,000,000	\$ 4,000,000	\$ (100,000)	\$ 1,000,000	\$ 4,900,000	\$ -
Wheeler Elementary & H.S. Renovations.....	25,260,000	-	-	3,000,000	3,000,000	22,260,000
Fire Truck Acquisition	2,100,000	-	-	2,100,000	2,100,000	-
2018 Water Pollution Control Facility Imp. ¹ ..	15,761,000	-	-	-	-	15,761,000
Total	\$ 48,121,000	\$ 4,000,000	\$ (100,000)	\$ 6,100,000	\$ 10,000,000	\$ 38,021,000

¹ The Town anticipates issuing an \$8,879,110 Interim Funding Obligation under the State of Connecticut's Clean Water Fund Program in September 2018 to provide temporary financing for the project.

Five-Year Debt Statement Summary (\$ in thousands)

	2017-18	2016-17	2015-16	2014-15	2013-14
Population	17,772	17,772	17,772	17,670	17,670
Net taxable grand list	\$ 1,381,073	\$ 1,378,372	\$ 1,365,356	\$ 1,355,576	\$ 1,400,712
Estimated full value	\$ 1,972,961	\$ 1,969,103	\$ 1,950,509	\$ 1,936,537	\$ 2,001,017
 Bond anticipation notes	 \$ 4,000	 \$ 3,000	 \$ 2,000	 \$ -	 \$ -
Bonded debt	-	26,098	29,241	32,545	36,267
Total overall debt	4,000	29,098	31,241	32,545	36,267
 Less grants receivable	 -	 -	 -	 -	 -
Total overall net debt	\$ 4,000	\$ 29,098	\$ 31,241	\$ 32,545	\$ 36,267

Comparison of Annual Debt Service to General Fund Expenditures

Fiscal Year Ended June 30	Debt Service	Total Expenditures	Debt Service as Ratio to Total Expenditures
2018 ¹	\$ 4,419,367	\$ 59,453,164	7.43%
2017	4,628,644	65,335,573	7.08%
2016	4,487,760	56,504,681	7.94%
2015	4,680,984	60,556,357	7.73%
2014	4,605,719	54,847,316	8.40%
2013	4,581,333	56,230,186	8.15%
2012	5,083,124	56,570,258	8.99%
2011	4,348,624	55,246,571	7.87%
2010	4,474,120	54,427,496	8.22%
2009	4,342,945	54,618,576	7.95%

¹ Unaudited.

Authority to Incur Debt

The Town of Plainville has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by the Town Council or if in an amount in excess of 1% of the annual budget, the voters of the Town at referendum following approval by the Town Council. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

Temporary Financing

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

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

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SECTION V – FINANCIAL SECTION

Taxable Grand List (\$ in thousands)

Grand List 10/1	Residential Real Property Percent	Commercial and Industrial Real Property Percent	Other Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
2017.....	66.5	13.8	0.1	9.0	10.4	\$1,435,129	\$ 46,234	\$ 1,388,895	0.57%
2016 ¹	66.7	14.2	0.1	8.8	10.2	1,422,217	41,144	1,381,073	0.20%
2015.....	61.3	20.4	0.1	8.2	10.0	1,417,742	39,370	1,378,372	0.95%
2014.....	61.6	20.3	0.2	7.9	10.0	1,400,712	35,356	1,365,356	0.72%
2013.....	61.9	20.2	0.2	7.6	10.1	1,392,398	36,822	1,355,576	1.04%
2012.....	62.3	20.7	0.3	6.9	9.8	1,377,719	36,099	1,341,620	0.10%
2011 ¹	62.2	20.8	0.1	7.2	9.7	1,375,497	35,209	1,340,288	-4.32%
2010.....	62.4	19.0	2.8	6.9	8.9	1,437,448	36,666	1,400,782	0.72%
2009.....	63.9	20.1	0.4	7.0	8.6	1,428,961	38,196	1,390,765	0.18%
2008.....	63.4	20.3	1.3	6.3	8.7	1,429,356	41,129	1,388,227	0.27%

¹ Revaluation.

Tax Collections

Fiscal Year	Grand List 10/1	Mill Rate	Adjusted Annual Levy	% of Annual Levy Collected at Fiscal Year-End	% of Annual Levy Uncollected at Fiscal Year-End	% of Annual Levy Collected as of 6/30/18
2019 ¹	2017	33.84	\$ 45,783,957	<i>IN COLLECTION PROCESS</i>		
2018 ¹	2016	32.68	46,400,676	98.4%	1.6%	1.6%
2017	2015	31.99	44,094,368	99.1%	0.9%	0.9%
2016	2014	31.83	42,337,948	98.2%	1.8%	1.8%
2015	2013	31.38	41,430,066	98.2%	1.8%	1.8%
2014	2012	31.38	41,003,953	97.8%	2.2%	2.2%
2013	2011	30.89	40,327,566	97.6%	2.4%	2.4%
2012	2010	28.98	39,526,221	97.5%	2.5%	2.5%
2011	2009	28.01	37,939,148	97.7%	2.3%	2.3%
2010	2008	26.33	35,595,339	97.3%	2.7%	2.7%

¹ Unaudited.

Property Taxes Receivable

Fiscal Year Ended 6/30	Current Year	Total
2018. ¹	\$ 766,115	\$ 2,117,780
2017.....	845,889	2,340,529
2016.....	900,000	2,215,000
2015.....	891,859	2,210,882
2014.....	914,330	2,081,963
2013.....	997,651	2,492,238
2012.....	1,005,119	2,214,934
2011	864,360	1,812,520
2010.....	981,929	2,001,674
2009.....	814,156	1,620,680

¹ Unaudited.

**Major Taxpayers
As of 10/1/17**

Name	Business	Taxable Valuation as of 10/1/17	Percent of Net Taxable Grand List ¹
BRE DDR Connecticut Commons LLC	Investor	\$ 49,626,390	3.57%
Tilcon Connecticut Inc.	Contractors	20,393,950	1.47%
Valley Water Systems	Utility	12,936,460	0.93%
Connecticut Light & Power	Utility	12,287,680	0.88%
DOC 201 North Mountain Road	Investor	9,240,910	0.67%
General Electric Company	Manufacturer	8,008,950	0.58%
Carling Technologies	Contractors	7,967,880	0.57%
Gem Sensors	Manufacturer	7,007,600	0.50%
CT Tool & Manufacturing	Manufacturer	6,967,620	0.50%
Manafort Brothers	Contractors	6,674,870	0.48%
Total		\$ 141,112,310	10.16%

¹ Based on the Net Taxable Grand List of October 1, 2017 of \$1,388,895,000.

Intergovernmental Revenues as a Percent of General Fund Revenues

Fiscal Year Ended June 30	Intergovernmental Revenues	General Fund Revenues	Percent
2018 ¹	\$ 9,840,610	\$ 57,941,191	17.0
2017	19,147,005	64,796,929	29.5
2016	16,214,440	61,995,041	26.2
2015.....	15,660,130	59,578,204	26.3
2014.....	16,527,208	60,083,483	27.5
2013.....	15,895,074	58,926,610	27.0

¹ Budgeted amount. Does not include on behalf payments for teachers' pension.

Comparative Balance Sheets – General Fund

	<i>Estimated</i>					
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Assets						
Cash and cash equivalents	\$ 5,225,199	\$ 7,487,221	\$ 10,530,461	\$ 11,621,258	\$ 12,604,422	\$ 9,779,734
Investments	2,223,751	2,221,250	2,539,014	2,717,495	1,372,471	2,090,847
Accounts and other receivables	4,467,018	3,886,022	4,256,099	4,032,138	3,685,391	4,432,700
Due from other funds	5,480,938	3,620,180	1,807,369	988,606	1,386,033	528,239
Other assets	102,947	46,586	48,562	20,394	13,767	6,369
Total Assets	\$ 17,499,853	\$ 17,261,259	\$ 19,181,505	\$ 19,379,891	\$ 19,062,084	\$ 16,837,889
Liabilities						
Accounts payable and accrued expenses	\$ 4,538,265	\$ 951,942	\$ 706,505	\$ 1,493,154	\$ 431,631	\$ 561,667
Due to other governments	-	25,247	48,257	40,844	32,370	39,569
Due to other funds	-	2,156,890	4,317,678	3,506,707	3,799,938	6,121,040
Deferred revenue	-	-	-	-	2,763,649	3,317,284
Total Liabilities	\$ 4,538,265	\$ 3,134,079	\$ 5,072,440	\$ 5,040,705	\$ 7,027,588	\$ 10,039,560
Deferred Inflow of Resources						
Unavailable Revenue	\$ 3,342,448	\$ 3,326,349	\$ 3,200,434	\$ 3,221,262	\$ -	\$ -
Advance Property Tax Collections	-	-	-	61,581	-	-
Total Deferred Inflow of Resources	\$ 3,342,448	\$ 3,326,349	\$ 3,200,434	\$ 3,282,843	\$ -	\$ -
Fund Balance						
Nonspendable.....	102,947	46,586	48,562	20,394	13,767	6,369
Restricted.....	-	-	-	-	-	-
Committed.....	-	383,869	198,387	147,710	147,672	171,666
Assigned.....	1,000,000	766,080	1,173,970	445,166	707,402	757,006
Unassigned.....	8,516,193	9,604,296	9,487,712	10,443,073	11,165,655	5,863,288
Total Fund Balance	\$ 9,619,140	\$ 10,800,831	\$ 10,908,631	\$ 11,056,343	\$ 12,034,496	\$ 6,798,329
Total Liabilities and Fund Balance and Deferred Inflow of Resources	\$ 17,499,853	\$ 17,261,259	\$ 19,181,505	\$ 19,379,891	\$ 19,062,084	\$ 16,837,889
Analysis of General Fund Balance						
Operating revenues	\$ 58,541,191	\$ 64,796,929	\$ 61,995,041	\$ 59,578,204	\$ 60,083,483	\$ 58,926,610
Fund balance as percent of operating revenues	16.43	16.67	17.60	18.56	20.03	11.54
Unassigned/Undesignated fund balance as percent of operating revenues	14.55	14.82	15.30	17.53	18.58	9.95

General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2014 through 2017 have been derived from audited financial statements. The adopted budget for fiscal year ended June 30, 2019 and the estimated actual for fiscal year June 30, 2018 are provided by the Town. The Town's independent accountants have not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assume no responsibility for them. The financial information presented herein is the responsibility of the Town of Plainville's management (Appendix A – "Audited Financial Statements" was taken from the Annual Financial Report of the Town of Plainville for the Fiscal Year ended June 30, 2017).

	Adopted Budget 2018-19	Estimated Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Revenues						
Property taxation	\$ 47,039,457	\$ 47,225,053	\$ 44,698,272	\$ 44,113,227	\$ 42,676,572	\$ 42,459,637
Licenses, fees and charges	553,400	784,729	893,781	1,562,958	841,622	834,431
Intergovernmental	11,233,458	9,840,610	19,147,005	16,214,440	15,660,130	16,527,208
Investment income	30,500	32,108	27,590	59,355	32,887	32,084
Other revenue	359,496	658,691	30,281	45,061	366,993	230,123
Total revenues	\$ 59,216,311	\$ 58,541,191	\$ 64,796,929	\$ 61,995,041	\$ 59,578,204	\$ 60,083,483
Expenditures						
General government	\$ 2,506,769	\$ 2,522,393	\$ 2,300,324	\$ 2,190,220	\$ 2,598,998	\$ 2,014,186
Public safety	4,698,220	4,894,019	4,697,054	4,575,293	4,136,929	4,055,095
Public works	4,140,078	4,454,553	3,907,566	4,321,676	4,026,473	3,889,464
Health & Human Services	1,730,045	1,699,113	1,671,821	1,712,035	1,645,637	1,682,086
Culture and recreation	156,755	157,218	146,900	147,672	143,945	140,133
Education	37,322,912	35,203,099	42,596,035	38,395,769	37,599,680	37,928,248
Other expenditures	3,539,666	3,158,538	3,271,255	3,459,339	3,208,470	3,173,531
Debt service	4,400,000	4,419,367	4,628,644	4,626,826	4,680,984	4,605,719
Total expenditures	\$ 58,494,445	\$ 56,508,300	\$ 63,219,599	\$ 59,428,830	\$ 58,041,116	\$ 57,488,462
Excess (deficiency) of revenues over expenditures	721,866	2,032,891	1,577,330	2,566,211	1,537,088	2,595,021
Other financing sources (uses):						
Refunding Bonds Issued	-	-	5,965,000	5,025,000	-	-
Payment to Escrow Agent	-	-	(6,690,265)	(5,361,417)	-	-
Premium on Refunding Bonds	-	-	826,721	445,977	-	-
Operating Transfers In	839,747	330,282	329,388	320,221	305,670	4,987,858
Operating Transfers Out	(1,561,613)	(2,944,864)	(2,115,974)	(3,143,704)	(2,820,911)	(2,346,712)
Total other financing sources (uses)	\$ (721,866)	\$ (2,614,582)	\$ (1,685,130)	\$ (2,713,923)	\$ (2,515,241)	\$ 2,641,146
Excess (deficiency) of revenues and other sources (uses) over (under) expenditures and other financing uses	-	(581,691)	(107,800)	(147,712)	(978,153)	5,236,167
Fund balance, beginning	10,219,140	10,800,831	10,908,631	11,056,343	12,034,496	6,798,329
Fund balance, ending	\$ 10,219,140	\$ 10,219,140	\$ 10,800,831	\$ 10,908,631	\$ 11,056,343	\$ 12,034,496

Connecticut General Statutes section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the Statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's

population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the Statute and if so the amount by which the cap was exceeded. The 2017-2019 biennium budget legislation does not provide funding for the municipal revenue sharing grant in the fiscal years ending June 30, 2018 and June 30, 2019, but provides that such funding will resume following July 1, 2019.

See "Tax Collections" herein.

Five-Year Capital Improvement Plan

<i>Sources of Funds</i>	<i>2017-18</i>	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>Total</i>
General Fund	\$ 1,100,000	\$ 800,000	\$ 3,650,946	\$ 2,236,340	\$ 2,056,340	\$ 9,843,626
Capital Funds	105,378	-	-	-	-	105,378
Grants	1,000,000	-	-	-	-	1,000,000
<i>Total Sources</i>	\$ 2,205,378	\$ 800,000	\$ 3,650,946	\$ 2,236,340	\$ 2,056,340	\$ 10,949,004
<i>Uses of Funds</i>						
General Government	\$ 89,435	\$ 40,800	\$ 240,800	\$ 230,000	\$ 230,000	\$ 831,035
Economic Development	20,000	50,000	-	-	-	70,000
Public Safety	578,893	451,300	893,360	736,340	763,340	3,423,233
Public Works	1,130,000	26,000	1,614,500	1,149,000	688,000	4,607,500
Human Services	-	7,000	12,000	8,000	-	27,000
Schools	387,050	224,900	890,286	113,000	375,000	1,990,236
<i>Total Uses</i>	\$ 2,205,378	\$ 800,000	\$ 3,650,946	\$ 2,236,340	\$ 2,056,340	\$ 10,949,004

Annual Audit

The Town of Plainville, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The annual audits are conducted in compliance with Public Act 77-611 and contain the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations.

Pension Plans

The Town of Plainville is the administrator of two single-employer public employee retirement systems ("PERS") established by the Town Council to provide pension benefits for Town employees. The Town of Plainville Municipal Employees' Pension System covers all Town employees and non-certified members of the Board of Education. The Town provides all employee retirement benefits through a single-employer contributory defined benefit plan. The Town of Plainville Police Pension System covers all police employees. The Town provides retirement, death and disability benefits through a single-employer contributory defined benefit plan. All certified Board of Education employees participate in the State of Connecticut Teachers' Retirement System administered by the State Teachers' Retirement Board. The Town does not have any liability for teacher pensions.

The Town of Plainville has received actuarial valuations prepared as of July 1, 2017 for the Municipal Employees' Pension System and for the Police Pension System. The Town anticipates receiving actuarial valuations prepared as of July 1, 2018 for the Municipal Employees' Pension System and the Police Pension System in November 2018, respectively.

The July 1, 2016 actuarial valuations were prepared using the following actuarial assumptions, among others:

	<u>Municipal</u>	<u>Police</u>
Inflation	2.75%	2.75%
Salary Increase	4.0%, including inflation	4.0%, including inflation
Investment Rate of Return	7.65%	7.65%
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining Amortization		
Period as of 07-01-2015	25 Years	30 Years

Schedule of Funding Progress

Municipal

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Funded/(Unfunded) Actuarial Accrued Liability ("UAAL")	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2017.....	\$ 13,041,345	\$ 15,144,789	\$ (2,103,444)	86.1%	\$ 1,391,927	(151.1%)
7/1/2016.....	12,768,003	15,040,252	(2,272,249)	84.9%	1,418,186	(160.2%)
7/1/2015.....	12,506,877	14,763,103	(2,256,226)	84.7%	1,546,978	(145.8%)
7/1/2014.....	11,996,208	14,412,296	(2,416,088)	83.2%	1,364,784	(177.0%)
7/1/2013.....	11,098,568	13,919,420	(2,820,852)	79.7%	1,364,785	(206.7%)
7/1/2012.....	10,196,739	13,824,969	(3,628,230)	73.8%	1,699,817	(213.4%)

Police

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Funded/(Unfunded) Actuarial Accrued Liability ("UAAL")	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2017.....	\$ 14,888,099	\$ 17,056,411	\$ (2,168,312)	87.3%	\$ 2,683,553	(80.8%)
7/1/2016.....	14,339,389	16,591,568	(2,252,179)	86.4%	2,320,061	(97.1%)
7/1/2015.....	13,778,286	15,885,211	(2,106,925)	86.7%	2,328,738	(90.5%)
7/1/2014.....	13,062,565	15,297,810	(2,235,245)	85.4%	1,667,989	(134.0%)
7/1/2013.....	12,006,054	14,680,751	(2,674,697)	81.8%	1,667,990	(160.4%)
7/1/2012.....	11,167,268	14,252,421	(3,085,153)	78.4%	1,617,441	(190.7%)

Schedule of Employer Contributions and Trend Information

Municipal				
Fiscal Year Ending	Annual	Actual Contribution	Percentage Contributed	Net
	Required Contribution			Pension Liability³
6/30/2018 ¹	\$ 396,781	\$ 396,781	100%	N/A
6/30/2017	394,585	394,585	100	\$ 2,798,376
6/30/2016	385,000	388,078	101	3,427,761
6/30/2015	379,054	414,054	109	2,816,036
6/30/2014	421,309	461,309	109	2,269,356
6/30/2013	527,722	527,722	100	N/A

¹ Budgeted.

² Net Pension Liability did not start being computed until fiscal year 2014.

Police				
Fiscal Year Ending	Annual	Actual Contribution	Percentage Contributed	Net
	Required Contribution			Pension Liability²
6/30/2018 ¹	\$ 520,370	\$ 520,370	100%	N/A
6/30/2017	497,420	497,420	100	\$ 2,832,613
6/30/2016	491,310	486,658	99	3,299,015
6/30/2015	451,397	511,310	113	2,183,567
6/30/2014	438,012	511,310	117	1,612,285
6/30/2013	464,826	464,826	100	N/A

¹ Budgeted.

² Net Pension Liability did not start being computed until fiscal year 2014.

GASB 67 Disclosure

Governmental Accounting Standards Board Statement No. 67 ("GASB 67") requires a determination of the Total Pension Liability ("TPL") for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability ("NPL") is then set equal to the TPL minus the plan's Fiduciary Net Position ("FNP") which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate ("SEIR"). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The Town of Plainville has received reports prepared as of June 30, 2017 containing information to assist the Town in meeting the requirements of GASB 67. These reports indicated the following results as of June 30, 2017 in accordance with GASB 67:

	<u>Municipal</u>	<u>Police</u>
Total Pension Liability	\$15,699,697	\$17,565,505
Fiduciary Net Position	\$12,901,321	\$14,732,892
Net Pension Liability	\$2,798,376	\$2,832,613
Ratio of Fiduciary Net Position to Total Pension Liability	82.18%	83.87%

The report for the Town Employees Retirement Plan as of June 30, 2017 used its long term investment rate of 7.65% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also

requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used, which would decrease the NPL to \$1,601,932, or increase the NPL to \$4,160,754, respectively.

The report for the Police Pension System as of June 30, 2017 used its long term investment rate of 7.65% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used, which would decrease the NPL to \$1,133,781, or increase the NPL to \$4,865,833, respectively.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 10” herein for information regarding pension plans.

Other Post-Employment Benefits

The Town provides post-retirement health care benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The Town of Plainville provides health insurance coverage for retired police officers under Town Council authority as negotiated under union contract. Other town retirees can buy into this health insurance at 100% of the Town’s cost, which may result in an implicit subsidy liability. The Town funds this benefit on a pay-as-you-go basis. It contributes 100% of the cost of this coverage for officers who retired by May 4, 1993 and 85% of the cost for officers who retired after that date until they reach their sixty-fifth birthday.

The Town’s annual other post-employment benefit (“OPEB”) cost is calculated based on the annual required contribution (“ARC”), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (“GASB”) Statements 43 and 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. As of June 30, 2017, (July 1, 2016 valuation) the Town had an unfunded OPEB accrued actuarial liability of \$15,503,060.

The July 1, 2016 actuarial valuations were prepared using the following actuarial assumptions, among others:

Inflation	3.0%
Salary Increase	4.0%, average, including inflation
Healthcare Cost Trend	Ultimate rate of 5.0%
Investment Rate of Return	4.0%
Actuarial Cost Method	Projected Unit cost
Amortization Method	30 years, level dollar, open
Remaining Amortization Period as of 06-30-2015	25 Years

Schedule of OPEB Funding Status

Actuarial Valuation Date	Actuarial Value Of Assets	Acturaial Accrued Liability (AAL)	(Unfunded) AAL	Percentage Funded	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2016	\$ -	\$ 11,844,271	\$ (11,844,271)	0.0%	\$ 28,807,742	-41%
7/1/2014	-	12,117,589	(12,117,589)	0.0%	27,804,558	-44%
7/1/2012	-	15,503,060	(15,503,060)	0.0%	24,578,387	-63%
7/1/2010	-	16,375,827	(16,375,827)	0.0%	28,220,359	-58%
7/1/2008	-	12,696,391	(12,696,391)	0.0%	28,485,925	-45%

Schedule of Employer Contributions

<i>Fiscal Year Ended</i>	<i>Annual OPEB Cost (AOC)</i>	<i>Actual Contribution</i>	<i>% of AOC Contributed</i>	<i>Net OPEB Obligation</i>
6/30/2017	\$ 1,132,495	\$ 21,957	2%	\$ 11,937,941
6/30/2016	1,124,788	105,387	9%	10,827,403
6/30/2015	1,435,392	74,424	5%	9,808,002
6/30/2014	1,426,602	295,153	21%	8,447,034

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 11” herein for information regarding other post-employment benefits.

Investment Practices

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Basis of Accounting

The Town’s accounting policies are summarized in Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 1.”

Budget Adoption Procedure

No later than the second Monday in March the Town Manager presents to the Town Council a budget consisting of:

- a) a budget message outlining the financial policy of the Town and describing in connection therewith the important features of the budget plan;
- b) estimates of revenue;
- c) itemized estimates of expenditures and the Town Manager’s recommendation of the amount to be appropriated for the ensuing fiscal year for all items. The Chairman of the Board of Education has the same duties and follows the same form and procedure with respect to the budget of the Board of Education as provided in the Town Charter for departmental estimates; and
- d) a presentation by the Town Manager of a program for proposed capital projects for the ensuing fiscal year and for the four fiscal years thereafter. The Town Manager recommends to the Town Council those projects to be undertaken during the ensuing fiscal year and the method of financing the same.

The Town Council holds one or more public hearings not later than thirty (30) days before the annual budget meeting at which any elector or taxpayer has the opportunity to be heard regarding appropriations for the ensuing fiscal year. Following the receipt of the estimates from the Town Manager and the Chairman of the Board of Education and the holding of such public hearing or hearings, the Town Council prepares a budget and renders the same to the annual budget meeting

of the Town held on the third Tuesday of April. Modifications to the budget are adopted by a majority vote of those attending and entitled to vote. Should the Town Meeting fail to adopt a budget, the budget presented at the third meeting will be the budget deemed finally adopted.

Within ten days after the annual budget meeting, the Town Council fixes the tax rate in mills which is levied on the taxable property in the Town for the ensuing fiscal year. Upon approval of the Town Meeting, the Town Council may levy annually at the same time as the regular annual taxes for Town expenses are levied a tax not to exceed two mills to be assessed upon the taxable property of the Town for the benefit of a "Capital and Non-Recurring Expenditures Fund" to be used solely to pay the cost of capital improvements for which the Town is authorized to issue bonds. The Town Council is empowered to transfer to this fund any portion of the general fund cash surplus not otherwise appropriated. Appropriations for construction or for other permanent improvements, from whatever source derived, do not lapse until the purpose for which the appropriation was made is accomplished or abandoned, provided that any project is deemed to have been abandoned if after three fiscal years, there has been no expenditure from or encumbrance of the appropriation.

Insurance Coverage

The Town of Plainville has an Insurance Commission that is responsible for a number of functions important to the operation of municipal government. Established by ordinance, the Commission's duties include providing all Town agencies with proper coverage as necessary to protect the Town against damage or loss of property; preparation of an annual budget for payments of insurance premiums; selecting an Agent of Record; and going out to bid insurance periodically so the Town may benefit by obtaining good quality, low-cost insurance issued by a competent insurance company.

Coverage includes almost every type of insurance available from employer's group coverage, worker's compensation, vehicle fleet, liability, fire and casualty, and contractor's liability and performance bonds. In order to keep premiums low, the Town carries deductibles of \$25,000 and has deleted collision coverage on vehicles. Plainville has also established programs through its Safety Coordinating Committee to look into its claims and control exposure.

Beginning in 1988, the Plainville Town Council adopted an ordinance establishing a Self-Insurance Trust Fund. The fund was established for the purpose of funding uninsurable liabilities, deductibles, and such other liabilities as the Insurance Commission deems in the best interest of the Town to self-insure.

Assessment Practices

The Town completed its last statistical revaluation in 2016. The Town's next revaluation is scheduled for the assessment year commencing October 1, 2021. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than ten years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review.

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

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

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

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

1 assessment date, but before the following July. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

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

Tax Levy and Collection

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate and personal property tax bills are payable in two installments – July 1 and January 1. Real estate and personal property taxes of less than \$100 and motor vehicle taxes are due in one installment in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the anticipated property tax revenue from the current levy downward by use of an allowance for uncollected taxes. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent notices are mailed twice a year, and interest is charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. After research and three years have passed, delinquent motor vehicle and personal property accounts are transferred to a suspense account at which time they cease to be carried as receivables.

Motor Vehicle Property Tax Cap: Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The State of Connecticut's 2017-2019 biennium budget legislation amended that statute to provide that (1) for the assessment year October 1, 2016 (the fiscal year ending June 30, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the fiscal year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps.

For the fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013 (the fiscal year ending June 30, 2015), and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 39 mills. For the fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills. The Town's mill rate for motor vehicles for the assessment year October 1, 2017 (the fiscal year ending June 30, 2019) is 33.84 mills.

VI – ADDITIONAL INFORMATION

Litigation

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

Documents Furnished at Delivery

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town, signed by the Town Manager and the Town Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. The Town of Plainville has prepared an Official Statement for the Bonds which is dated September __, 2018. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder(s) of the Bonds twenty-five (25) copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder(s) at the office of the Town's municipal advisor no later than seven business days of the bid opening. If the Town's municipal advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Securities. The purchasers shall arrange with the municipal advisor the method of delivery of the copies of the Official Statement to the purchasers.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at offices of U.S. Bank National Association, and may be examined upon reasonable request.

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Concluding Statement

This Official Statement is submitted only in connection with the sale of the Bonds by the Town of Plainville, Connecticut and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

TOWN OF PLAINVILLE, CONNECTICUT

By: _____
ROBERT E. LEE, *Town Manager*

By: _____
DUNCAN W. MAY, *Treasurer*

Dated: September ___, 2018

Appendix A

2017 Financial Statements Excerpted from the Town's Annual Financial Report

The following includes the General Purpose Financial Statements of the Town of Plainville, Connecticut for the fiscal year ended June 30, 2017. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry Bernabe, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110

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Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Town Council
Town of Plainville, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plainville, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Plainville, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plainville, Connecticut, as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As discussed in Note 10 to the financial statements, during the fiscal year ended June 30, 2017, the Town adopted new accounting guidance, GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparison information on pages 58 through 62 and the pension schedules on pages 63 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Town of Plainville, Connecticut, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated February 14, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2016 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2018 on our consideration of the Town of Plainville, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plainville, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plainville, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
January 25, 2018

TOWN OF PLAINVILLE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

This discussion and analysis of the Town of Plainville, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2017. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net position of our governmental activities decreased by almost \$2.4 million, or 2.44% (Table 1).
- During the year, the Town had expenses that were \$2.4 million more than the \$76.7 million generated in tax and other revenues for governmental programs, up from \$75.8 million last year (Table 2).
- Total cost of all of the Town's programs was \$79.1 million, up from \$73.9 million last year (Table 2).
- The General Fund reported a fund balance this year of \$10.80 million, down from \$10.91 million last year (Exhibit III).
- The resources actually available for appropriation were \$21 thousand more than budgeted for the General Fund (RSI-1), essentially flat and on budget. Expenditures were kept within spending limits and came in under budget by \$752 thousand (RSI-2).

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Government-Wide Financial Analysis

The Town's governmental net position were decreased by 2.44% from a year ago decreasing from \$97.5 million to \$95.2 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

TABLE 1
NET POSITION

	Governmental Activities	
	2017	2016
Current assets	\$ 27,133,858	\$ 29,530,651
Capital assets, net of accumulated depreciation	132,659,322	136,403,309
Total assets	<u>159,793,180</u>	<u>165,933,960</u>
Deferred outflow of resources	<u>2,094,954</u>	<u>3,223,326</u>
Long-term liabilities outstanding	60,978,714	65,457,920
Other liabilities	5,463,563	5,830,347
Total liabilities	<u>66,442,277</u>	<u>71,288,267</u>
Deferred inflow of resources	<u>273,042</u>	<u>319,294</u>
Net Position:		
Net investment in capital assets	90,253,367	90,129,040
Restricted	1,329,788	1,266,567
Unrestricted	<u>3,589,660</u>	<u>6,154,118</u>
Total Net Position	<u>\$ 95,172,815</u>	<u>\$ 97,549,725</u>

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased by \$2.6 million from \$6.15 million at June 30, 2016 to \$3.59 million at June 30, 2017.

TABLE 2
CHANGE IN NET POSITION

	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 4,961,871	\$ 5,093,881
Operating grants and contributions	23,990,017	22,575,898
Capital grants and contributions	1,877,830	2,014,461
General revenues:		
Property taxes	45,028,301	44,368,707
Grants and contributions not restricted to specific programs	481,879	502,072
Unrestricted investment earnings	112,402	84,889
Other general revenues	235,843	1,143,034
Total revenues	<u>76,688,143</u>	<u>75,782,942</u>
Expenses:		
General government	3,647,567	3,823,545
Public safety	7,759,760	7,761,957
Public works	9,307,244	9,357,385
Human services	1,889,365	1,950,941
Culture and recreation	970,255	1,402,746
Education	54,352,855	48,021,884
Interest on long-term debt	1,138,007	1,585,823
Total expenses	<u>79,065,053</u>	<u>73,904,281</u>
Change in Net Position	(2,376,910)	1,878,661
Beginning Net Position	<u>97,549,725</u>	<u>95,671,064</u>
Ending Net Position	<u>\$ 95,172,815</u>	<u>\$ 97,549,725</u>

The Town's total revenues for 2017 were \$76.7 million. The total cost of all programs and services was \$79.1 million. Our analysis below separately considers the operations of governmental activities.

Governmental Activities

Revenues increased, from the prior year with increases in operating grants and property taxes. This increase is a reflection of receiving operating grants in 2017 that we did not have in 2016. Current year and back tax collections came in higher than anticipated due to tax sales and aggressive collection efforts.

Education expenses increased \$6.3 million while all other expenses decreased \$1.1 million netting the overall expense increase to \$5.2 million. Table 3 presents the cost of each of the Town's six largest programs - education, public works, public safety, general government, interest on long-term debt, and a generic all others - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Education	\$ 54,352,855	\$ 48,021,884	\$ 30,776,469	\$ 27,520,437
Public works	9,307,244	9,357,385	4,801,521	4,226,075
Public safety	7,759,760	7,761,957	7,400,391	7,242,266
General government	3,647,567	3,823,545	1,549,920	689,932
Interest on long-term debt	1,138,007	1,585,823	1,138,007	1,585,823
All others	2,859,620	3,353,687	2,569,027	2,955,508
Total	<u>\$ 79,065,053</u>	<u>\$ 73,904,281</u>	<u>\$ 48,235,335</u>	<u>\$ 44,220,041</u>

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$17.4 million, which is a decrease from last year's total of \$18.6 million. The primary reason for the decrease is the Town's additional appropriations and capital projects expenditures used to reconstruct several roads and bridges in Town. Significant changes by fund type are listed below.

General Fund:

1. For the 2017 budget, \$470,059 was budgeted as a revenue source from the fund balance but not used.
2. \$658,255 of additional appropriations were approved during FY 2017. This comes directly out of fund balance and is the primary reason for the General Fund loss in FY 2017.
3. Building permits revenue came in lower than budgeted, all property tax line items continue to come in higher than budgeted through aggressive collection efforts, State of CT revenue came in lower than budgeted due to State of CT cutbacks, and conveyance taxes came in higher than budgeted due to more sales of properties.
4. Expenditures are kept close to budget with some savings seen in the Police, Buildings & Grounds, and Solid Waste Departments. We also continue to lower our Municipal Building maintenance costs through conservation measures, better bidding, and energy reducing technologies.

Sewer Operating Fund:

1. The Sewer Operating fund showed a gain of \$251 thousand as budgeted during FY 2017. This was primarily due to rate increases put in place to offset and/or minimize operating losses and known future expense increases. Rates will continue to increase slightly each year with the hopes of increasing fund balance to help with known future expense increases for phosphorus removal.

Capital Projects Fund:

1. The Capital Projects fund showed a loss of \$1.9 million. This was due primarily to the Town road bond project, various park improvement projects, the demolition of an old elementary school, and the beginning of the phosphorus removal project.

Proprietary Funds

The internal service funds unrestricted net position decreased to (\$746,621) due to higher than expected claims and lower operating revenue. The Town Council has already begun to appropriate funds to increase the net position of the internal service funds. Changes in health care funding is also beginning.

General Fund Expenditure Budget Highlights

General Government - there was an overall positive variance of \$52,168 after year-end transfers.

Public Safety - there was an overall positive variance of \$124,860 after year-end transfers.

Public Works - there was a positive variance of \$305,864 primarily due to lower fuel costs, and better utility cost budgeting as a whole.

Human Services - there was a positive variance of \$80,148 all due to a reduction in solid waste disposal costs.

Education - finished the year returning \$100,000 of their budget to the General Fund.

The Town's General Fund balance of \$10.8 million reported on Exhibit III differs from the General Fund's budgetary fund balance reported in the budgetary comparison in the required supplementary information. This is principally because budgetary fund balance includes \$566 thousand of outstanding encumbrances at year-end, which are reported as expenditures for budgetary purposes.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2017, the Town had \$132.7 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines – Table 4. This amount represents a net decrease (including additions and deductions) of \$3.7 million, or 2.74%, less than last year.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities	
	2017	2016
Land	\$ 7,074,014	\$ 6,187,769
Buildings	105,340,530	110,772,365
Improvements other than buildings	9,871	10,470
Furniture and equipment	3,229,370	3,611,423
Infrastructure	16,552,397	14,482,941
Construction in progress	453,140	1,338,341
Total	<u>\$ 132,659,322</u>	<u>\$ 136,403,309</u>

This year's major additions included:

The Town is three years into a five-year road improvement project. This project will resurface/reconstruct numerous roads throughout the Town, dramatically improving our infrastructure. The Town has also started the phosphorus removal project at the Water Pollution Control Facility. This project will ensure the Town is in compliance with a Federal EPA mandate to remove higher levels of phosphorus from wastewater. Plainville is one of thirteen towns in the State of CT that was hit with this mandate.

The Town's fiscal year 2017 - 2018 capital budget calls for it to spend \$1.82 million for public safety and public works equipment, educational technology and school improvements. Included in this amount is a pavement restoration project on Northwest Drive funded by a State of CT grant for \$1 million.

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

Long-Term Debt

At June 30, 2017, the Town had \$24.295 million in bonds and notes outstanding versus \$27.975 million last year - a decrease of 13.15% - as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT, AT YEAR-END**

	Governmental Activities	
	2017	2016
General Obligation Bonds (Backed by the Town)	\$ <u>24,295,000</u>	\$ <u>27,975,000</u>

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

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

Economic Factors and Next Year's Budgets and Rates

The Towns elected and appointed officials considered many factors when setting the fiscal year 2018 budget and tax rate. One of those factors is the economy and the community's ability to pay for municipal services. The Town's labor force stood at 10,716 for June 2017. Unemployment decreased to 5.0% compared to 5.4% for June 2016. However, these rates continue to decrease significantly from the June 2013 numbers of 7.7% for Plainville. Unemployment is expected to fluctuate in the near term however; the Town's commercial and industrial tax based remains solid.

The consumer price index for June 2017 was 1.6% compared to 1.0% for June 2016 and 0.1% for June 2015. The Town has been active in dealing with a downtown improvement program, tax abatement program, an Enterprise Zone program, and a loan/grant program. These programs have helped bring new business into the community and retained existing businesses.

These are just some of the indicators taken into account when adopting the current General Fund Budget for 2017 - 2018. Amounts available for appropriations in the General Fund are \$58,525,194, an increase of 1.53% over the adopted 2017 budget of \$57,642,463. These increases will be used to maintain current levels of services, keep the existing labor force intact, and provide for needed capital improvements. Budgeted expenditures equal budgeted revenues in order to have a balanced budget. The Town did budget a nominal amount of fund balance of \$200,000 use for the 2017 - 2018 budget. The use of fund balance in combination with the large general fund gain for FY 2014 has put the General Fund unassigned fund balance at a 16.65% level. The Town is committed to increasing and maintaining a healthy fund balance level. This will only help the Town maintain and improve its services to residents.

Contacting the Town's Financial Management

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

Basic Financial Statements

TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 11,234,711
Investments	4,836,856
Receivables, net	10,804,029
Inventory	16,543
Prepaid items	241,719
Capital assets:	
Assets not being depreciated	7,527,154
Assets being depreciated, net	125,132,168
Total assets	<u>159,793,180</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	1,114,024
Deferred outflows related to pensions	980,930
Total deferred outflows of resources	<u>2,094,954</u>
Liabilities:	
Accounts and other payables	2,183,639
Unearned revenue	279,924
Bond anticipation notes payable	3,000,000
Noncurrent liabilities:	
Due within one year	5,799,794
Due in more than one year	55,178,920
Total liabilities	<u>66,442,277</u>
Deferred Inflows of Resources:	
Deferred inflows related to pensions	<u>273,042</u>
Net Position:	
Net investment in capital assets	90,253,367
Restricted for:	
Trust purposes:	
Expendable	1,329,788
Unrestricted	<u>3,589,660</u>
Total Net Position	<u><u>\$ 95,172,815</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 3,647,567	\$ 614,499	\$ 1,084,556	\$ 398,592	\$ (1,549,920)
Public safety	7,759,760	328,794	30,575		(7,400,391)
Public works	9,307,244	3,348,573	1,157,150		(4,801,521)
Human services	1,889,365	38,469	64,664		(1,786,232)
Culture and recreation	970,255	147,428	40,032		(782,795)
Education	54,352,855	484,108	21,613,040	1,479,238	(30,776,469)
Debt service	1,138,007				(1,138,007)
Total	<u>\$ 79,065,053</u>	<u>\$ 4,961,871</u>	<u>\$ 23,990,017</u>	<u>\$ 1,877,830</u>	<u>(48,235,335)</u>
General revenues:					
Property taxes					45,028,301
Grants and contributions not restricted to specific programs					481,879
Unrestricted investment earnings					112,402
Miscellaneous					235,843
Total general revenues					<u>45,858,425</u>
Change in net position					(2,376,910)
Net Position, Beginning of Year					<u>97,549,725</u>
Net Position, End of Year					<u>\$ 95,172,815</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Assets:							
Cash and cash equivalents	\$ 7,487,221	\$ 118,628	\$ 65,655	\$	\$ 67,733	\$ 1,871,946	\$ 9,611,183
Investments	2,221,250	1,962,567				653,039	4,836,856
Receivables, net	3,886,022	1,010,065	1,676,818	35,416	2,775,992	919,637	10,303,950
Due from other funds	3,620,180	35,127		426,669	170,268	938,751	5,190,995
Inventories						16,543	16,543
Prepaid items	46,586	2,576			156,929	35,628	241,719
Total Assets	<u>\$ 17,261,259</u>	<u>\$ 3,128,963</u>	<u>\$ 1,742,473</u>	<u>\$ 462,085</u>	<u>\$ 3,170,922</u>	<u>\$ 4,435,544</u>	<u>\$ 30,201,246</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 951,942	\$ 68,070	\$ 11,155	\$ 145	\$ 203,294	\$ 144,263	\$ 1,378,869
Due to other governments	25,247						25,247
Due to other funds	2,156,890					729,553	2,886,443
Unearned revenue					189,053	90,871	279,924
Bond anticipation notes payable					3,000,000		3,000,000
Total liabilities	<u>3,134,079</u>	<u>68,070</u>	<u>11,155</u>	<u>145</u>	<u>3,392,347</u>	<u>964,687</u>	<u>7,570,483</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	3,326,349						3,326,349
Unavailable revenue - special assessments		242,247					242,247
Unavailable revenue - loans receivables			1,665,663				1,665,663
Total deferred inflows of resources	<u>3,326,349</u>	<u>242,247</u>	<u>1,665,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,234,259</u>
Fund balances:							
Nonspendable	46,586	2,576			156,929	52,171	258,262
Restricted			65,655			2,805,460	2,871,115
Committed	383,869	2,816,070		461,940	1,659,567	613,226	5,934,672
Assigned	766,080						766,080
Unassigned	9,604,296				(2,037,921)		7,566,375
Total fund balances	<u>10,800,831</u>	<u>2,818,646</u>	<u>65,655</u>	<u>461,940</u>	<u>(221,425)</u>	<u>3,470,857</u>	<u>17,396,504</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,261,259</u>	<u>\$ 3,128,963</u>	<u>\$ 1,742,473</u>	<u>\$ 462,085</u>	<u>\$ 3,170,922</u>	<u>\$ 4,435,544</u>	<u>\$ 30,201,246</u>

(Continued on next page)

TOWN OF PLAINVILLE, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 17,396,504
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 283,899,237	
Less accumulated depreciation	<u>(151,239,915)</u>	
Net capital assets		132,659,322

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

Property tax receivables greater than 60 days	1,983,454
Interest receivable on property taxes	1,342,895
Assessments receivable	242,247
Housing loans	1,665,663
Deferred outflows related to pensions	980,930

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	(746,621)
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Long-term liabilities, including bonds payable and deferred inflows of resources,
are not due and payable in the current period and, therefore,
are not reported in the funds:

Bonds and notes payable	(38,313,229)
Interest payable on bonds and notes	(213,847)
Bond premium	(1,803,067)
Compensated absences	(2,889,805)
Capital lease	(403,683)
Net OPEB obligation	(11,937,941)
Deferred charges on refunding	1,114,024
Deferred inflows related to pensions	(273,042)
Net pension liability	<u>(5,630,989)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 95,172,815</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Property taxes	\$ 44,698,272	\$	\$	\$	\$	\$	\$ 44,698,272
Assessments including interest and liens		204,114					204,114
Charges for services	893,781	3,361,568		186,941	10,004	635,099	5,087,393
Intergovernmental	19,147,005	5,958	147,298	35,416	2,228,597	4,437,365	26,001,639
Income on investments	27,590	9,760			463	73,735	111,548
Miscellaneous	30,281	4,482	86,098		92,269	300,234	513,364
Total revenues	<u>64,796,929</u>	<u>3,585,882</u>	<u>233,396</u>	<u>222,357</u>	<u>2,331,333</u>	<u>5,446,433</u>	<u>76,616,330</u>
Expenditures:							
Current:							
General government	2,300,324			118,133			2,418,457
Public safety	4,697,054					29,921	4,726,975
Public works	3,907,566	1,344,742				734,500	5,986,808
Human services	1,671,821					95,910	1,767,731
Culture and recreation	146,900					990,614	1,137,514
Education	42,596,035					4,231,634	46,827,669
Other expenditures	3,271,255		185,446			4,800	3,461,501
Capital outlay					5,563,709		5,563,709
Debt service	<u>4,628,644</u>	<u>1,408,486</u>					<u>6,037,130</u>
Total expenditures	<u>63,219,599</u>	<u>2,753,228</u>	<u>185,446</u>	<u>118,133</u>	<u>5,563,709</u>	<u>6,087,379</u>	<u>77,927,494</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,577,330</u>	<u>832,654</u>	<u>47,950</u>	<u>104,224</u>	<u>(3,232,376)</u>	<u>(640,946)</u>	<u>(1,311,164)</u>
Other Financing Sources (Uses):							
Transfers in	329,388				1,593,255	1,029,219	2,951,862
Transfers out	(2,115,974)	(581,710)			(247,500)	(6,678)	(2,951,862)
Refunding bonds issued	5,965,000						5,965,000
Payment to refunding bond escrow agent	(6,690,265)						(6,690,265)
Premium on refunding bonds	826,721						826,721
Total other financing sources (uses)	<u>(1,685,130)</u>	<u>(581,710)</u>	<u>-</u>	<u>-</u>	<u>1,345,755</u>	<u>1,022,541</u>	<u>101,456</u>
Net Change in Fund Balances	(107,800)	250,944	47,950	104,224	(1,886,621)	381,595	(1,209,708)
Fund Balances, Beginning of Year	<u>10,908,631</u>	<u>2,567,702</u>	<u>17,705</u>	<u>357,716</u>	<u>1,665,196</u>	<u>3,089,262</u>	<u>18,606,212</u>
Fund Balances, End of Year	<u>\$ 10,800,831</u>	<u>\$ 2,818,646</u>	<u>\$ 65,655</u>	<u>\$ 461,940</u>	<u>\$ (221,425)</u>	<u>\$ 3,470,857</u>	<u>\$ 17,396,504</u>

(Continued on next page)

TOWN OF PLAINVILLE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

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

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (1,209,708)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	3,427,208
Depreciation expense	(7,171,195)

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

Property tax receivable - accrual basis change	24,664
Property tax interest and lien revenue - accrual basis change	101,251
Sewer assessment receivable - accrual basis change	(43,269)
Housing loans receivable - accrual basis change	(11,613)
Change in deferred outflows related to pensions	(1,587,241)
Change in deferred inflows related to pensions	46,252

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

Refunding bonds issued	(5,965,000)
Bond and notes principal payments	4,665,902
Payments to bond refunding agent	6,690,265
Premium on bonds issued	(826,721)
Capital lease payments	245,520

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

Amortization of deferred charges in refunding	(231,396)
Amortization of premium	289,744
Compensated absences	84,512
Accrued interest	174,873
Net OPEB expense	(1,110,538)
Change in net pension liability	1,095,787

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(1,066,207)

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (2,376,910)</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities Internal Service Funds
Current Assets:	
Cash and cash equivalents	\$ 1,623,528
Receivables	500,079
Due from other funds	<u>586,075</u>
Total current assets	<u>2,709,682</u>
Current Liabilities:	
Accounts and other payables	565,676
Due to other funds	<u>2,890,627</u>
Total current liabilities	<u>3,456,303</u>
Net Position	
Unrestricted	\$ <u><u>(746,621)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities Internal Service Funds
Operating Revenues:	
Licenses, fees and charges for goods and services	\$ <u>6,365,480</u>
Operating Expenses:	
Insurance claims, premiums and fees	7,296,910
Administration	<u>135,557</u>
Total operating expenses	<u>7,432,467</u>
Operating Loss	(1,066,987)
Nonoperating Revenues:	
Revenues from use of money	<u>780</u>
Change in Net Position	(1,066,207)
Total Net Position, Beginning of Year	<u>319,586</u>
Total Net Position, End of Year	\$ <u><u>(746,621)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from charges for services and contributions	\$ 6,365,480
Cash paid for claims, premiums and fees	(7,942,427)
Cash received from interfund services provided	809,216
Net cash provided by (used in) operating activities	<u>(767,731)</u>
Cash Flows from Investing Activities:	
Income on investments	<u>780</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(766,951)
Cash and Cash Equivalents, Beginning of Year	<u>2,390,479</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,623,528</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>(1,066,987)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in due from other funds	(390,673)
Increase (decrease) in accounts payable	(9,881)
Increase (decrease) in due to other funds	1,199,889
Total adjustments	<u>299,256</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (767,731)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Pension Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$	\$ 337,352
Investments at fair value:		
Certificates of deposit		222,516
Open-end mutual funds	<u>27,634,213</u>	
Total assets	<u>27,634,213</u>	\$ <u>559,868</u>
Liabilities:		
Due to employees and others		\$ 542,584
Surety bond payable		<u>17,284</u>
Total liabilities	<u>-</u>	\$ <u>559,868</u>
Net Position:		
Restricted for pension plan benefits	<u>\$ 27,634,213</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF PLAINVILLE, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

		<u>Pension Trust Funds</u>
Additions:		
Contributions:		
Employer		\$ 892,005
Employee		<u>249,915</u>
Total contributions		1,141,920
Investment income:		
Net change in fair value of investments	\$ 2,640,957	
Interest and dividends	<u>538,963</u>	
Net investment income		<u>3,179,920</u>
Total additions		4,321,840
Deductions:		
Benefits	2,107,286	
Administration	<u>91,909</u>	
Total deductions		<u>2,199,195</u>
Change in Net Position		2,122,645
Net Position, Beginning of Year		<u>25,511,568</u>
Net Position, End of Year		<u><u>\$ 27,634,213</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Town reports the following major governmental funds:

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

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

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

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

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

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Additionally, the Town reports the following fund types:

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

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

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

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

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

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

D. Deposits and Investments

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

Investments for the Town are reported at fair value.

E. Receivables and Payables

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

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

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

In the fund financial statements, property taxes are recorded as receivable on the due date and are recognized as revenues to the extent collected during the fiscal year or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are reported at acquisition value at the date of donation.

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

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

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

H. Deferred Outflows/Inflows of Resources

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

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

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

I. Compensated Absences

Municipal

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

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

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

Board of Education

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

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

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

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

J. Net Pension Liability

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

K. Net OPEB Obligation

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plan. The amount is calculated on an actuarial basis and is recorded as a noncurrent liability in the government-wide financial statements.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

M. Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

N. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 25, 2018.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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Budget control is established at the department, office, commission, board, agency or activity level. Transfers of unencumbered appropriations between these units (except the Board of Education) may be done by the Council in the last three months of the fiscal year provided that the total level of appropriations remains the same. Management may make changes in line items within a department without approval of the Town Council. Additional appropriations of \$658,255 were made during the year from available unassigned fund balance.

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

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

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

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

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the Motor Vehicle and Equipment Pool by \$10,852.

C. Deficit Fund Balance/Net Position

At June 30, 2017, the Town reported deficit fund balance/net position for the following funds:

Capital Project Fund	\$ 221,425
Internal Service Fund:	
Health Insurance Fund	\$ 1,312,020

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$12,223,639 of the Town's bank balance of \$17,960,639 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,845,957
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,377,682</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 12,223,639</u>

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Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2017, the Town's cash equivalents amounted to \$75,346. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
Pershing (YHB Investment Advisors)	A
Wells Fargo	A

B. Investments

Investments as of June 30, 2017 in all funds are as follows:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Corporate bonds	AA	\$ 30,725	\$ 10,259	\$ 20,466	\$
Corporate bonds	BBB	10,534		10,534	
Corporate bonds	N/A	60,865	30,144	30,721	
Certificates of deposit	*	<u>4,406,333</u>	<u>4,406,333</u>		
Total		4,508,457	<u>\$ 4,446,736</u>	<u>\$ 61,721</u>	<u>\$ -</u>
Other investments:					
Mutual funds		<u>28,185,128</u>			
Total Investments		<u>\$ 32,693,585</u>			

* Subject to coverage by federal depository insurance and collateralization

Interest Rate Risk

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

Credit Risk - Investments

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

Concentration of Credit Risk

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

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Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2017, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2017:

<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate bonds	\$ 102,124	\$	\$ 102,124	\$
Mutual funds	<u>28,185,128</u>	<u>28,185,128</u>		
Total	28,287,252	<u>\$ 28,185,128</u>	<u>\$ 102,124</u>	<u>\$ -</u>
Investments not included above:				
Certificates of deposit	<u>4,406,333</u>			
Total Investments	<u>\$ 32,693,585</u>			

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

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4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Interest	\$ 1,342,895	\$	\$	\$	\$	\$	\$ 1,342,895
Taxes	2,340,529						2,340,529
Accounts	272,133	1,010,065				1,009,307	2,291,505
Loans receivable			1,665,662				1,665,662
Intergovernmental	5,465		11,156	35,416	2,775,992	410,409	3,238,438
Gross receivables	<u>3,961,022</u>	<u>1,010,065</u>	<u>1,676,818</u>	<u>35,416</u>	<u>2,775,992</u>	<u>1,419,716</u>	<u>10,879,029</u>
Less allowance for uncollectibles	<u>(75,000)</u>						<u>(75,000)</u>
Net Total Receivables	<u>\$ 3,886,022</u>	<u>\$ 1,010,065</u>	<u>\$ 1,676,818</u>	<u>\$ 35,416</u>	<u>\$ 2,775,992</u>	<u>\$ 1,419,716</u>	<u>\$ 10,804,029</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,187,769	\$ 886,245	\$	\$ 7,074,014
Construction in progress	<u>1,338,341</u>	<u>937,567</u>	<u>(1,822,768)</u>	<u>453,140</u>
Total capital assets not being depreciated	<u>7,526,110</u>	<u>1,823,812</u>	<u>(1,822,768)</u>	<u>7,527,154</u>
Capital assets being depreciated:				
Buildings and improvements	173,914,744	249,447		174,164,191
Improvements other than buildings	237,619			237,619
Furniture, vehicles and equipment	12,462,115	523,280	(30,279)	12,955,116
Infrastructure	<u>86,361,720</u>	<u>2,653,437</u>		<u>89,015,157</u>
Total capital assets being depreciated	<u>272,976,198</u>	<u>3,426,164</u>	<u>(30,279)</u>	<u>276,372,083</u>
Less accumulated depreciation for:				
Buildings and improvements	(63,142,379)	(5,681,282)		(68,823,661)
Improvements other than buildings	(227,149)	(599)		(227,748)
Furniture, vehicles and equipment	(8,850,692)	(905,333)	30,279	(9,725,746)
Infrastructure	<u>(71,878,779)</u>	<u>(583,981)</u>		<u>(72,462,760)</u>
Total accumulated depreciation	<u>(144,098,999)</u>	<u>(7,171,195)</u>	<u>30,279</u>	<u>(151,239,915)</u>
Total capital assets being depreciated, net	<u>128,877,199</u>	<u>(3,745,031)</u>	<u>-</u>	<u>125,132,168</u>
Governmental Activities Capital Assets, Net	<u>\$ 136,403,309</u>	<u>\$ (1,921,219)</u>	<u>\$ (1,822,768)</u>	<u>\$ 132,659,322</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 101,881
Public safety	642,267
Public works	2,085,247
Human services	11,381
Culture and recreation	183,810
Education	<u>4,146,609</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>7,171,195</u></u>

Construction Commitments

The Town has several active construction projects as of June 30, 2017. The following is a summary of capital projects as of June 30, 2017.

	<u>Appropriation</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Capital and nonrecurring expenditures	\$ 6,812,888	\$ 6,147,137	\$ 665,751
Board of Education Capital	1,416,785	1,333,072	83,713
Landfill Expansion	219,189	183,672	35,517
PHS Turf Field Project	2,116,415	1,927,362	189,053
Old Linden Street School Demolition	2,471,921	2,321,691	150,230
Road Bond Project	3,029,090	2,493,292	535,798
FEMA Property Acquisition Project Phase II	1,413,463	1,389,236	24,227
Sewer Capital	1,445,367	1,384,900	60,467
Tomlinson Avenue Bridge	281,549	111,020	170,529
Stillwell Drive Bridge	1,864,964	1,864,964	-
FEMA Property Acquisition Project Phase I	2,986,077	2,986,077	-
Cooke Street Reconstruction	1,368,290	1,242,172	126,118
School Capital Maintenance Project	109,000	97,664	11,336
Senior Center Parking Lot	<u>125,864</u>	<u>145,802</u>	<u>(19,938)</u>
 Total	 \$ <u><u>25,660,862</u></u>	 \$ <u><u>23,628,061</u></u>	 \$ <u><u>2,032,801</u></u>

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6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2017 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 729,553
	Internal Service Fund - Health Insurance	<u>2,890,627</u>
		<u>3,620,180</u>
Sewer Operating Fund	General Fund	35,127
Airport Operations Fund	General Fund	426,669
Capital Projects Fund	General Fund	170,268
Nonmajor Governmental Funds	General Fund	938,751
Internal Service Fund - Self Insurance Reserve	General Fund	<u>586,075</u>
		<u>2,156,890</u>
Total		\$ <u><u>5,777,070</u></u>

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

Interfund transfers:

	<u>Transfer In</u>			
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total Transfer Out</u>
Transfer out:				
General Fund	\$	\$ 1,334,255	\$ 781,719	\$ 2,115,974
Capital Projects			247,500	247,500
Sewer Operating Fund	322,710	259,000		581,710
Nonmajor	<u>6,678</u>			<u>6,678</u>
Total Transfers In	\$ <u>329,388</u>	\$ <u>1,593,255</u>	\$ <u>1,029,219</u>	\$ <u>2,951,862</u>

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

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7. LONG-TERM DEBT

General Obligation Bonds

All general long-term bonds are secured by the general revenue raising powers of the Town, and payment is provided by General Fund and Sewer Fund revenues. No sinking funds have been established as of June 30, 2017.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 27,975,000	\$ 5,965,000	\$ 9,645,000	\$ 24,295,000	\$ 3,650,000
Unamortized bond premiums	1,266,090	826,721	289,744	1,803,067	266,681
Total bonds payable	29,241,090	6,791,721	9,934,744	26,098,067	3,916,681
Long-term note payable	15,039,131		1,020,902	14,018,229	1,041,506
Capital leases	649,203		245,520	403,683	250,835
Net OPEB obligation	10,827,403	1,110,538		11,937,941	
Compensated absences	2,974,317	509,813	594,325	2,889,805	590,772
Net pension liability	6,726,776		1,095,787	5,630,989	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 65,457,920</u>	<u>\$ 8,412,072</u>	<u>\$ 12,891,278</u>	<u>\$ 60,978,714</u>	<u>\$ 5,799,794</u>

Compensated absences are generally liquidated by the General Fund. Net OPEB obligation is generally liquidated by the internal service fund. Net pension liability is generally liquidated by the pension trust funds.

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A schedule of bonds at June 30, 2017 is presented below:

Description	Principal Amount
\$6,855,000 - Refunding Bonds issued May 25, 2007 and maturing April 1, 2021; various interest rates from 3.65% to 4%	\$ 2,710,000
\$3,515,000 - Refunding Bonds issued October 28, 2010 and maturing July 15, 2017; various interest rates from 1.5% to 4%	500,000
\$12,000,000 - Plainville High School and Toffolon Elementary School issued October 28, 2010 and maturing July 15, 2030; various interest rates from 1.5% to 4%	2,400,000
\$12,535,000 - Refunding Bonds issued December 20, 2011 and maturing August 15, 2023; various interest rates from 3.0% to 4.0%	7,695,000
\$5,025,000 - Refunding Bonds issued September 15, 2015 and maturing April 15, 2027; various interest rates from 3.0% to 4.0%	5,025,000
\$5,965,000 - Refunding Bonds issued August 23, 2016 and maturing July 15, 2030; various interest rates from .95% to 2%	<u>5,965,000</u>
Total Bond Indebtedness	<u>\$ 24,295,000</u>

The following is a schedule of future debt service requirements as of June 30, 2017:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,650,000	\$ 824,400	\$ 4,474,400
2019	3,180,000	703,100	3,883,100
2020	3,250,000	581,200	3,831,200
2021	2,765,000	450,700	3,215,700
2022	2,390,000	347,825	2,737,825
2023-2027	6,690,000	867,150	7,557,150
2028-2031	<u>2,370,000</u>	<u>99,850</u>	<u>2,469,850</u>
Total	<u>\$ 24,295,000</u>	<u>\$ 3,874,225</u>	<u>\$ 28,169,225</u>

General Obligation Bonds Refunding

On August 23, 2016, the Town issued \$5,965,000 of general obligation refunding bonds with interest rates of .95%-2.0%. The bonds were issued to pay outstanding principal amounts of the 2011A general obligation bonds of the Town. The net proceeds of \$6,690,265 (after an original issue premium of \$826,721 and payment of \$101,456 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated August 31, 2016 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt

TOWN OF PLAINVILLE, CONNECTICUT
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service payments over the next 15 years by \$448,738 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$405,590. The refunded bonds are considered defeased. As of June 30, 2017, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net position is \$6,000,000 and the escrow balance is \$6,591,761.

Long-Term Note Payable

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,041,506	\$ 270,852	\$ 1,312,358
2019	1,062,529	249,830	1,312,359
2020	1,083,975	228,383	1,312,358
2021	1,105,854	206,505	1,312,359
2022	1,128,175	184,183	1,312,358
2023-2027	5,936,456	570,653	6,507,109
2028-2031	<u>2,659,734</u>	<u>60,727</u>	<u>2,720,461</u>
Total	<u>\$ 14,018,229</u>	<u>\$ 1,771,133</u>	<u>\$ 15,789,362</u>

General Obligation Bond Anticipation Notes

On May 17, 2017, The Town issued a bond anticipation note in the amount of \$3,000,000 to fund cash flows for capital expenses. The note matures on February 15, 2018 with an interest rate of 1.22%.

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 100,575,612	\$ 4,160,000	\$ 96,415,612
Schools	201,151,224	20,230,000	180,921,224
Sewers	167,626,020	14,873,230	152,752,790
Urban renewal	145,275,884		145,275,884
Pension deficit	134,100,816		134,100,816

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

The definition of indebtedness above includes bonds and notes outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding. The Town has \$950,000 of authorized but unissued bonds at June 30, 2017.

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Capital Lease

During 2013, the Town entered into a lease agreement as lessee for financing the acquisition of equipment for the Fire Department valued at \$764,466. During 2015, the Town entered into a lease agreement as a lessee for financing the acquisition of equipment for the Police Department valued at \$740,348. This year, \$312,913 was included in depreciation expense and the accumulated depreciation of the leased assets at June 30, 2017 is \$439,889. These lease agreements qualify as a capital lease for accounting purpose and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2018	\$ 258,745
2019	155,329
Total minimum lease payments	414,074
Less amount representing interest	(10,391)
Present Value of Minimum Lease Payments	\$ <u>403,683</u>

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8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2017 are as follows:

	<u>General Fund</u>	<u>Sewer Operating</u>	<u>Housing Rehabilitation</u>	<u>Airport Operations</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:							
Nonspendable:							
Inventory	\$	\$	\$	\$	\$	\$ 16,543	\$ 16,543
Prepays	46,586	2,576			156,929	35,628	241,719
Restricted for:							
Grants			65,655			1,510,570	1,576,225
Senior Citizens Special						171,544	171,544
Library Trust						792,458	792,458
Senior Citizen Transportation						59,665	59,665
Economic Development						271,223	271,223
Committed to:							
Land acquisition						18,837	18,837
Debt management	383,869						383,869
Sewer		2,816,070			920,170		3,736,240
Education capital					175,110	200,515	375,625
School capital maintenance project					11,336		11,336
Landfill expansion					35,517		35,517
Capital and nonrecurring projects					391,316		391,316
Cooke Street Reconstruction					126,118		126,118
Recreation						90,975	90,975
Social Services Emergency						19,241	19,241
Berner pool						149,757	149,757
Water operating						63,399	63,399
Police forfeiture						13,157	13,157
Airport operations				461,940			461,940
Library expansion						57,345	57,345
Assigned to:							
Subsequent year's budget	200,000						200,000
Education encumbrances	434,106						434,106
General government encumbrances	10,788						10,788
Public safety encumbrance	9,596						9,596
Public works encumbrances	61,451						61,451
Human services encumbrances	1,028						1,028
Recreation encumbrances	528						528
Other encumbrances	48,583						48,583
Unassigned	<u>9,604,296</u>				<u>(2,037,921)</u>		<u>7,566,375</u>
Total Fund Balances	<u>\$ 10,800,831</u>	<u>\$ 2,818,646</u>	<u>\$ 65,655</u>	<u>\$ 461,940</u>	<u>\$ (221,425)</u>	<u>\$ 3,470,857</u>	<u>\$ 17,396,504</u>

9. RISK MANAGEMENT

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

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

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

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

	Liability		Current Year		Claim		Liability
	July 1,		Claims and		Payments		June 30,
			Changes in Estimates				
2015-2016	\$ 399,082	\$	6,606,201	\$	6,429,726	\$	575,557
2016-2017	575,557		7,296,910		7,306,791		565,676

TOWN OF PLAINVILLE, CONNECTICUT
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10. TAX ABATEMENTS

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

Program	GEMS SENSORS INC	ROYAL REALTY LLC	CONNECTICUT TOOL & MANUFACTURING
Purpose	To incent development that the municipality, through its authority, finds desirable.	To incent development that the municipality, through its authority, finds desirable.	To incent development that the municipality, through its authority, finds desirable.
Tax being abated	Property Tax	Property Tax	Property Tax
Authority under which agreements are entered into	Connecticut General Statutes 12-65b.	Connecticut General Statutes 12-65b.	Connecticut General Statutes 12-65b.
Eligibility criteria for tax abatement	Improvements to the facility must exceed \$1,900,000. Owner must retain ownership of the property for 4 years, beginning October 1, 2012.	Improvements to the facility must exceed \$800,000. Owner must retain ownership of the property for 3 years, beginning October 1, 2016.	Improvements to the facility must exceed \$195,000. Owner must retain ownership of the property for 3 years, beginning October 1, 2014.
How recipient's tax are reduced	Portion of the assessment is exempt from taxes	Portion of the assessment is exempt from taxes	Portion of the assessment is exempt from taxes
How the tax abatement is determined	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision making process.	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision making process.	Any business proposing the construction of new facilities is eligible to apply for benefits. The level of benefits is determined on a case by case basis by the Economic Development Agency. All final decisions to grant benefits must be ratified by the Town Council. A policy has been developed to help guide the decision making process.
Provisions for recapturing abated taxes, if any	None	None	None
Other commitments made by the government	None	None	None
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced as a result of the abatement agreement.	\$ 3,488	\$ 4,990	\$ 8,593

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Descriptions and Benefits Provided

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

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

Combining Schedule of Net Position

	Municipal Employees Pension Trust Fund	Police Pension Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Investments	\$ <u>12,901,321</u>	\$ <u>14,732,892</u>	\$ <u>27,634,213</u>
Net Position:			
Restricted for Pension Plan Benefits	\$ <u>12,901,321</u>	\$ <u>14,732,892</u>	\$ <u>27,634,213</u>

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Combining Schedule of Changes in Net Position

	Municipal Employees Pension Trust Fund	Police Pension Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 394,585	\$ 497,420	\$ 892,005
Employee	92,803	157,112	249,915
Total contributions	<u>487,388</u>	<u>654,532</u>	<u>1,141,920</u>
Investment income:			
Net change in fair value of investments	1,239,379	1,401,578	2,640,957
Interest and dividends	252,931	286,032	538,963
Net investment income	<u>1,492,310</u>	<u>1,687,610</u>	<u>3,179,920</u>
Total additions	<u>1,979,698</u>	<u>2,342,142</u>	<u>4,321,840</u>
Deductions:			
Benefit payments	1,046,289	1,060,997	2,107,286
Administration	48,290	43,619	91,909
Total deductions	<u>1,094,579</u>	<u>1,104,616</u>	<u>2,199,195</u>
Change in net position	885,119	1,237,526	2,122,645
Net Position, Beginning of Year	<u>12,016,202</u>	<u>13,495,366</u>	<u>25,511,568</u>
Net Position, End of Year	<u>\$ 12,901,321</u>	<u>\$ 14,732,892</u>	<u>\$ 27,634,213</u>

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

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Deferred Outflows of Resources

	Employees' Pension Plan	Police Retirement Plan	Total
Changes of assumptions	\$	\$ 329,810	\$ 329,810
Net difference between projected and actual earning on pension plan investments	<u>313,038</u>	<u>338,082</u>	<u>651,120</u>
Total	<u>\$ 313,038</u>	<u>\$ 667,892</u>	<u>\$ 980,930</u>

TOWN OF PLAINVILLE, CONNECTICUT
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Deferred Inflows of Resources			
	Employees' Pension Plan	Police Retirement Plan	Total
Differences between expected and actual experience	\$ _____	\$ 273,042	\$ 273,042
Total	\$ _____ -	\$ 273,042	\$ 273,042
Net Deferred Outflows and Inflows of Resources	\$ 313,038	\$ 394,850	\$ 707,888

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

Year Ending June 30,

2018	\$ 398,597
2019	398,598
2020	159,550
2021	(248,857)
Total	\$ 707,888

For the year ended June 30, 2017, the Town recognized pension expense as follows:

	Pension Expense
Employees' Pension Plan	\$ 517,650
Police Retirement Plan	819,557
Total	\$ 1,337,207

At July 1, 2016, PERS membership consisted of:

	Municipal	Police
Retirees and beneficiaries currently receiving benefits	83	39
Terminated employees entitled to benefits but not yet receiving them	9	
Current employees	24	29
Total	116	68

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

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

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

Funding Status and Progress

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

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio

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across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2017:

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

The plans did not have any concentrations that warranted disclosure.

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<u>Rate of Return</u>
Municipal Employees	12.73%
Police	12.74%

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

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2017 were as follows:

	<u>Municipal Employees</u>	<u>Police</u>	<u>Total</u>
Total pension liability	\$ 15,699,697	\$ 17,565,505	\$ 33,265,202
Plan fiduciary net position	<u>12,901,321</u>	<u>14,732,892</u>	<u>27,634,213</u>
Net Pension Liability	<u>\$ 2,798,376</u>	<u>\$ 2,832,613</u>	<u>\$ 5,630,989</u>
Plan fiduciary net position as a percentage of the total pension liability	82.18%	83.87%	83.07%

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Actuarial Assumptions

The total pension liability for Administrative Employees and Police were determined by an actuarial valuation as of July 1, 2016 and measurement date of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation as of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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

Discount Rate

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

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Municipal Employees' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2016	\$ 15,443,963	\$ 12,016,202	\$ 3,427,761
Changes for the year:			
Service cost	146,937		146,937
Interest on total pension liability	1,168,508		1,168,508
Differences between expected and actual experience	(140,013)		(140,013)
Changes in assumptions	126,591		126,591
Employer contributions		394,585	(394,585)
Member contributions		92,803	(92,803)
Net investment income		1,492,310	(1,492,310)
Benefit payments, including refund to employee contributions	(1,046,289)	(1,046,289)	-
Administrative expenses		(48,290)	48,290
Net changes	255,734	885,119	(629,385)
Balances as of June 30, 2017	\$ 15,699,697	\$ 12,901,321	\$ 2,798,376

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2016	\$ 16,794,381	\$ 13,495,366	\$ 3,299,015
Changes for the year:			
Service cost	447,371		447,371
Interest on total pension liability	1,295,889		1,295,889
Differences between expected and actual experience	(94,782)		(94,782)
Change in assumptions	183,643		183,643
Employer contributions		497,420	(497,420)
Member contributions		157,112	(157,112)
Net investment income		1,687,610	(1,687,610)
Benefit payments, including refund to employee contributions	(1,060,997)	(1,060,997)	-
Administrative expenses		(43,619)	43,619
Net changes	771,124	1,237,526	(466,402)
Balances as of June 30, 2017	\$ 17,565,505	\$ 14,732,892	\$ 2,832,613

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.65% for Municipal Employees and Police, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65%) or 1 percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Municipal Employees Net Pension Liability	\$ 4,160,754	\$ 2,798,376	\$ 1,601,932
Police's Net Pension Liability	\$ 4,865,833	\$ 2,832,613	\$ 1,133,781

B. Defined Contribution Plan

By local ordinance, the Town authorized a defined contribution plan for all employees other than Police. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2017, there were 95 members in the plan. All employees other than Police must join the defined contribution plan after six months of employment.

The local ordinance requires the employee to contribute 4.5% to 6.5% of earnings and the Town to contribute 7% to 9%. For the fiscal year ended June 30, 2017, the contributions were \$212,706 and \$300,177, respectively. Earnings do not include any overtime wages. For new employees, the Town's contributions along with the related earnings are fully vested after five years of continuous service. Town contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Town's current period contribution requirements.

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

C. Teachers' Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

TOWN OF PLAINVILLE, CONNECTICUT
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Contributions

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

Employer (School Districts)

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

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

Employees

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

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

At June 30, 2017, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>61,395,946</u>
Total	\$	<u><u>61,395,946</u></u>

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

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$6,695,448 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

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

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

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Other Information

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

12. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town and Board of Education provide postretirement health care benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The other postemployment benefits plan is a single-employer defined benefit healthcare plan administered by the Town of Plainville. The Town does not issue stand-alone financial statements for this program.

At July 1, 2016, plan membership consisted of the following:

	Healthcare Plan
Active plan members	475
Retired members	41
Total Participants	<u>516</u>

B. Funding Policy

The Town's funding and payment of postemployment benefits for the year ended June 30, 2017 are accounted for in the Internal Service Fund on a pay-as-you go basis. As of June 30, 2017, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

C. Annual OPEB Cost and Net OPEB Obligations

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 (or funding excess) over a period not to exceed thirty years. 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:

	Retiree Healthcare Plan
Annual required contribution (ARC)	\$ 1,301,590
Interest on net OPEB obligation	433,096
Adjustment to annual required contribution	<u>(602,191)</u>
Annual OPEB cost	1,132,495
Contributions made	<u>(21,957)</u>
Change in net OPEB obligation	1,110,538
Net OPEB obligation, Beginning of Year	<u>10,827,403</u>
Net OPEB Obligation, End of Year	<u><u>\$ 11,937,941</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is presented below:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2015	\$ 1,435,392	\$ 74,424	5%	\$ 9,808,002
6/30/2016	1,124,788	105,387	9%	10,827,403
6/30/2017	1,132,495	21,957	2%	11,937,941

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (a-b)/c)
7/1/2012	\$ -	\$ 15,503,060	\$ (15,503,060)	0.0%	\$ 24,578,387	-63.1%
7/1/2014	-	12,117,589	(12,117,589)	0.0%	27,804,558	-43.6%
7/1/2016	-	11,844,271	(11,844,271)	0.0%	28,807,742	-41.1%

TOWN OF PLAINVILLE, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2012	\$ 1,812,240	11.51 %
6/30/2013	1,849,525	18.22
6/30/2014	1,540,852	19.16
6/30/2015	1,567,313	4.75
6/30/2016	1,277,963	8.25
6/30/2017	1,301,590	1.69

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into 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 employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year, level dollar amortization, open of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 3.58% (prior: 4.0%) interest rate and a 2.75% (Prior: 3%) inflation rate. The annual healthcare cost trend rate is 7.75% for 2016, reducing .5% per year with an ultimate rate of 4.75% for 2022 and later (prior: 9% for 2014, reducing .1% per year with an ultimate rate of 5% for 2022 and later).

13. CONTINGENT LIABILITIES

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

**Required Supplementary
Information**

TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Property taxes:				
Revenues from property taxes	\$ 43,372,914	\$ 43,372,914	\$ 43,600,006	\$ 227,092
Prior years' levy	500,000	500,000	665,197	165,197
Interest and liens fees	280,500	280,500	433,069	152,569
Total property taxes	<u>44,153,414</u>	<u>44,153,414</u>	<u>44,698,272</u>	<u>544,858</u>
Licenses, fees and charges for goods and services:				
Licenses and permits:				
Building	275,200	275,200	245,048	(30,152)
Police	5,500	5,500	10,900	5,400
Town Clerk	1,400	1,400	1,924	524
Total licenses and permits	<u>282,100</u>	<u>282,100</u>	<u>257,872</u>	<u>(24,228)</u>
Fines and fees:				
Building	1,200	1,200	540	(660)
Police service charge	50,000	50,000	63,388	13,388
Police fines and impoundment fees	5,500	5,500	1,955	(3,545)
Town Clerk	95,000	95,000	107,944	12,944
Planning and Zoning fees	5,000	5,000	6,091	1,091
Zoning Board of Appeals	3,000	3,000	2,430	(570)
Tipping and solid waste license	10,000	10,000	15,166	5,166
Senior Center	18,000	18,000	18,155	155
Conveyance tax	135,000	135,000	232,818	97,818
Condominium trash	50,000	50,000	45,878	(4,122)
Miscellaneous	199,000	199,000	141,544	(57,456)
Total fines and fees	<u>571,700</u>	<u>571,700</u>	<u>635,909</u>	<u>64,209</u>
Total licenses, fees and charges for goods and services	<u>853,800</u>	<u>853,800</u>	<u>893,781</u>	<u>39,981</u>
Intergovernmental revenues:				
State of Connecticut:				
Elderly tax relief:				
Freeze	2,500	2,500	2,000	(500)
Circuit breaker	150,000	150,000	152,329	2,329
Tax relief - disability	3,600	3,600	3,472	(128)
Tax relief - veterans	22,000	22,000	23,891	1,891
Property tax relief	541,936	541,936	541,936	-

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TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Intergovernmental revenues: (continued)				
State-owned property	\$ 388	\$ 388	\$ 388	\$ -
MRSA sales tax sharing	363,176	363,176	363,176	-
Youth services	30,000	30,000	27,949	(2,051)
Tax share telephone access line	50,000	50,000	45,236	(4,764)
Local capital improvement program	124,497	124,497	124,497	-
Education:				
Education equalization	10,368,696	10,368,696	10,297,782	(70,914)
Plane registration	8,200	8,200	7,580	(620)
Mashantucket Pequot Grant	72,491	72,491	72,491	-
Miscellaneous grants	30,000	30,000	22,046	(7,954)
Total intergovernmental revenues	<u>11,767,484</u>	<u>11,767,484</u>	<u>11,684,773</u>	<u>(82,711)</u>
Miscellaneous revenues:				
Housing Authority	34,496	34,496	29,901	(4,595)
Revenues from use of money	40,500	40,500	27,213	(13,287)
Sale of property			210	210
Other:				
General Government			170	170
Total miscellaneous revenues	<u>74,996</u>	<u>74,996</u>	<u>57,494</u>	<u>(17,502)</u>
Other financing sources:				
Use of fund balance	200,000	200,000		(200,000)
Expenditure reduction due to State	270,059	270,059		(270,059)
Transfers in	<u>322,710</u>	<u>322,710</u>	<u>329,388</u>	<u>6,678</u>
Total other financing sources	<u>792,769</u>	<u>792,769</u>	<u>329,388</u>	<u>(463,381)</u>
Total Revenues and Other Financing Sources	\$ <u>57,642,463</u>	\$ <u>57,642,463</u>	57,663,708	\$ <u>21,245</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			6,695,448	
Cancellation of prior year encumbrances are recognized as budgetary revenue				
State Excess Cost - Student Based grant			766,784	
Issuance of refunding bonds			5,965,000	
Premium on refunding bonds			826,721	
Debt Management Fund revenues			<u>377</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>71,918,038</u>	

TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General government:				
Town Council	\$ 71,616	\$ 71,616	\$ 69,792	\$ 1,824
Planning and Zoning	3,600	3,600	2,517	1,083
Zoning Board of Appeals	3,300	3,300	2,504	796
Inland Wetlands Commission	1,900	1,900	936	964
Board of Tax Review	2,666	2,666	2,579	87
Conservation Commission	2,700	2,700	2,628	72
Veterans Council	5,075	5,075	5,071	4
Probate Court	8,672	8,672	8,670	2
Town Manager	218,675	218,675	217,187	1,488
Human Resources	91,055	91,055	89,911	1,144
Elections	65,765	65,765	58,019	7,746
Town Counsel	133,035	135,535	135,333	202
Town Treasurer	5,715	5,715	5,713	2
Finance	187,385	187,385	183,583	3,802
Assessments	210,129	210,129	207,645	2,484
Revenue collection	140,285	140,285	127,857	12,428
Town Clerk	195,172	195,172	192,032	3,140
Data processing	200,460	200,460	193,074	7,386
Insurance	629,040	665,040	664,499	541
General administration services	80,730	80,730	74,935	5,795
Economic Development Agency	47,110	65,110	63,978	1,132
Recycling Committee	950	950	904	46
Total	<u>2,305,035</u>	<u>2,361,535</u>	<u>2,309,367</u>	<u>52,168</u>
Public safety:				
Police	4,058,730	4,283,730	4,190,471	93,259
Fire and Civil Preparedness	372,390	372,390	348,884	23,506
Fire Marshal	70,575	70,575	67,550	3,025
Animal Control	77,766	83,766	78,697	5,069
Ambulance service	14,744	14,744	14,743	1
Total	<u>4,594,205</u>	<u>4,825,205</u>	<u>4,700,345</u>	<u>124,860</u>

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TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public works:				
Physical and technical services administration	\$ 271,785	\$ 276,285	\$ 239,016	\$ 37,269
Roadways	898,271	987,271	923,938	63,333
Buildings and grounds	1,012,650	1,031,150	985,186	45,964
Municipal Building maintenance	1,531,318	1,531,318	1,416,036	115,282
Planning	62,032	80,032	74,244	5,788
Building inspections	84,290	84,290	81,917	2,373
Engineering	75,975	75,975	51,359	24,616
Motor vehicle and equipment pool	135,260	135,260	146,112	(10,852)
Transfer station	73,300	73,300	51,209	22,091
Total	<u>4,144,881</u>	<u>4,274,881</u>	<u>3,969,017</u>	<u>305,864</u>
Human services:				
Health and sanitation	120,157	120,157	120,157	-
Senior citizens service	292,460	287,953	287,953	-
Social services	27,655	29,055	28,435	620
Solid waste management	1,141,822	1,141,822	1,067,518	74,304
Youth services	116,700	116,700	116,210	490
Other health and welfare	53,310	57,310	52,576	4,734
Total	<u>1,752,104</u>	<u>1,752,997</u>	<u>1,672,849</u>	<u>80,148</u>
Culture and recreation:				
Recreation	<u>152,310</u>	<u>152,310</u>	<u>147,428</u>	<u>4,882</u>
Education:				
School budget*	<u>34,770,867</u>	<u>34,770,867</u> *	<u>34,670,867</u>	<u>100,000</u>
Other:				
Employee benefits	3,230,055	3,230,055	3,228,266	1,789
Unclassified	50,000	50,000	22,694	27,306
Total	<u>3,280,055</u>	<u>3,280,055</u>	<u>3,250,960</u>	<u>29,095</u>
Debt service:				
Interest	957,994	948,886	948,886	-
Principal	3,754,300	3,578,303	3,578,302	1
Total	<u>4,712,294</u>	<u>4,527,189</u>	<u>4,527,188</u>	<u>1</u>

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TOWN OF PLAINVILLE, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing uses:				
Transfers out:				
Library Trust Fund	\$ 659,050	\$ 659,050	\$ 659,050	\$ -
Education Fund*	53,500	53,500	* 53,500	-
Debt Service Fund		185,105	185,105	-
Recreation Fund	90,000	90,000	90,000	-
Capital and Nonrecurring Expenditures				
Fund	1,100,000	1,168,819	1,114,219	54,600
Senior Citizens Transportation Fund	27,662	32,169	32,169	-
Other funds	500	167,036	167,036	-
Total	<u>1,930,712</u>	<u>2,355,679</u>	<u>2,301,079</u>	<u>54,600</u>
Total Expenditures and Other Financing Uses	<u>\$ 57,642,463</u>	<u>\$ 58,300,718</u>	57,549,100	<u>\$ 751,618</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			6,695,448	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the order is received for financial reporting purposes			407,890	
State Excess Cost - Student Based grant			766,784	
Bond refunding issue cost			101,456	
Payment to bond escrow agent			6,690,265	
Debt Management Fund transfers out			<u>(185,105)</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 72,025,838</u>	

* Board of Education budget encompasses both items

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

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

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

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

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

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

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

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 394,585	\$ 388,078	\$ 379,054	\$ 421,309	\$ 527,722	\$ 488,088	\$ 424,803	\$ 404,120	\$ 316,014	\$ 294,177
Contributions in relation to the actuarially determined contribution	394,585	388,078	414,054	461,309	527,722	488,088	424,803	404,120	316,014	294,177
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (35,000)	\$ (40,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,418,186	\$ 1,546,978	\$ 1,302,116	\$ 1,364,785	\$ 1,699,817	\$ 1,842,379	\$ 1,826,777	\$ 2,099,669	\$ 2,185,349	\$ 2,196,507
Contributions as a percentage of covered-employee payroll	27.82%	25.09%	31.80%	33.80%	31.05%	26.49%	23.25%	19.25%	14.46%	13.39%

Notes to Schedule

Valuation date: July 1, 2016

Measurement date: June 30, 2017

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years (Prior: 30 years)
Asset valuation method	4-year smoothed market
Inflation	2.75% (Prior: 3%)
Salary increases	4.0%, average, including inflation
Investment rate of return	7.65% (Prior: 7.75%), net of pension plan investment expense, including inflation
Mortality	Current: PR-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined, table for nonannuitants and annuitants, projected to the valuation date with Scale AA

Other information:

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

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

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

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

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 497,420	\$ 486,658	\$ 451,397	\$ 438,012	\$ 464,826	\$ 432,284	\$ 374,226	\$ 374,262	\$ 259,160	\$ 274,317
Contributions in relation to the actuarially determined contribution	497,420	486,658	511,310	511,310	464,826	432,284	374,226	374,262	259,160	274,317
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (59,913)	\$ (73,298)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,320,061	\$ 2,328,738	\$ 2,134,699	\$ 1,667,990	\$ 1,617,441	\$ 1,686,555	\$ 1,647,271	\$ 1,711,289	\$ 1,419,204	\$ 1,496,398
Contributions as a percentage of covered-employee payroll	21.44%	20.90%	23.95%	30.65%	28.74%	25.63%	22.72%	21.87%	18.26%	18.33%

Notes to Schedule

Valuation date: July 1, 2016

Measurement date: June 30, 2017

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years (Prior: 30 years)
Asset valuation method	4-year smoothed market
Inflation	2.75% (Prior: 3%)
Salary increases	4.0%, average, including inflation
Investment rate of return	7.65% (Prior: 7.75%), net of pension plan investment expense, including inflation
Retirement age	Age 55 or completion of 25 years of service, if earlier
Mortality	Current: PR-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined, table for nonannuitants and annuitants, projected to the valuation date with Scale AA

Other information:

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

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

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

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

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	12.73%	0.18%	3.57%	15.75%

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

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

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

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

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

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

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

Notes to Schedule

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

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Appendix B

Opinion of Bond Counsel and Tax Status

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APPENDIX B - OPINION OF BOND COUNSEL AND TAX STATUS

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

BOND COUNSEL OPINION

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

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

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Plainville
Plainville, Connecticut

We have represented the Town of Plainville, Connecticut as Bond Counsel in connection with the issuance by the Town of \$10,000,000 General Obligation Bonds, Issue of 2018, dated as of September 14, 2018.

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

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

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

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant

to Section 103 of the Code; (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, however, for tax years beginning prior to January 1, 2018, interest on the Bonds is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to, the Federal alternative minimum tax for certain corporations; and (3) the Bonds are "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

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

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

Alternative Minimum Tax. The Code imposes an alternative minimum tax on individuals and, for tax years beginning prior to January 1, 2018, an alternative minimum tax on corporations. The alternative minimum tax on corporations has been repealed for tax years beginning after December 31, 2017. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

For tax years beginning prior to January 1, 2018, the Code provides, however, that for certain corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

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

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may

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

STATE OF CONNECTICUT TAX ON INTEREST.

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

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

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

ORIGINAL ISSUE DISCOUNT.

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

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

ORIGINAL ISSUE PREMIUM.

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

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

GENERAL.

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

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

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Appendix C

Form of Continuing Disclosure Agreement

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

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

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of September 14, 2018 by the Town of Plainville, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$10,000,000 General Obligation Bonds, Issue of 2018, dated as of September 14, 2018 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated September 5, 2018 prepared in connection with the Bonds.

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

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

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

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

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2018) as follows:

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

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

(A) amounts of the gross and the net taxable grand list applicable to the fiscal year,

(B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,

- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

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

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

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

Section 3. Notice of Certain Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

Section 5. Use of Agents.

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

Section 6. Termination.

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

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to

perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is Municipal Center, One Central Square, Plainville, Connecticut 06062.

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

Section 8. Miscellaneous.

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

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

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

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

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

TOWN OF PLAINVILLE

By _____
Robert E. Lee
Town Manager

By _____
Duncan W. May
Treasurer

Appendix D

Notice of Sale

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NOTICE OF SALE
\$10,000,000
Town of Plainville, Connecticut
General Obligation Bonds
(BOOK-ENTRY)

ELECTRONIC BIDS via PARITY® will be received by the Town of Plainville, Connecticut at the Office of the Town Manager, Plainville Municipal Center, One Central Square, Plainville, Connecticut, until **11:30 A.M. Eastern Time on WEDNESDAY,**

SEPTEMBER 5, 2018

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

\$10,000,000 General Obligation Bonds, Issue of 2018
Payable annually on September 1 as follows:

\$500,000 in 2019 through 2038

The Bonds will be dated September 14, 2018, with interest payable on September 1, 2019 and thereafter semiannually on each March 1st and September 1st.

The Town will designate the Bonds as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

The Bonds will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

DTC Book Entry. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date.

The record dates will be the fifteenth day of August and February (or the preceding business day if such fifteenth day is not a business day).

Redemption. Bonds maturing after September 1, 2024 are subject to redemption prior to maturity, at the option of the Town, on or after September 1, 2024, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
September 1, 2024 and thereafter	100%

Proposals. Each proposal must specify the amount bid for the Bonds (**which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium, which premium shall not exceed \$200,000**), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.**

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone

PARITY® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice and the form of Proposal for Bonds.

Basis of Award. As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to September 14, 2018, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Certifying and Paying Agent. The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

Delivery. At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

Establishment of Issue Price. The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form set out in the Appendix hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by the Town's Municipal Advisor identified herein and any notice or report to be provided to the Town may be provided to the Town's Municipal Advisor.

By submitting a bid for the Bonds, a bidder represents that it has an established industry reputation for underwriting new issuances of municipal obligations.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the Public, then, whether or not the Competitive Sale Requirements, as herein defined, were met, the certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

The Town intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the Town shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Town if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “Hold-The-Offering-Price Rule”, as described in Treasury Regulations Section 1.148-1(f)(2)(ii), and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Town the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the earlier to occur of the satisfaction of the 10% Test as to the Bonds of that maturity or the sale of all Bonds of that maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “Public” means any person other than an Underwriter or a Related Party,
- (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
- (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Bonds are awarded by the Town to the winning bidder.

Bond Counsel Opinion. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the Town when duly certified; (2) that, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and the Bonds are not “private activity bonds” and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax; however, for tax years beginning prior to January 1, 2018, interest on the Bonds is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the Federal alternative minimum tax and for certain corporations; and the Bonds are “qualified tax-exempt obligations”; and (3) that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Municipal Advisor. The Town of Plainville has retained Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460 (the “Municipal Advisor”) to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

Official Statement. The Town of Plainville has prepared a preliminary Official Statement for the Bond issue which is dated August 27, 2018. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the Official Statement as prepared by the Town at the Town’s expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town’s Municipal Advisor by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town’s Municipal Advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional or revised cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the

Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement. The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2 12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Municipal Advisor to apply for CUSIP numbers for the Bonds, and to provide CUSIP Global Services with the final details of the sale, including the identity of the purchaser.. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Global Services charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about September 14, 2018 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the Town reference is made to the Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Barry J. Bernabe, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 283-1110) or from Mr. Robert W. Buden, Director of Finance, Town of Plainville, Town Hall, Municipal Center, One Central Square, Plainville, Connecticut 06062 (telephone: (860) 793-0221).

ROBERT E. LEE,
Town Manager

DUNCAN W. MAY,
Treasurer

August 27, 2018

**APPENDIX TO NOTICE OF SALE
FORM OF ISSUE PRICE CERTIFICATE**

Competitive Sale Requirements Satisfied

**TOWN OF PLAINVILLE, CONNECTICUT
\$10,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2018**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Underwriter Short Name are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Underwriter Short Name in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter Short Name to purchase the Bonds.

(b) Underwriter Short Name was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter Short Name constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 5, 2018.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Issuer* means the Town of Plainville, Connecticut.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the

Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: _____

Name: _____

Dated: __/__/2018

Attachments:

**SCHEDULE A
EXPECTED OFFERING PRICES**

**SCHEDULE B
COPY OF UNDERWRITER'S BID**

[Remainder of page intentionally left blank]

Competitive Sale Requirements Not Satisfied - 10% Test Applied

**TOWN OF PLAINVILLE, CONNECTICUT
\$10,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2018**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) "Issuer" means the Town of Plainville, Connecticut.

(b) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: _____

Name: _____

Dated: __/__/2018

Attachment:

**SCHEDULE A
SALE PRICES**

[Remainder of page intentionally left blank]