

**New Money Issue: Book-Entry-Only**

**Ratings: See "Ratings" 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 Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Notes are not "private activity bonds" and interest on the Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Notes 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 Exemption" herein.)*



**Town of Plainville, Connecticut**  
**\$2,000,000**  
**General Obligation Bond Anticipation Notes**  
**(Bank Qualified)**

**Dated:** May 18, 2016

**Coupon:** \_\_\_%

**Yield:** \_\_\_%

**Due:** May 17, 2017

**CUSIP:**<sup>1</sup> 726770\_\_\_

Principal and interest on the Notes will be payable at maturity. The Notes are being offered for sale and will bear interest at such rate or rates per annum as are specified by the successful bidder or bidders in accordance with the Notice of Sale, dated May 3, 2016.

The Notes will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Notes will not receive certificates representing their ownership interest in the Notes. Principal of, redemption premium, if any, and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Ownership of the Notes may be in principal amounts of \$5,000 or any multiple thereof. So long as Cede & Co. is the Noteowner, as nominee for DTC, reference herein to the Noteowner or owners shall mean Cede & Co., aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry-Only Transfer System" herein.)

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

**Telephone and electronic bids via Parity® for the Notes will be received until 11:30 A.M. (Eastern Time) on Tuesday, May 10, 2016 at the Office of the Town Manager, Plainville Municipal Center, One Central Square, Plainville, Connecticut 06062.**

The Notes 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 and interest on the Notes when due. (See "Security and Remedies" herein.)

The Notes 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 Notes in book-entry-only form will be made to DTC in New York, New York on or about May 18, 2016.

<sup>1</sup> 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 Notes. 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 Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes 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 Notes.

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 Notes 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 Notes 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 Notes 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 – "2015 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 "Form of Opinion of Bond Counsel and Tax Exemption" herein), and makes no representation that it has independently verified the same.

## Table of Contents

	<u>Page</u>		<u>Page</u>
<b>Note Issue Summary</b> .....	1	<b>IV. Debt Section</b> .....	21
<b>I. Securities Offered</b> .....	2	Outstanding Short-Term Debt.....	21
Introduction.....	2	Outstanding Bonded Debt.....	21
Description of the Notes.....	2	Overlapping/Underlying Debt.....	21
Financial Advisor.....	2	Bonded Debt Maturity Schedule.....	22
Authorization and Purpose.....	3	Current Debt Statement.....	22
Use of Proceeds.....	3	Current Debt Ratios.....	23
Book-Entry-Only Transfer System.....	3	Statement of Statutory Debt Limitation.....	23
DTC Practices.....	4	Authorized But Unissued Debt.....	24
Replacement Bonds and Notes.....	4	Five-Year Debt Statement Summary.....	24
Security and Remedies.....	4	Comparison of Annual Debt Service to General Fund Expenditures.....	24
Qualification for Financial Institutions.....	5	Authority to Incur Debt.....	25
Ratings.....	5	Temporary Financing.....	25
Availability of Continuing Information.....	5	<b>V. Financial Section</b> .....	26
Note Insurance.....	6	Taxable Grand List.....	26
<b>II. The Issuer</b> .....	7	Tax Collections.....	26
Description of the Town.....	7	Property Taxes Receivable.....	26
Economy.....	7	Major Taxpayers.....	27
Form of Government.....	9	Intergovernmental Revenues as a Percent of General Fund Revenues.....	27
Organizational Chart.....	9	Comparative Balance Sheets – General Fund.....	28
Principal Municipal Officials.....	10	General Fund Revenues and Expenditures.....	29
Summary of Municipal Services.....	10	Five-Year Capital Improvement Plan.....	30
School Enrollments.....	13	Annual Audit.....	30
School Facilities.....	13	Pension Plans.....	30
Municipal Employees.....	13	Schedule of Funding Progress.....	31
Municipal Employees Bargaining Organizations.....	14	Schedule of Employer Contributions and Trend Information.....	31
<b>III. Economic and Demographic Data Section</b> .....	15	Other Post-Employment Benefits.....	32
Population Trends and Densities.....	15	Schedule of OPEB Funding Status.....	33
Age Distribution of the Population.....	15	Schedule of Employer Contributions.....	33
Income Distribution.....	16	Investment Practices.....	33
Comparative Income Measures.....	16	Basis of Accounting.....	34
Educational Attainment.....	16	Budget Adoption Procedure.....	34
Labor Force Data.....	17	Insurance Coverage.....	34
Industry Classification.....	17	Assessment Practices.....	35
Major Employers.....	18	Tax Levy and Collection.....	35
Commute to Work.....	18	<b>VI Additional Information</b> .....	36
Number and Value of Building Permits.....	18	Litigation.....	36
Age Distribution of Housing.....	19	Documents to Be Furnished At Closing.....	36
Housing Units by Type of Structure.....	19	Concluding Statement.....	37
Owner Occupied Housing Units.....	19		
Number and Size of Households.....	20	<b>Appendix A - 2015 Financial Statements</b>	
Housing Unit Vacancy Rates.....	20	<b>Appendix B - Opinion of Bond Counsel and Tax Exemption</b>	
		<b>Appendix C - Form of Continuing Disclosure Agreement</b>	
		<b>Appendix D - Notice of Sale</b>	

## **Note Issue Summary**

*The information in this Note 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.*

<b>Date of Sale:</b>	Tuesday, May 10, 2016 at 11:30 A.M. (Eastern Time).
<b>Location of Sale:</b>	Office of the Town Manager, Plainville Municipal Center, One Central Square, Plainville, CT 06062
<b>Issuer:</b>	Town of Plainville, Connecticut (the "Town").
<b>Issue:</b>	\$2,000,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	Date of Delivery
<b>Principal and Interest Due:</b>	At maturity: May 17, 2017
<b>Purpose:</b>	The Notes are being issued to finance various road improvements, see "Authorization and Purpose" herein.
<b>Redemption:</b>	The Notes are not subject to redemption prior to maturity.
<b>Security:</b>	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
<b>Credit Rating:</b>	No application for a rating on this Note issue has been made to any credit rating agency. The Town has an outstanding bond rating of "AAA" from Standard & Poor's.
<b>Tax Exemption:</b>	See Appendix B - "Opinion of Bond Counsel and Tax Exemption".
<b>Bank Qualification:</b>	The Notes <u>shall be</u> 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 of interest expense allocable to the Notes.
<b>Continuing Disclosure:</b>	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, notices of certain events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Financial Advisor:</b>	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.
<b>Legal Opinion:</b>	Day Pitney LLP, of Hartford, Connecticut.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about May 18, 2016. Delivery of the Notes will be made against payment in Federal Funds.
<b>Issuer Official:</b>	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 \$2,000,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Notes are being offered for sale at public bidding. A Notice of Sale dated May 3, 2016 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. 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 Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

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

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.

### ***Description of the Notes***

The Notes in the principal amount of \$2,000,000 will be dated the date of delivery and will be due and payable as to both principal and interest at maturity, May 17, 2017. The Notes will bear interest calculated on the basis of a 360-day year consisting of 30-day months, at such rate or rates per annum specified on the cover page. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein.

The Notes are not subject to redemption prior to maturity.

### ***Financial Advisor***

Phoenix Advisors, LLC, of Milford, Connecticut will serve as Financial Advisor to the Town with respect to the issuance of the Notes (the “Financial Advisor”). The Financial 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 Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **Authorization and Purpose**

The Notes are issued pursuant to an ordinance adopted by the Town Council of the Town of Plainville at its regularly scheduled meeting of April 23, 2015, and approved at referendum of the voters of the Town on June 16, 2015, authorizing the issuance of bonds and notes in an amount up to \$5,000,000 to finance road and related improvements.

## **Use of Proceeds**

<b>Project</b>	<b>Amount Authorized</b>	<b>Maturing Notes Due:</b>	<b>This Issue: The Notes</b>	
		<b>5/18/2016</b>	<b>New Money</b>	<b>Due: 5/17/2017</b>
Road Improvements .....	\$ 5,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
<b>Total</b> .....	\$ 5,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000

## **Book-Entry-Only Transfer System**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. For the Notes, one fully-registered Note certificate will be issued for each interest rate of the Notes.

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](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes 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 Notes 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 Notes 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 Town or 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or 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 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 Notes at any time by giving reasonable notice to the Town or Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note 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 Notes 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 Notes***

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

### ***Security and Remedies***

The Notes 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 Notes when due.

Unless paid from other sources, the Notes are payable from general property tax revenues of the Town. The Town has the power under Connecticut General statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of 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 tax revenue which the Town or City 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 Notes 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 Notes.

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 Notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. A Court of competent jurisdiction also has the power in appropriate proceedings to order a payment of a judgment on such Notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could 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 Notes 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 creditor's rights heretofore or hereafter enacted and to the exercise of judicial discretion.

Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code 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 of Connecticut 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 Notes 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 Notes.

***Rating***

No application for a rating on this Note issue has been made to any credit rating agency. The Town has an outstanding bond rating of "AA+" from Standard & Poor's.

***Availability of Continuing Information***

The Town will enter into a Continuing Disclosure Agreement with respect to the Notes, 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 material events with respect to the Notes 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 Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, 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 Standard & Poor's Corporation 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.

### **Note Insurance**

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

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## 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 a 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.

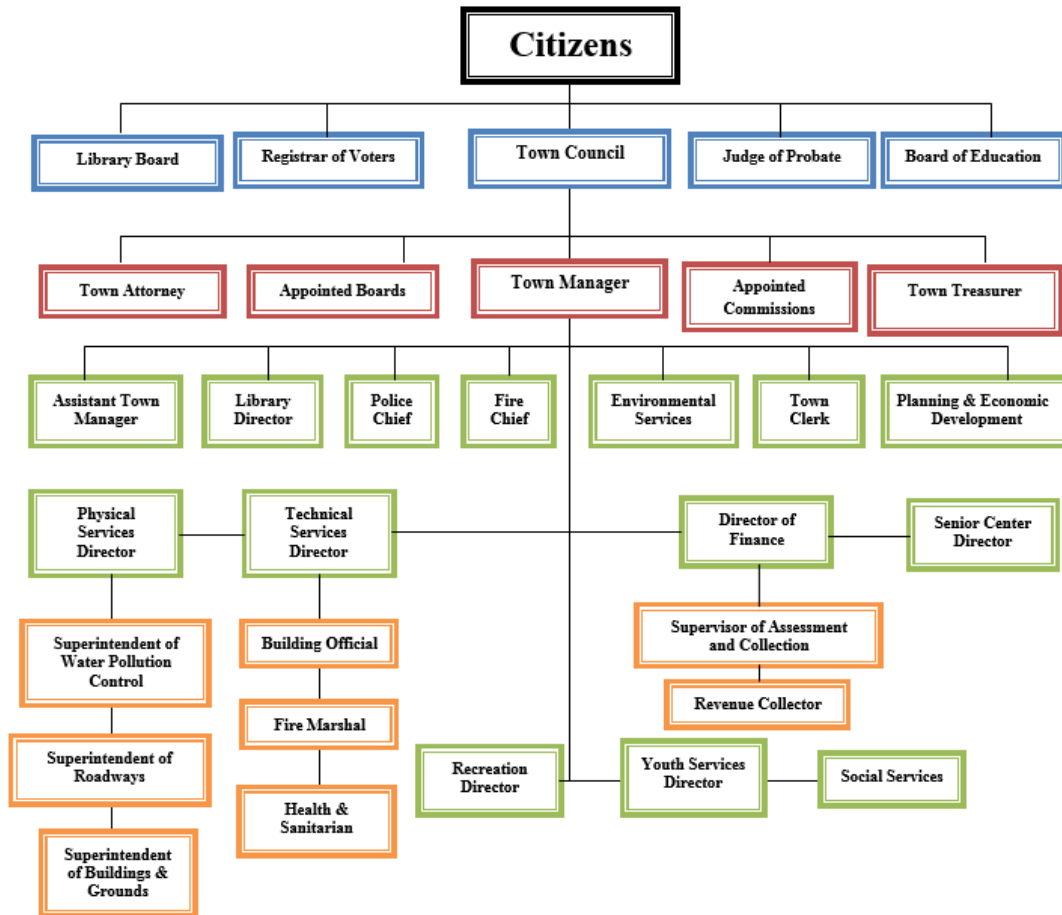
Residential activity remains slow; however, Plainville's reputation as a desirable location to live leaves few existing homes on the market. The result has been a steady rate of sales of new residential units. Most notably, the 116 units under construction at Samuel's Crossing continue to sell at a reasonable 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***

<b><i>Office</i></b>	<b><i>Name</i></b>	<b><i>Manner of Selection/Term</i></b>	<b><i>Years of Service</i></b>
Town Council:			
Chairwoman .....	Katherine Pugliese	Elected/2 years	5 years
Vice Chairman .....	Scott Saunders	Elected/2 years	7 years
Member .....	Christopher J. Wazorko	Elected/2 years	19 years
Member .....	Danny Carrier	Elected/2 years	2 years
Member .....	Rosemary Morante	Elected/2 years	< 1 year
Member .....	Quinn Christopher	Elected/2 years	5 years
Member .....	Deborah Tompkins	Elected/2 years	3 years
Corporation Counsel .....	Michael Matrianni	Council appointment/2 years	5 years
Treasurer .....	Duncan May	Council appointment/2 years	5 years
Town Manager .....	Robert E. Lee	Council appointment/indef.	12 years
Director of Finance .....	Robert Buden	Manager appointment/indef.	8 years <sup>1</sup>
Assessor .....	Jane Dickman-Buden	Manager appointment/indef.	23 years
Tax Collector .....	Ana LeGassey	Manager appointment/indef.	3 years
Superintendent of Schools.....	Maureen Brummett	BOE appointment/indef.	5 years

<sup>1</sup> Has sixteen 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 Roadway Division is responsible for maintenance, cleaning, repair, and construction of public streets, public lots, and storm drainage systems. This division is 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 Division's activities are based on scheduled maintenance, required repairs, vandalism, community events, requests for improvement, weather, and emergency service. In addition, the Division 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 Division 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 waste water each day with a capacity for 3.7 million gallons per day. Wastewater sludge is properly disposed of at a DEP-licensed facility. The Connecticut Department of 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, toddle time, kidv-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***

<b><i>As of October 1</i></b>	<b><i>Grades Pre-K–5</i></b>	<b><i>Grades 6–8</i></b>	<b><i>Grades 9–12</i></b>	<b><i>Total Enrollment</i></b>
<b><i>Historical</i></b>				
2006.....	1,087	672	868	2,627
2007.....	1,081	622	894	2,597
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
<b><i>Projected</i></b>				
2016.....	1,126	543	716	2,385
2017.....	1,121	535	715	2,371
2018.....	1,114	513	740	2,367

### ***School Facilities***

<b><i>School</i></b>	<b><i>Grades</i></b>	<b><i>Date of Construction (Remodeled)</i></b>	<b><i>Number of Classrooms</i></b>	<b><i>Enrollment 10/1/2015</i></b>	<b><i>Rated Capacity</i></b>
Linden Street .....	Pre-K–5	1924 (1928, 1970, 2006)	27	424	516
Toffolon .....	K–5	1968 (2010)	27	375	511
Wheeler .....	K–5	1951 (1954, 1995)	21	301	418
Plainville Middle .....	6–8	1992	45	544	700
Plainville High .....	9–12	1956 (1964, 1971, 1973, 2009)	70	735	920
<b><i>Total</i></b> .....			190	2,379	3,065

### ***Municipal Employees***

	<b><i>2015-16</i></b>	<b><i>2014-15</i></b>	<b><i>2013-14</i></b>	<b><i>2012-13</i></b>	<b><i>2011-12</i></b>
General Government .....	108	108	108	107	112
Board of Education .....	407	415	427	434	426
Total .....	515	523	535	541	538

## Municipal Employees Bargaining Organizations

<b>Employees</b>	<b>Organization</b>	<b>Number of Employees</b>	<b>Current Contract Expiration Date</b>
<b>General Government</b>			
Police.....	AFSCME, Local #1706, Council #15	35	6/30/2017
Public Works.....	AFSCME, Local #1303, Council #4	24	6/30/2016 <sup>1</sup>
Municipal and Library .....	NAGE Local RI-269	21	6/30/2016 <sup>1</sup>
Organized .....		80	
Non-Union .....		29	
<b>Subtotal.....</b>		<b>189</b>	
<b>Board of Education</b>			
Principals .....	Plainville Association of School Administrators	12	6/30/2018
Teachers .....	Education Association of Plainville, CT	215	6/30/2016
Custodians and Maintenance.....	AFSCME, Local #1303, Council #4	20	6/30/2019
Tutors and Aides .....	Plainville Paraprof. Association CSEA, Inc. Aff.	80	6/30/2016 <sup>1</sup>
Secretaries/Clerks .....	Office Professionals and Clerks	23	6/30/2019
Nurses .....	Nurses Agreement	6	6/30/2016 <sup>1</sup>
Organized .....		356	
Non-Union .....		-	
<b>Subtotal .....</b>		<b>356</b>	
<b>Total .....</b>		<b>545</b>	

<sup>1</sup> In Negotiations.

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

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Percent Change</b>	<b>Density<sup>2</sup></b>
2014.....	17,791	0.42	1,853
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

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, Census of Population for 1960–2014.

<sup>2</sup> Population per square mile: 9.6 square miles.

### Age Distribution of the Population

<b>Age</b>	<b>Town of Plainville</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	876	4.9%	194,338	5.4%
5 to 9 years .....	1,020	5.7	217,491	6.1%
10 to 14 years .....	875	4.9	234,666	6.5%
15 to 19 years .....	1,155	6.5	255,499	7.1%
20 to 24 years .....	1,011	5.7	234,482	6.5%
25 to 34 years .....	2,325	13.1	433,145	12.1%
35 to 44 years .....	2,395	13.5	459,130	12.8%
45 to 54 years .....	2,612	14.7	563,772	15.7%
55 to 59 years .....	1,508	8.5	253,952	7.1%
60 to 64 years .....	1,051	5.9	214,499	6.0%
65 to 74 years .....	1,369	7.7	280,541	7.8%
75 to 84 years .....	1,161	6.5	162,971	4.5%
85 years and over .....	433	2.4	87,567	2.4%
<b>Total.....</b>	<b>17,791</b>	<b>100%</b>	<b>3,592,053</b>	<b>100%</b>
Median Age (Years) 2014.....	42.0		40.3	
Median Age (Years) 2010..... <sup>1</sup>	39.6		38.5	

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2010-2014

### Income Distribution

<b>Income</b>	<b>Town of Plainville</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$ 9,999.....	112	2.4%	30,584	3.4%
10,000 - 14,999.....	76	1.7	18,591	2.1%
15,000 - 24,999.....	327	7.1	46,537	5.2%
25,000 - 34,999.....	447	9.7	56,473	6.3%
35,000 - 49,999.....	561	12.2	85,206	9.5%
50,000 - 74,999.....	827	18.0	140,776	15.6%
75,000 - 99,999.....	855	18.6	129,656	14.4%
100,000 - 149,999.....	881	19.2	184,327	20.5%
150,000 - 199,999.....	272	5.9	93,100	10.3%
200,000 and over.....	229	5.0	114,307	12.7%
<b>Total.....</b>	<b>4,587</b>	<b>100.0%</b>	<b>899,557</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014

### Comparative Income Measures

	<b>Town of Plainville</b>	<b>State of Connecticut</b>
Per Capita Income, 2014.....	\$ 31,370	\$ 38,480
Median Family Income, 2014.....	\$ 71,361	\$ 88,217
Median Household Income, 2014 .....	\$ 55,506	\$ 69,899

Source: American Community Survey 2010-2014

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

<b>Education</b>	<b>Town of Plainville</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	497	5.4%	106,784	4.3%
9th to 12th grade.....	840	9.1	150,227	6.1
High School graduate.....	4,335	46.9	677,887	27.6
Some college, no degree.....	2,681	29.0	431,807	17.6
Associate's degree .....	1,349	14.6	180,321	7.3
Bachelor's degree.....	2,130	23.0	506,662	20.6
Graduate or professional degree.....	1,022	11.1	401,889	16.4
<b>Total.....</b>	<b>9,247</b>	<b>100.0%</b>	<b>2,455,577</b>	<b>100.0%</b>
Total high school graduate or higher (%).....	89.6%		89.5%	
Total bachelor's degree or higher (%).....	24.5%		37.0%	

Source: American Community Survey 2010-2014

## Labor Force Data

Period	Town of Plainville		Percentage Unemployed		
	Employed	Unemployed	Town of Plainville	Hartford Labor Market	State of Connecticut
March 2016.....	9,829	660	6.3	6.2	6.2
<b>Annual Average</b>					
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
2007.....	9,502	464	4.9	4.7	4.6
2006.....	9,485	440	4.6	4.5	4.4

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%	7,413	0.4%
Construction.....	580	6.0	97,974	5.5
Manufacturing.....	1123	11.7	191,057	10.8
Wholesale trade.....	258	2.7	44,195	2.5
Retail trade.....	1304	13.6	191,267	10.8
Transportation warehousing, and utilities.....	330	3.4	65,068	3.7
Information.....	207	2.2	41,905	2.4
Finance, insurance, real estate, and leasing....	783	8.2	161,926	9.2
Professional, scientific, management, administrative, and waste management.....	632	6.6	197,880	11.2
Education, health and social services.....	2,583	26.9	467,574	26.5
Arts, entertainment, recreation, accommodation and food services.....	957	10.0	154,005	8.7
Other services (except public admin.).....	386	4.0	80,179	4.5
Public Administration.....	450	4.7	66,491	3.8
<b>Total Labor Force, Employed.....</b>	<b>9,603</b>	<b>100%</b>	<b>1,766,934</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014

***As of July 2015***

**Approximate Number  
of Employees**

**Commute to Work**  
(16 years of age and over)

<b>Town of Plainville</b>		<b>State of Connecticut</b>	
<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
8,382	90.1%	1,364,472	78.7%
518	5.6	142,105	8.2
39	0.4	81,585	4.7
83	0.9	52,655	3.0
162	1.7	20,514	1.2
115	1.2	73,467	4.2
9,299	100.0%	1,734,798	100.0%

Mean travel to work (minutes)	20.3	25.1
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Source: American Community Survey 2010-2014

### ***Number and Value of Building Permits***

Fiscal Year	Industrial/							
	Residential		Commercial		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
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
2007 .....	427	6,612,222	104	3,368,522	722	38,471,893	1,253	48,452,637
2006 .....	486	7,810,962	82	5,449,237	672	4,005,583	1,240	17,265,782

### Age Distribution of Housing

<b>Year Built</b>	<b>Town of Plainville</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	1,598	19.6%	334,290	22.4%
1940 to 1969.....	3,311	40.5	536,618	36.0
1970 to 1979.....	1,257	15.4	200,288	13.4
1980 to 1989.....	1,148	14.0	193,794	13.0
1990 to 1999.....	371	4.5	113,875	7.6
2000 or 2009.....	470	5.8	104,093	7.0
2010 or later.....	17	0.2	7,423	0.5
<b>Total Housing Units.....</b>	<b>8,172</b>	<b>100.0%</b>	<b>1,490,381</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014

### Housing Units by Type of Structure

<b>Housing Units</b>	<b>Town of Plainville</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	4,920	60.2%	882,955	59.2%
1-unit, attached.....	499	6.1	79,922	5.4
2 units.....	584	7.1	120,070	8.1
3 or 4 units.....	607	7.4	133,452	9.0
5 to 9 units.....	531	6.5	81,574	5.5
10 to 19 units.....	438	5.4	55,609	3.7
20 or more units.....	527	6.4	124,683	8.4
Mobile home.....	66	0.8	11,819	0.8
Boat, RV, van, etc.....	-	-	297	0.0
<b>Total Inventory.....</b>	<b>8,172</b>	<b>100.0%</b>	<b>1,490,381</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014

### Owner-Occupied Housing Units

<b>Specified Owner-Occupied Units</b>	<b>Town of Plainville</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	128	2.4%	24,122	2.6%
\$50,000 to \$99,000.....	279	5.3	26,438	2.9
\$100,000 to \$149,999.....	842	16.1	72,756	8.0
\$150,000 to \$199,000.....	1,304	24.9	137,797	15.1
\$200,000 to \$299,999.....	2,040	39.0	257,364	28.2
\$300,000 to \$499,999.....	525	10.0	243,882	26.7
\$500,000 to \$999,999.....	79	1.5	109,918	12.0
\$1,000,000 or more.....	35	0.7	40,766	4.5
<b>Total.....</b>	<b>5,232</b>	<b>100.0%</b>	<b>913,043</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$202,500</b>		<b>\$274,500</b>	

Source: American Community Survey 2010-2014

## 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 .....	17,631	—	3,472,533	—
Persons per household (average) .....	2.29	—	2.56	—
Persons per family (average) .....	2.94	—	3.15	—
Family households .....	4,587	59.6%	899,557	66.3%
Non-family households .....	3,112	40.4%	456,649	33.7%
<b>All households</b> .....	7,699	100.0%	1,356,206	100.0%
<i>Family households by type</i>				
Married couple .....	2,998	65.4%	664,328	73.9%
Female householders, no spouse .....	1,214	26.5%	175,928	19.6%
Other .....	375	8.2%	59,301	6.6%
<b>Total family households</b> .....	4,587	100.0%	899,557	100.0%
<i>Non-family households by type</i>				
Householders living alone .....	2,685	86.3%	378,669	82.9%
Other .....	427	13.7%	77,980	17.1%
<b>Total non-family households</b> .....	3,112	100.0%	456,649	100.0%

Source: American Community Survey 2010-2014

## 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 .....	8,172	94.5%	1,356,206	91.0%
Vacant housing units .....	473	5.5%	134,175	9.0%
<b>Total units</b> .....	8,645	100.0%	1,490,381	100.0%
Homeowner vacancy rate .....		1.0		1.7
Rental vacancy rate .....		4.3		6.9

Source: American Community Survey 2010-2014

## SECTION IV – DEBT SECTION

### Debt Summary Pro Forma As of May 18, 2016

#### Outstanding Bonded Debt <sup>1</sup>

<i>Dated Date</i>	<i>Purpose</i>	<i>Rate</i>	<i>Original Issue</i>	<i>Amount Outstanding</i>	<i>Final Maturity</i>
9/30/2006.....	State of Connecticut Clean Water Fund loan	2.00	\$ 727,352	\$ 393,188	03/31/26
6/4/2007.....	School, 2007 Series A	3.75-5.00	9,250,000	500,000	04/15/17
6/4/2007.....	General purpose refunding, 2007 Series B	3.875–5.00	6,855,000	3,375,000	04/01/21
4/1/2009.....	State of Connecticut Clean Water Fund loan	2.00	2,429,116	1,605,087	10/01/28
3/31/2010.....	State of Connecticut Clean Water Fund loan	2.00	19,066,549	13,199,547	09/30/29
10/28/2010.....	School, 2010 Series A	1.50–4.00	10,700,000	8,025,000	07/15/30
10/28/2010.....	Sewer, 2010 Series A	1.50–4.00	1,300,000	975,000	07/15/30
10/28/2010.....	General purpose refunding, 2010 Series B	1.50–4.00	3,515,000	1,010,000	07/15/17
1/4/2012.....	School, 2012	2.50–4.00	12,535,000	9,065,000	08/15/23
9/15/2015.....	School refunding, 2015	3.00-4.00	5,025,000	5,025,000	04/15/27
<b>Total</b> .....			<u>\$ 71,403,017</u>	<u>\$ 43,172,822</u>	

<sup>1</sup> Excludes Refunded Bonds.

#### Outstanding Short-Term Debt

<i>Project</i>	<i>Amount Authorized</i>	<i>This Issue: The Notes Due: 5/17/2017</i>
Road Improvements .....	\$ 5,000,000	\$ 2,000,000
<b>Total</b> .....	\$ 5,000,000	\$ 2,000,000

#### Overlapping/Underlying Debt Pro Forma As of May 18, 2016

The Town of Plainville does not have any overlapping or underlying debt.

**Bonded Debt Maturity Schedule**  
**Pro Forma**  
**As of May 18, 2016**

<b>Fiscal Year Ending</b>	<b>Principal Payments <sup>2</sup></b>	<b>Interest Payments</b>	<b>Total Payments</b>	<b>Cumulative Percent of Principal Retired</b>
2016..... <sup>1</sup>	\$ -	\$ -	\$ -	0.00%
2017.....	4,577,110	1,249,860	5,826,970	10.60%
2018.....	4,686,511	1,127,122	5,813,633	21.46%
2019.....	4,237,432	984,901	5,222,333	31.27%
2020.....	4,328,775	841,657	5,170,432	41.30%
2021.....	3,865,550	689,383	4,554,933	50.25%
2022.....	3,512,764	564,294	4,077,058	58.39%
2023.....	2,855,426	469,032	3,324,458	65.00%
2024.....	2,868,546	386,412	3,254,958	71.65%
2025.....	2,292,132	313,201	2,605,333	76.96%
2026.....	2,311,194	253,176	2,564,370	82.31%
2027.....	2,286,595	192,843	2,479,438	87.61%
2028.....	1,820,748	131,866	1,952,614	91.82%
2029.....	1,772,038	83,531	1,855,569	95.93%
2030.....	1,158,002	39,260	1,197,262	98.61%
2031.....	600,000	12,000	612,000	100.00%
<b>Total .....</b>	<b>\$ 43,172,823</b>	<b>\$ 7,338,538</b>	<b>\$ 50,511,361</b>	

<sup>1</sup> Excludes \$4,308,115 in principal payments and \$1,279,669 interest payments from July 1, 2015 through May 18, 2016.

<sup>2</sup> 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 May 18, 2016**

**Long-Term Debt Outstanding:**

General Purpose .....	\$ 4,385,000
Schools .....	22,615,000
Sewers .....	16,172,822
<b>Total Long-Term Debt.....</b>	<b>\$ 43,172,822</b>
<b>Short-Term Debt (This Issue) .....</b>	<b>2,000,000</b>
<b>Total Direct Debt .....</b>	<b>\$ 45,172,822</b>
Less: School Construction Grants Receivable (As of June 30, 2015).....	-
<b>Total Net Direct Debt.....</b>	<b>\$ 45,172,822</b>
Underlying Debt.....	-
<b>Total Overall Net Debt.....</b>	<b>\$ 45,172,822</b>

**Current Debt Ratios**  
**Pro Forma**  
**As of May 18, 2016**

Population, 2014 <sup>1</sup> .....	17,791
Per capita income, 2014 <sup>1</sup> .....	\$71,361
Net taxable grand list, 10/1/15 .....	\$ 1,365,355,660
Estimated full value @ 70% .....	\$ 1,950,508,086
Equalized net grand list (2014) <sup>2</sup> .....	\$ 1,884,896,086

	<b>Total Direct Debt \$45,172,822</b>	<b>Total Net Direct Debt \$45,172,822</b>	<b>Total Overall Direct Debt \$45,172,822</b>
Per capita .....	\$2,539.08	\$2,539.08	\$2,539.08
To net taxable grand list .....	3.31%	3.31%	3.31%
To estimated full value .....	2.32%	2.32%	2.32%
To equalized net grand list .....	2.40%	2.40%	2.40%
Ratio of debt per capita to per capita income .....	3.56%	3.56%	3.56%

<sup>1</sup> U.S. Census Bureau, American Community Survey, 2010-2014.

<sup>2</sup> State of Connecticut, Office of Policy and Management.

**Statement of Statutory Debt Limitation**  
**Pro Forma**  
**As of May 18, 2016**

Estimated total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2015 .....	\$ 42,676,572
Reimbursement for revenue loss on Elderly Tax Relief .....	2,000
<b>Debt Limitation Base</b> .....	<b>\$ 42,678,572</b>

<b>Debt Limitation by Purpose</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit Funding</b>
2.25 x base .....	\$ 96,026,787	-	-	-	-
4.50 x base .....	-	\$ 192,053,574	-	-	-
3.75 x base .....	-	-	\$ 160,044,645	-	-
3.25 x base .....	-	-	-	\$ 138,705,359	-
3.00 x base .....	-	-	-	-	\$ 128,035,716
<b>Total debt limitation</b> .....	<b>\$ 96,026,787</b>	<b>\$ 192,053,574</b>	<b>\$ 160,044,645</b>	<b>\$ 138,705,359</b>	<b>\$ 128,035,716</b>
Less indebtedness:					
Bonds payable .....	\$ 4,385,000	\$ 22,615,000	\$ 16,172,822	\$ -	\$ -
Notes payable (This issue) .....	2,000,000	-	-	-	-
Bonds authorized but unissued .....	4,000,000	-	-	-	-
<b>Total direct debt</b> .....	<b>\$ 10,385,000</b>	<b>\$ 22,615,000</b>	<b>\$ 16,172,822</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt limitation in excess of outstanding and authorized debt</b> .....	<b>\$ 85,641,787</b>	<b>\$ 169,438,574</b>	<b>\$ 143,871,823</b>	<b>\$ 138,705,359</b>	<b>\$ 128,035,716</b>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$298,750,004

### Authorized but Unissued Debt

<i>Project</i>	<i>Borrowing Authorization</i>	<i>Bonds Previously Issued</i>	<i>Maturing Notes Due: 5/18/2016</i>	<i>New Money</i>	<i>This Issue: The Notes Due: 5/17/2017</i>	<i>Authorized but Unissued Debt</i>
Road Improvements .....	\$ 5,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
<b>Total .....</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 3,000,000</b>

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

	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
Population .....	17,670	17,670	17,670	17,724	17,716
Net taxable grand list .....	\$1,355,576	\$1,400,712	\$1,340,289	\$1,400,782	\$1,390,764
Estimated full value .....	\$1,936,537	\$2,001,017	\$1,914,699	\$2,001,117	\$1,986,806
 Bond anticipation notes .....	 \$0	 \$0	 \$0	 \$0	 \$18,000
Bonded debt .....	45,522	53,287	56,302	60,378	64,504
<b>Total overall debt .....</b>	<b>\$45,522</b>	<b>\$53,287</b>	<b>\$56,302</b>	<b>\$60,378</b>	<b>\$82,504</b>
 Less grants receivable .....	 -	 -	 -	 -	 145
<b>Total overall net debt .....</b>	<b>\$45,522</b>	<b>\$53,287</b>	<b>\$56,302</b>	<b>\$60,378</b>	<b>\$82,359</b>

### Comparison of Annual Debt Service to General Fund Expenditures

<i>Fiscal Year Ended June 30</i>	<i>Debt Service</i>	<i>Total Expenditures</i>	<i>Debt Service as Ratio to Total Expenditures</i>
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%
2008.....	4,518,895	51,555,050	8.77%
2007.....	4,316,600	49,049,799	8.80%
2006.....	3,576,694	47,330,344	7.56%

## ***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 1/20<sup>th</sup> (1/30<sup>th</sup> 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 1/15<sup>th</sup> 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)

<b>Grand List 10/1</b>	<b>Residential Real Property Percent</b>	<b>Commercial and Industrial Real Property Percent</b>	<b>Other Percent</b>	<b>Personal Property Percent</b>	<b>Motor Vehicle Percent</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>	<b>Percent Change</b>
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 <sup>1</sup> .....	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%
2007.....	61.6	20.0	1.5	7.8	9.1	1,426,290	41,859	1,384,431	0.88%
2006 <sup>1</sup> .....	62.8	19.0	1.7	7.3	9.2	1,404,656	32,357	1,372,299	43.26%

<sup>1</sup> Revaluation.

### Tax Collections

<b>Fiscal Year Ended 30-Jun</b>	<b>Grand List 1-Oct</b>	<b>Mill Rate</b>	<b>Adjusted Annual Levy</b>	<b>% of Annual Levy Collected at Fiscal Year-End</b>	<b>% of Annual Levy Uncollected at Fiscal Year-End</b>	<b>% of Annual Levy Collected as of 6/30/15</b>
2016 <sup>1</sup> .....	2014	31.83	\$42,337,948	<i>IN COLLECTION</i>		
2015.....	2013	31.38	41,430,066	98.2	1.8	98.2
2014.....	2012	31.38	41,003,953	97.8	2.2	97.8
2013.....	2011	30.89	40,327,566	97.6	2.4	98.1
2012.....	2010	28.98	39,526,221	97.5	2.5	99.1
2011 .....	2009	28.01	37,939,148	97.7	2.3	99.4
2010.....	2008	26.33	35,595,339	97.3	2.7	99.6
2009.....	2007	26.24	35,215,438	97.8	2.2	99.7
2008.....	2006	25.5	34,971,092	97.7	2.3	99.8
2007.....	2005	36.28	35,055,339	97.8	2.2	99.7

<sup>1</sup> Unaudited.

### Property Taxes Receivable

<b>Fiscal Year Ended 6/30</b>	<b>Current Year</b>	<b>Total</b>
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
2008.....	797,861	1,430,599
2007.....	764,921	1,488,534
2006.....	772,814	1,539,247

## Major Taxpayers

<b>Name</b>	<b>Business</b>	<b>Taxable Valuation as of 10/1/15</b>	<b>Percent of Net Taxable Grand List</b>
BRE DDR Connecticut Commons LLC .....	Investor	\$ 46,947,210	3.41%
Tilcon Connecticut Inc. ....	Contractors	22,499,140	1.63%
Connecticut Light & Power .....	Utility	11,458,990	0.83%
Valley Water Systems .....	Utility	11,222,350	0.81%
North Mountain Land LLC.....	Investor	10,996,410	0.80%
Manafort Brothers .....	Contractors	8,919,400	0.65%
General Electric Company .....	Manufacturer	8,676,050	0.63%
Carling Technologies .....	Contractors	7,949,580	0.58%
Mott Metallurgical Co. ....	Manufacturer	7,549,590	0.55%
Gem Sensors .....	Manufacturer	6,592,690	0.48%
<b>Total .....</b>		<b>\$ 142,811,410</b>	<b>10.36%</b>

<sup>1</sup> Based on the Net Taxable Grand List of October 1, 2015 of \$1,378,372,000.

## Intergovernmental Revenues as a Percent of General Fund Revenues

<b>Fiscal Year Ended June 30</b>	<b>Intergovernmental Revenues</b>	<b>General Fund Revenues</b>	<b>Percent</b>
2016 (1).....	\$ 11,643,847	\$ 56,189,841	20.7
2015.....	11,552,128	53,179,433	21.7
2014.....	16,527,208	60,083,483	27.5
2013.....	15,895,074	58,926,610	27.0
2012.....	15,944,124	57,075,385	27.9
2011.....	15,124,016	55,606,826	27.2
2010.....	15,180,918	52,756,921	28.8
2009.....	14,996,449	53,189,882	28.2
2008.....	23,798,859	61,099,968	39.0
2007.....	13,716,585	51,101,404	26.8

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

### Comparative Balance Sheets – General Fund

	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011
<b>Assets</b>					
Cash and cash equivalents .....	\$ 11,621,258	\$ 12,604,422	\$ 9,779,734	\$ 8,686,496	\$ 12,875,735
Investments .....	2,717,495	1,372,471	2,090,847	1,119,843	193,312
Accounts and other receivables .....	4,032,138	3,685,391	4,432,700	4,360,049	2,898,127
Due from other funds .....	988,606	1,386,033	528,239	401,767	2,543,053
Other assets .....	20,394	13,767	6,369	131,039	10,246
<b>Total Assets .....</b>	<b>\$ 19,379,891</b>	<b>\$ 19,062,084</b>	<b>\$ 16,837,889</b>	<b>\$ 14,699,194</b>	<b>\$ 18,520,473</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses .....	\$ 1,493,154	\$ 431,631	\$ 561,667	\$ 341,587	\$ 438,023
Due to other governments .....	40,844	32,370	39,569	26,839	24,823
Due to other funds .....	3,506,707	3,799,938	6,121,040	6,997,542	11,981,122
Deferred revenue .....	-	2,763,649	3,317,284	3,231,321	2,479,727
<b>Total Liabilities .....</b>	<b>\$ 5,040,705</b>	<b>\$ 7,027,588</b>	<b>\$ 10,039,560</b>	<b>\$ 10,597,289</b>	<b>\$ 14,923,695</b>
<b>Deferred Inflow of Resources</b>					
Unavailable Revenue .....	\$ 3,221,262	\$ -	\$ -	\$ -	\$ -
Advance Property Tax Collections .....	61,581	-	-	-	-
<b>Total Deferred Inflow of Resources .....</b>	<b>\$ 3,282,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance</b>					
Nonspendable.....	20,394	13,767	6,369	131,039	10,246
Restricted.....	-	-	-	-	-
Committed.....	147,710	147,672	171,666	171,312	171,012
Assigned.....	445,166	707,402	757,006	829,164	1,017,759
Unassigned.....	10,443,073	11,165,655	5,863,288	2,970,390	2,397,761
<b>Total Fund Balance .....</b>	<b>\$ 11,056,343</b>	<b>\$ 12,034,496</b>	<b>\$ 6,798,329</b>	<b>\$ 4,101,905</b>	<b>\$ 3,596,778</b>
<b>Total Liabilities and Fund Balance and Deferred Inflow of Resources .....</b>	<b>\$ 19,379,891</b>	<b>\$ 19,062,084</b>	<b>\$ 16,837,889</b>	<b>\$ 14,699,194</b>	<b>\$ 18,520,473</b>
<b>Analysis of General Fund Balance</b>					
Operating revenues .....	\$ 59,578,204	\$ 60,083,483	\$ 58,926,610	\$ 57,075,385	\$ 55,606,826
Fund balance as percent of operating revenues .....	18.56	20.03	11.54	7.19	6.47
Unassigned/Undesignated fund balance as percent of operating revenues .....	17.53	18.58	9.95	5.20	4.31

## General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2011 through 2015 have been derived from audited financial statements. The budgeted results for 2015–16 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, 2015).

	<b>Budget 2015-16</b>	<b>Actual 2014-15</b>	<b>Actual 2013-14</b>	<b>Actual 2012-13</b>	<b>Actual 2011-12</b>	<b>Actual 2010-11</b>
<b>Revenues</b>						
Property taxation .....	\$ 43,543,448	\$ 42,676,572	\$ 42,459,637	\$ 41,481,988	\$ 40,212,765	\$ 39,566,117
Licenses, fees and charges .....	442,550	841,622	834,431	787,481	757,092	704,397
Intergovernmental .....	11,643,847	15,660,130	16,527,208	15,895,074	15,944,124	15,124,016
Investment income .....	25,500	32,887	32,084	26,829	18,449	24,643
Other revenue .....	534,496	366,993	230,123	735,238	142,955	187,653
<b>Total revenues .....</b>	<b>\$ 56,189,841</b>	<b>\$ 59,578,204</b>	<b>\$ 60,083,483</b>	<b>\$ 58,926,610</b>	<b>\$ 57,075,385</b>	<b>\$ 55,606,826</b>
<b>Expenditures</b>						
General government .....	\$ 2,218,297	\$ 2,598,998	\$ 2,014,186	\$ 1,934,405	\$ 1,955,421	\$ 1,964,430
Public safety .....	4,302,209	4,136,929	4,055,095	4,064,464	3,822,033	3,750,250
Public works .....	4,153,329	4,026,473	3,889,464	3,823,049	4,074,852	4,883,934
Health & Human Services .....	1,748,583	1,645,637	1,682,086	1,680,925	1,660,035	467,829
Culture and recreation .....	149,080	143,945	140,133	137,233	134,838	217,492
Education .....	34,366,736	37,599,680	37,928,248	36,498,345	36,497,815	35,631,512
Other expenditures .....	3,178,785	3,208,470	3,173,531	3,113,467	2,796,458	2,809,360
Debt service .....	4,712,294	4,680,984	4,605,719	4,581,333	5,083,124	4,348,624
<b>Total expenditures .....</b>	<b>\$ 54,829,313</b>	<b>\$ 58,041,116</b>	<b>\$ 57,488,462</b>	<b>\$ 55,833,221</b>	<b>\$ 56,024,576</b>	<b>\$ 54,073,431</b>
Excess (deficiency) of revenues over expenditures .....	1,360,528	1,537,088	2,595,021	3,093,389	1,050,809	1,533,395
Other financing sources (uses):						
Refunding Bonds Issued .....	-	-	-	-	12,060,000	3,515,000
Payment to Escrow Agent .....	-	-	-	-	(13,040,091)	(3,872,566)
Premium on Sale of Bonds .....	-	-	-	-	889,283	242,157
Operating Transfers In .....	314,840	305,670	4,987,858	1,757,683	292,462	315,864
Operating Transfers Out .....	(1,675,368)	(2,820,911)	(2,346,712)	(2,154,648)	(747,336)	(1,373,595)
<b>Total other financing sources (uses) .....</b>	<b>\$ (1,360,528)</b>	<b>\$ (2,515,241)</b>	<b>\$ 2,641,146</b>	<b>\$ (396,965)</b>	<b>\$ (545,682)</b>	<b>\$ (1,173,140)</b>
Excess (deficiency) of revenues and other sources (uses) over (under) expenditures and other financing uses .....	-	(978,153)	5,236,167	2,696,424	505,127	360,255
Fund balance, beginning .....	11,056,343	12,034,496	6,798,329	4,101,905	3,596,778	3,236,523 <sup>1</sup>
<b>Fund balance, ending .....</b>	<b>\$ 11,056,343</b>	<b>\$ 11,056,343</b>	<b>\$ 12,034,496</b>	<b>\$ 6,798,329</b>	<b>\$ 4,101,905</b>	<b>\$ 3,596,778</b>

<sup>1</sup> As Restated.

Public Act No. 15-244 created a cap on municipal spending 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 2018. Beginning in fiscal year 2018, the State of Connecticut Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality’s percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% of the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. However, for municipalities

that taxed motor vehicles at more than 32 mills for the 2013 assessment year (for taxes levied in fiscal year 2015), the reduction may not exceed the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills. (See “Tax Collections” herein).

### ***Five-Year Capital Improvement Plan***

<b><i>Sources of Funds</i></b>	<b><i>2015–16</i></b>	<b><i>2016–17</i></b>	<b><i>2017–18</i></b>	<b><i>2018–19</i></b>	<b><i>2019–20</i></b>	<b><i>Total</i></b>
General Fund .....	\$ 2,221,359	\$ 1,247,070	\$ 2,684,352	\$ 1,871,228	\$ 714,900	\$ 8,738,909
Capital Funds .....	266,109	-	-	-	-	266,109
Grants .....	1,542,960	592,500	-	-	-	2,135,460
<b><i>Total Sources</i></b> .....	<b>\$ 4,030,428</b>	<b>\$ 1,839,570</b>	<b>\$ 2,684,352</b>	<b>\$ 1,871,228</b>	<b>\$ 714,900</b>	<b>\$ 11,140,478</b>

<b><i>Uses of Funds</i></b>	<b><i>2015–16</i></b>	<b><i>2016–17</i></b>	<b><i>2017–18</i></b>	<b><i>2018–19</i></b>	<b><i>2019–20</i></b>	<b><i>Total</i></b>
General Government .....	\$ 162,000	\$ 250,000	\$ 95,500	\$ 18,000	\$ 20,000	\$ 545,500
Economic Development .....	-	-	57,000	19,000	-	76,000
Public Safety .....	459,117	417,070	578,570	558,228	304,400	2,317,385
Public Works .....	2,972,063	135,500	1,221,477	896,000	248,500	5,473,540
Human Services .....	115,248	790,000	67,800	5,000	5,000	983,048
Schools .....	322,000	247,000	664,005	375,000	137,000	1,745,005
<b><i>Total Uses</i></b> .....	<b>\$ 4,030,428</b>	<b>\$ 1,839,570</b>	<b>\$ 2,684,352</b>	<b>\$ 1,871,228</b>	<b>\$ 714,900</b>	<b>\$ 11,140,478</b>

### ***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 June 30, 2015 for the Municipal Employees’ Pension System and for the Police Pension System. The Town anticipates receiving actuarial valuations prepared as of July 1, 2016 for the Municipal Employees’ Pension System and the Police Pension System in November 2016, respectively.

The July 1, 2014 actuarial valuations were prepared using the following actuarial assumptions, among others:

	<b><u>Municipal</u></b>	<b><u>Police</u></b>
Inflation	2.5%	2.5%
Salary Increase	4.0% , including inflation	4.0% , including inflation
Investment Rate of Return	8.0%	8.0%
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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability ("AAL")</b>	<b>Funded /(Unfunded) Actuarial Accrued Liability ("UAAL")</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
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%)
7/1/2011.....	9,954,142	13,254,858	(3,300,716)	75.1%	1,842,379	(179.2%)
7/1/2010.....	10,017,686	12,743,498	(2,725,812)	78.6%	1,826,777	(149.2%)

### Police

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability ("AAL")</b>	<b>Funded /(Unfunded) Actuarial Accrued Liability ("UAAL")</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
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%)
7/1/2011.....	10,926,876	13,469,436	(2,542,560)	81.1%	1,686,555	(150.8%)
7/1/2010.....	10,881,875	12,725,950	(1,844,075)	85.5%	1,647,271	(111.9%)

## Schedule of Employer Contributions and Trend Information

### Municipal

<b>Fiscal Year Ending</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>	<b>Net Pension Liability</b>
6/30/2016 <sup>1</sup> .....	\$ 385,000	\$ 388,078	101%	N/A
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
6/30/2012.....	488,088	488,088	100	N/A

<sup>1</sup> Budget.

<sup>2</sup> Net Pension Liability did not start being computed until fiscal year 2014.

### Police

<b>Fiscal Year Ending</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>	<b>Net Pension Liability</b>
6/30/2016 <sup>1</sup> .....	\$ 491,310	\$ 486,658	99%	N/A
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
6/30/2012.....	432,284	432,284	100	N/A

<sup>1</sup> Budget.

<sup>2</sup> 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 from reports prepared as of June 30, 2015 containing information to assist the Town in meeting the requirements of GASB 67. These reports indicated the following results as of June 30, 2015 in accordance with GASB 67:

	<u><b>Municipal</b></u>	<u><b>Police</b></u>
Total Pension Liability	\$15,459,291	\$16,088,290
Fiduciary Net Position	\$12,643,255	\$13,904,723
Net Pension Liability	\$2,816,036	\$2,183,567
Ratio of Fiduciary Net Position to Total Pension Liability	81.78%	86.43%

The report for the Town Employees Retirement Plan as of June 30, 2015 used its long term investment rate of 8.0% 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 \$1,582,020, or increase the NPL to \$4,224,659, respectively.

The report for the Police Pension System as of June 30, 2015 used its long term investment rate of 8.0% 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 \$679,077, or increase the NPL to \$3,976,175, 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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. As of June 30, 2015, (July 1, 2014 valuation) the Town had an unfunded OPEB accrued actuarial liability of \$12,117,589. The Town anticipates receiving actuarial valuations prepared as of June 30, 2016 for the Town OPEB Plan in July 2017.

The July 1, 2014 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***

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

### ***Schedule of Employer Contributions***

<b><i>Fiscal Year Ended</i></b>	<b><i>Annual Required Cost</i></b>	<b><i>Actual Contribution</i></b>	<b><i>% of ARC Contributed</i></b>	<b><i>Net OPEB Obligation</i></b>
6/30/2012	\$ 1,752,547	\$ 208,554	12%	\$ 5,883,963
6/30/2013	1,768,594	336,972	19%	7,315,585
6/30/2014	1,426,602	295,153	21%	8,447,034
6/30/2015	1,435,392	74,424	5%	9,808,002
6/30/2016 (Budgeted)	1,277,963	310,000	24%	10,682,310

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, workers 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 2011. The Town's next revaluation is scheduled for the assessment year commencing October 1, 2016. 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. Public Act 09-60 permits any municipality required to effect a revaluation of real property under Section 12-62 of the Connecticut General Statutes for the 2008, 2009 or 2010 assessment years upon approval of its legislative body, to delay such revaluation until the 2011 assessment year. Any required revaluation subsequent to such a delayed revaluation shall re-commence at the point in the schedule required pursuant to Section 12-62 that the municipality was following prior to such delay. 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.

## **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***

The original purchaser will be furnished the following documents when the Notes are delivered:

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 Notes 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 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 the bids were awarded for the Notes, 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 Notes.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Notes 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 Notes which is dated May \_\_, 2016. 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 fifty (50) 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 at the office of the Town's financial advisor no later than seven business days of the bid opening. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Notes 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 Notes. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser.

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

### ***Concluding Statement***

This Official Statement is submitted only in connection with the sale of the Notes 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 MAY, *Treasurer*

Dated: May \_\_\_, 2016

## ***Appendix A***

### ***2015 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, 2015. 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



Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Board of Finance  
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, 2015, 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 of 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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 14 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the Town has been restated to recognize the net pension liability required in implementing GASB 68. 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 55 through 59, and the pension schedules on pages 60 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Plainville, Connecticut, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 29, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying balance sheet for the General Fund and statements of net position; revenues, expenses and changes in net position; and cash flows for the Internal Service Funds as of and for the year ended June 30, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 financial statements. The accompanying balance sheet for the General Fund and statements of net position; revenues, expenses and changes in net position; and cash flows for the Internal Service Funds have been subjected to the auditing procedures applied in the audit of the 2014 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 balance sheet for the General Fund and statements of net position; revenues, expenses and changes in net position; and cash flows for the Internal Service Funds are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plainville, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 28, 2015

## **TOWN OF PLAINVILLE, CONNECTICUT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015**

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, 2015. 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 \$5.7 million, or 5.62% (Table 1).
- During the year, the Town had expenses that were \$1.7 million more than the \$69.2 million generated in tax and other revenues for governmental programs, down from \$73.0 million last year (Table 2).
- Total cost of all of the Town's programs was \$70.8 million, up from \$68.0 million last year (Table 2).
- The General Fund reported a fund balance this year of \$11.06 million, down from \$12.03 million last year (Exhibit III).
- The resources actually available for appropriation were \$640 thousand more than budgeted for the General Fund (RSI-1), primarily due to unbudgeted miscellaneous revenue coming in during the year. Expenditures were kept within spending limits and came in under budget by just over \$350 thousand (RSI-2). Overall, FY 2015 came in very close to budget.

#### **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 5.62% from a year ago decreasing from \$101.4 million to \$95.7 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**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Current assets	\$ 27,905,449	\$ 27,366,992
Capital assets, net of accumulated depreciation	136,668,352	140,706,377
Total assets	<u>164,573,801</u>	<u>168,073,369</u>
Deferred outflow of resources	<u>1,851,989</u>	<u>659,383</u>
Long-term liabilities outstanding	67,362,107	64,842,082
Other liabilities	3,080,112	2,190,610
Total liabilities	<u>70,442,219</u>	<u>67,032,692</u>
Deferred inflow of resources	<u>312,507</u>	<u>334,325</u>
Net Position:		
Net investment in capital assets	87,665,294	87,685,962
Restricted	1,291,311	1,209,635
Unrestricted	<u>6,714,459</u>	<u>12,470,138</u>
Total Net Position	\$ <u>95,671,064</u>	\$ <u>101,365,735</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 \$5.76 million from \$12.47 million at June 30, 2014 to \$6.71 million at June 30, 2015.

Table 1 includes a 2015 restatement that pertains to a new Governmental Accounting Standards Board (GASB) 68 pension requirement essentially removing the 2014 asset cost and showing it as a liability. The Town has elected not to restate the 2014 amounts. This does skew comparability but going forward, comparability will be maintained.

**TABLE 2**  
**CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Revenues:		
Program revenues:		
Charges for services	\$ 5,260,855	\$ 4,625,575
Operating grants and contributions	19,517,816	23,154,159
Capital grants and contributions	-	2,084,441
General revenues:		
Property taxes	43,311,991	42,130,419
Grants and contributions not restricted to specific programs	553,660	570,762
Unrestricted investment earnings	58,634	125,674
Other general revenues	452,634	335,154
Total revenues	<u>69,155,590</u>	<u>73,026,184</u>
Expenses:		
General government	3,280,622	2,743,925
Public safety	7,262,484	6,270,835
Public works	8,559,743	8,933,326
Human services	1,919,435	1,929,427
Culture and recreation	1,388,081	1,363,921
Education	46,898,961	45,152,972
Interest on long-term debt	1,545,996	1,691,040
Total expenses	<u>70,855,322</u>	<u>68,085,446</u>
Change in Net Position	\$ <u>(1,699,732)</u>	\$ <u>4,940,738</u>

The Town's total revenues for 2015 were \$69.2 million. The total cost of all programs and services was \$70.9 million. Our analysis below separately considers the operations of governmental activities.

### **Governmental Activities**

Revenues decreased, from the prior year with decreases in operating grants, capital grant and contributions offset by increases in property taxes and program revenues. This decrease is also more of a reflection of the prior year being out of the ordinary. Taxes increased primarily due to the Town becoming more self-sufficient in not budgeting the use of fund balance as a revenue item while maintaining the current level of services. Simply a shift in where our revenue comes from.

Education expenses increased \$1.7 million, Public Safety expenses increased \$992 thousand, General Government expenses increased \$537 thousand, but offsets in other categories netted the overall expense increase to \$2.8 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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Education	\$ 46,898,961	\$ 45,152,972	\$ 28,271,393	\$ 24,183,573
Public works	8,559,743	8,933,326	4,698,288	4,997,866
Public safety	7,262,484	6,270,835	6,746,946	5,827,696
General government	3,280,622	2,743,925	2,139,604	(1,325,863)
Interest on long-term debt	1,545,996	1,691,040	1,545,996	1,691,040
All others	3,307,516	3,293,348	2,674,424	2,846,959
Total	<u>\$ 70,855,322</u>	<u>\$ 68,085,446</u>	<u>\$ 46,076,651</u>	<u>\$ 38,221,271</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 \$18.8 million, which is a decrease from last year's total of \$19.9 million. The primary reason for the decrease is the Town's additional appropriations and subsequent transfers out to fund one-time capital improvement projects, maintaining the economic development loan program, funding our self-insurance health fund, and to purchase a property. These items accounted for \$978 thousand of the overall \$1.1 million decrease. Significant changes by fund type are listed below.

#### **General Fund:**

1. For the 2015 budget, \$200,000 was budgeted as a revenue source from the fund balance but not used.
2. \$1,561,499 of additional appropriations was approved during FY 2015. This comes directly out of fund balance and is the primary reason for the General Fund loss in FY 2015.
3. Building permits revenue came in higher than budgeted, back tax interest and lien fees continue to come in higher through aggressive collection efforts, State of CT revenue came in as budgeted, and miscellaneous revenues came in higher than budgeted.
4. Expenditures are kept close to budget with some savings seen in the Fire, Buildings & Grounds, and Solid Waste Departments. We also continue to lower our Municipal Building maintenance costs through conservation measures.

#### **Sewer Operating Fund:**

1. The Sewer Operating fund showed a gain of \$25 thousand as budgeted during FY 2015. Rate increases put in place to offset and/or minimize operating losses and known future expense increases are the primary reason for the gain. 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 gain of \$265 thousand. This was due primarily to the Town entering into a capital lease for Police Dispatch Communication equipment for \$740 thousand.

### **Proprietary Funds**

The internal service funds unrestricted net position increased by 21.4% to \$1,067,517 due to a transfer in from the General Fund of \$500,000. Claims were higher and operating revenue were lower than the prior year. The funds would have shown a loss for the year without the transfer in.

### **General Fund Expenditure Budget Highlights**

General Government - there was an overall positive variance of \$48,053 after year-end transfers.

Public Safety - this was the first year in many years no additional appropriation or transfers were needed for Police Overtime. This was caused by properly budgeting anticipated OT costs.

Public Works - there was a positive variance of \$134,094 primarily due to better overtime management, lower fuel costs, and better utility cost budgeting as a whole.

Human Services - there was a positive variance of \$101,142 all due to a reduction in solid waste disposal costs.

Education - finished the year returning \$5,332 of their budget to the General Fund.

The Town's General Fund balance of \$11.0 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 \$445 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, 2015, the Town had \$137.0 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 \$4.04 million, or 2.87%, less than last year.

**TABLE 4**  
**CAPITAL ASSETS (Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Land	\$ 5,446,275	\$ 5,418,307
Buildings	114,351,799	119,075,701
Improvements other than buildings	26,973	59,380
Furniture and equipment	3,391,943	2,444,216
Infrastructure	13,330,358	11,641,053
Construction in progress	121,004	2,067,720
Total	<u>\$ 136,668,352</u>	<u>\$ 140,706,377</u>

This year's major additions included:

The Town completed the Stillwell Drive Bridge project. This project is deemed complete resulting in a transfer of assets from construction in progress to infrastructure. The Town also purchased a \$495,000 property for the Public Works department. Depreciation on fixed assets, primarily buildings, led to the overall decrease in capital assets.

The Town's fiscal year 2015 - 2016 capital budget calls for it to spend \$4.03 million for public safety and public works equipment, educational technology and school improvements. Included in this amount is a school demolition project partially fully funded by a State of CT grant for \$1.543 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, 2015, the Town had \$31.5 million in bonds and notes outstanding versus \$35.0 million last year - a decrease of 10.01% - as shown in Table 5.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
General Obligation Bonds (Backed by the Town)	\$ <u>31,500,000</u>	\$ <u>35,005,000</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 September 2015 by refunding \$5.5M 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 \$298.9 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 2016 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 10,560 for June 2015. Unemployment decreased to 4.9% compared to 5.8% for June 2014. 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 2015 was 0.1% compared to 2.1% for June 2014 and 1.8% for June 2013. 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 2015 - 2016. Amounts available for appropriations in the General Fund are \$56,504,681, an increase of 1.95% over the adopted 2015 budget of \$55,424,977. 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 2015 - 2016 budget. This was done due to the known large school construction projects money coming back to the General Fund during FY 2014. 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 an 18.64% level. Even with the loss of the year, this percentage has increased slightly due to lower overall revenue in FY 2015. 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, 2015**

	<b>Governmental Activities</b>
Assets:	
Cash and cash equivalents	\$ 15,657,120
Investments	4,394,275
Receivables, net	7,755,307
Inventory	21,698
Other assets	77,049
Capital assets:	
Assets not being depreciated	5,567,279
Assets being depreciated, net	<u>131,101,073</u>
Total assets	<u>164,573,801</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	470,902
Deferred outflows related to changes in assumptions	453,754
Deferred outflows related to changes in projected investment earnings	<u>927,333</u>
Total deferred outflows of resources	<u>1,851,989</u>
Liabilities:	
Accounts and other payables	2,491,827
Unearned revenue	588,285
Noncurrent liabilities:	
Due within one year	5,600,517
Due in more than one year	<u>61,761,590</u>
Total liabilities	<u>70,442,219</u>
Deferred Inflows of Resources:	
Advance property tax collections	61,581
Deferred inflows related to pension actuarial experience	<u>250,926</u>
Total deferred inflows of resources	<u>312,507</u>
Net Position:	
Net investment in capital assets	87,665,294
Restricted for:	
Trust purposes:	
Expendable	1,291,311
Unrestricted	<u>6,714,459</u>
Total Net Position	<u>\$ 95,671,064</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, 2015**

<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	\$ 3,280,622	\$ 607,120	\$ 533,898	\$	\$ (2,139,604)
Public safety	7,262,484	504,280	11,258		(6,746,946)
Public works	8,559,743	3,539,448	322,007		(4,698,288)
Human services	1,919,435	36,005	362,567		(1,520,863)
Culture and recreation	1,388,081	128,249	106,271		(1,153,561)
Education	46,898,961	445,753	18,181,815		(28,271,393)
Debt service	1,545,996				(1,545,996)
Total	<u>\$ 70,855,322</u>	<u>\$ 5,260,855</u>	<u>\$ 19,517,816</u>	<u>\$ -</u>	<u>(46,076,651)</u>
General revenues:					
Property taxes					43,311,991
Grants and contributions not restricted to specific programs					553,660
Unrestricted investment earnings					58,634
Miscellaneous					452,634
Total general revenues					<u>44,376,919</u>
Change in net position					(1,699,732)
Net Position at Beginning of Year, as Restated					<u>97,370,796</u>
Net Position at End of Year					<u>\$ 95,671,064</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLAINVILLE, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<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>
<b>ASSETS</b>							
Assets:							
Cash and cash equivalents	\$ 11,621,258	\$ 211,407	\$ 20,998	\$	\$ 243,770	\$ 1,769,623	\$ 13,867,056
Investments	2,717,495	1,035,235				641,545	4,394,275
Receivables, net	4,032,138	1,396,923	1,607,994	12,035	244,726	461,491	7,755,307
Due from other funds	988,606			250,270	2,535,974	720,463	4,495,313
Inventories						21,698	21,698
Other assets	20,394	2,225			51,776	2,654	77,049
Total assets	<u>\$ 19,379,891</u>	<u>\$ 2,645,790</u>	<u>\$ 1,628,992</u>	<u>\$ 262,305</u>	<u>\$ 3,076,246</u>	<u>\$ 3,617,474</u>	<u>\$ 30,610,698</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,493,154	\$ 90,245	\$	\$ 381	\$ 44,545	\$ 175,944	\$ 1,804,269
Due to other governments	40,844						40,844
Due to other funds	3,506,707	1,119			238,707	425,315	4,171,848
Unearned revenue					441,415	146,870	588,285
Total liabilities	<u>5,040,705</u>	<u>91,364</u>	<u>-</u>	<u>381</u>	<u>724,667</u>	<u>748,129</u>	<u>6,605,246</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	3,221,262						3,221,262
Unavailable revenue - special assessments		358,146					358,146
Unavailable revenue - loans receivables			1,607,994				1,607,994
Advance property tax collections	61,581						61,581
Total deferred inflows of resources	<u>3,282,843</u>	<u>358,146</u>	<u>1,607,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,248,983</u>
Fund balances:							
Nonspendable	20,394	2,225			51,776	24,352	98,747
Restricted			20,998			2,204,373	2,225,371
Committed	147,710	2,194,055		261,924	2,302,253	640,620	5,546,562
Assigned	445,166						445,166
Unassigned	10,443,073				(2,450)		10,440,623
Total fund balances	<u>11,056,343</u>	<u>2,196,280</u>	<u>20,998</u>	<u>261,924</u>	<u>2,351,579</u>	<u>2,869,345</u>	<u>18,756,469</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,379,891</u>	<u>\$ 2,645,790</u>	<u>\$ 1,628,992</u>	<u>\$ 262,305</u>	<u>\$ 3,076,246</u>	<u>\$ 3,617,474</u>	<u>\$ 30,610,698</u>

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**TOWN OF PLAINVILLE, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**

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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)	\$ 18,756,469
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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	\$ 275,493,734	
Less accumulated depreciation	<u>(138,825,382)</u>	
Net capital assets		136,668,352

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	2,074,511
Interest receivable on property taxes	1,146,751
Assessments receivable	358,146
Housing loans	1,607,994
Deferred outflows related to changes in assumptions	453,754
Deferred outflows related to changes in projected investments earnings	927,333

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.	1,067,517
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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	(47,539,832)
Interest payable on bonds and notes	(247,632)
Compensated absences	(3,080,542)
Capital lease	(889,521)
Net OPEB obligation	(9,808,002)
Bond premium	(1,044,607)
Deferred charges on refunding	470,902
Deferred inflows related to pension actuarial experience	(250,926)
Net pension liability	<u>(4,999,603)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 95,671,064</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, 2015**

	<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	\$ 42,676,572	\$	\$	\$	\$	\$	\$ 42,676,572
Assessments including interest and liens		173,401					173,401
Charges for services	841,622	3,148,090		183,262	9,762	583,094	4,765,830
Intergovernmental	15,660,130				19,208	4,256,125	19,935,463
Income on investments	32,887	7,633			489	16,705	57,714
Miscellaneous	366,993	8,835	156		58,585	198,777	633,346
Total revenues	<u>59,578,204</u>	<u>3,337,959</u>	<u>156</u>	<u>183,262</u>	<u>88,044</u>	<u>5,054,701</u>	<u>68,242,326</u>
Expenditures:							
Current:							
General government	2,598,998			87,782			2,686,780
Public safety	4,136,929					17,126	4,154,055
Public works	4,026,473	1,513,841				650,330	6,190,644
Human services	1,645,637					90,956	1,736,593
Culture and recreation	143,945					1,009,359	1,153,304
Education	37,599,680					4,384,199	41,983,879
Other expenditures	3,208,470		105,574			129,399	3,443,443
Capital outlay					2,139,149		2,139,149
Debt service	4,680,984	1,418,539					6,099,523
Total expenditures	<u>58,041,116</u>	<u>2,932,380</u>	<u>105,574</u>	<u>87,782</u>	<u>2,139,149</u>	<u>6,281,369</u>	<u>69,587,370</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,537,088</u>	<u>405,579</u>	<u>(105,418)</u>	<u>95,480</u>	<u>(2,051,105)</u>	<u>(1,226,668)</u>	<u>(1,345,044)</u>
Other Financing Sources (Uses):							
Transfers in	305,670				1,575,751	841,160	2,722,581
Transfers out	(2,820,911)	(380,670)				(21,000)	(3,222,581)
Capital lease issuance					740,348		740,348
Total other financing sources (uses)	<u>(2,515,241)</u>	<u>(380,670)</u>	<u>-</u>	<u>-</u>	<u>2,316,099</u>	<u>820,160</u>	<u>240,348</u>
Net Change in Fund Balances	(978,153)	24,909	(105,418)	95,480	264,994	(406,508)	(1,104,696)
Fund Balances, Beginning of Year	12,034,496	2,171,371	126,416	166,444	2,086,585	3,275,853	19,861,165
Fund Balances, End of Year	<u>\$ 11,056,343</u>	<u>\$ 2,196,280</u>	<u>\$ 20,998</u>	<u>\$ 261,924</u>	<u>\$ 2,351,579</u>	<u>\$ 2,869,345</u>	<u>\$ 18,756,469</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, 2015**

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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)	\$ (1,104,696)
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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	2,338,659
Depreciation expense	(6,376,514)
Loss on disposal of capital asset	(170)

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	179,305
Property tax interest and lien revenue - accrual basis change	282,713
Sewer assessment receivable - accrual basis change	356,440
Housing loans receivable - accrual basis change	94,042
Change in deferred inflows related to changes in projected investments earnings	927,333
Change in deferred outflows related to changes in assumptions	453,754

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:

Issuance of capital lease	(740,348)
Bond and notes principal payments	4,485,902
Amortization of deferred charges in refunding	(188,481)
Amortization of premium	217,149
Capital lease payments	243,135

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:

Compensated absences	(365,292)
Accrued interest	38,957
Net OPEB expense	(1,360,968)
Change in deferred outflows related to pension actuarial experience	(250,926)
Change in net pension liability	(1,117,962)

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.

188,236

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (1,699,732)</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, 2015**

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	<b>Governmental Activities Internal Service Fund</b>
Current Assets:	
Cash and cash equivalents	\$ <u>1,790,064</u>
Current Liabilities:	
Accounts and other payables	399,082
Due to other funds	<u>323,465</u>
Total current liabilities	<u>722,547</u>
Net Position	
Unrestricted	\$ <u><u>1,067,517</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, 2015**

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	<b>Governmental Activities Internal Service Fund</b>
Operating Revenues:	
Licenses, fees and charges for goods and services	\$ 5,857,604
Operating Expenses:	
Insurance claims, premiums and fees	6,034,575
Administration	135,557
Total operating expenses	6,170,132
Operating Loss	(312,528)
Nonoperating Revenues:	
Revenues from use of money	764
Loss before transfers	(311,764)
Transfers in	500,000
Change in Net Position	188,236
Total Net Position, Beginning of Year	879,281
Total Net Position, End of Year	\$ 1,067,517

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, 2015**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Cash Flows from Operating Activities:	
Cash received from charges for services and contributions	\$ 5,857,604
Cash received from interfund services provided	312,528
Cash paid for claims, premiums and fees	(6,163,132)
Cash received from interfund services provided	603,376
Net cash provided by operating activities	<u>610,376</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	<u>500,000</u>
Cash Flows from Investing Activities:	
Income on investments	<u>764</u>
Net Increase in Cash and Cash Equivalents	1,111,140
Cash and Cash Equivalents, Beginning of Year	<u>678,924</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,790,064</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ <u>(312,528)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in due from other funds	287,443
Decrease in accounts receivable	1,000
Increase in accounts payable	7,674
Increase in due to other funds	626,787
Total adjustments	<u>922,904</u>
Net Cash Provided by Operating Activities	<u><u>\$ 610,376</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF PLAINVILLE, CONNECTICUT**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
Assets:		
Cash and cash equivalents	\$	\$ 539,650
Investments at fair value:		
Certificates of deposit		361,052
Open-end mutual funds	<u>26,547,978</u>	
Total assets	<u>26,547,978</u>	\$ <u>900,814</u>
Liabilities:		
Due to employees and others		\$ 883,591
Accounts payable		<u>17,223</u>
Total liabilities	<u>-</u>	\$ <u>900,814</u>
Net Position:		
Held in trust for pension plan benefits	<u>\$ 26,547,978</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, 2015**

		<b><u>Pension Trust Funds</u></b>
Additions:		
Contributions:		
Employer		\$ 925,364
Employee		<u>260,831</u>
Total contributions		1,186,195
Investment income:		
Net appreciation in fair value of investments	\$ 462,193	
Interest and dividends	<u>462,591</u>	
Net investment income		<u>924,784</u>
Total additions		2,110,979
Deductions:		
Benefits	1,911,222	
Administration	<u>111,184</u>	
Total deductions		<u>2,022,406</u>
Change in Net Position		88,573
Net Position, Beginning of Year		<u>26,459,405</u>
Net Position, End of Year		<u><u>\$ 26,547,978</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 \$500,000 or making a special appropriation in excess of \$500,000 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, 2015**

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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, 2015**

---

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, Solid Waste and Deposit Fund.

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

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

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

#### **D. Deposits and Investments**

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

Investments for the Town are reported at fair value.

#### **E. Receivables and Payables**

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

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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

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 are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of 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:

<b>Assets</b>	<b>Years</b>
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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

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, and in the governmental funds balance sheet, the Town reports advance property tax collections. In the government wide statement of net position the Town Reports deferred inflows of resources related to pensions. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. 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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

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.

**TOWN OF PLAINVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

---

**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.

**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.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

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.

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 \$1,561,499 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.

**TOWN OF PLAINVILLE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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- 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.
- 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, 2015, expenditures exceeded appropriations in the following categories:

Elections	\$ 933
Roadways	23,178
Transfers to Other Funds	31,290

**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.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$15,821,916 of the Town's bank balance of \$17,071,916 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 14,139,725
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,682,192</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 15,821,916</u>

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2015, the Town's cash equivalents amounted to \$4,191,194. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard &amp; Poor's</u>
RBC Wealth Management	AA-
Pershing (YHB Investment Advisors)	A
Bank of America N.A. Cash Management Assets	A

\*Fund not rated

**B. Investments**

Investments as of June 30, 2015 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	A	\$ 35,594	\$ 15,058	\$ 20,536	\$
Corporate bonds	AA	10,754		10,754	
Corporate bonds	BBB	36,739	25,850	10,889	
Corporate bonds	N/A	20,069		20,069	
Certificates of deposit	*	<u>4,113,777</u>	<u>861,229</u>	<u>3,252,548</u>	
Total		4,216,933	<u>\$ 902,137</u>	<u>\$ 3,314,796</u>	<u>\$ -</u>
Other investments:					
Mutual funds		<u>27,086,372</u>			
Total Investments		<u>\$ 31,303,305</u>			

\* Subject to coverage by federal depository insurance and collateralization

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

**Interest Rate Risk**

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

**Credit Risk - Investments**

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2015, 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.

**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	\$ 1,146,751	\$	\$	\$	\$	\$	\$ 1,146,751
Taxes	2,339,088						2,339,088
Accounts	307,567	1,396,923				115,489	1,819,979
Loans receivable			1,597,494				1,597,494
Intergovernmental	313,732		10,500	12,035	244,726	346,002	926,995
Gross receivables	<u>4,107,138</u>	<u>1,396,923</u>	<u>1,607,994</u>	<u>12,035</u>	<u>244,726</u>	<u>461,491</u>	<u>7,830,307</u>
Less allowance for uncollectibles	<u>(75,000)</u>						<u>(75,000)</u>
Net Total Receivables	<u>\$ 4,032,138</u>	<u>\$ 1,396,923</u>	<u>\$ 1,607,994</u>	<u>\$ 12,035</u>	<u>\$ 244,726</u>	<u>\$ 461,491</u>	<u>\$ 7,755,307</u>

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 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	\$ 5,418,307	\$ 27,968	\$	\$ 5,446,275
Construction in progress	<u>2,067,720</u>	<u>162,210</u>	<u>(2,108,926)</u>	<u>121,004</u>
Total capital assets not being depreciated	<u>7,486,027</u>	<u>190,178</u>	<u>(2,108,926)</u>	<u>5,567,279</u>
Capital assets being depreciated:				
Buildings and improvements	172,465,098	723,803		173,188,901
Improvements other than buildings	237,619			237,619
Furniture, vehicles and equipment	10,421,820	1,435,549	(103,356)	11,754,013
Infrastructure	<u>82,658,493</u>	<u>2,098,055</u>	<u>(10,626)</u>	<u>84,745,922</u>
Total capital assets being depreciated	<u>265,783,030</u>	<u>4,257,407</u>	<u>(113,982)</u>	<u>269,926,455</u>
Less accumulated depreciation for:				
Buildings and improvements	(53,389,397)	(5,447,705)		(58,837,102)
Improvements other than buildings	(178,239)	(32,407)		(210,646)
Furniture, vehicles and equipment	(7,977,604)	(487,652)	103,186	(8,362,070)
Infrastructure	<u>(71,017,440)</u>	<u>(408,750)</u>	<u>10,626</u>	<u>(71,415,564)</u>
Total accumulated depreciation	<u>(132,562,680)</u>	<u>(6,376,514)</u>	<u>113,812</u>	<u>(138,825,382)</u>
Total capital assets being depreciated, net	<u>133,220,350</u>	<u>(2,119,107)</u>	<u>(170)</u>	<u>131,101,073</u>
Governmental Activities Capital Assets, Net	<u>\$ 140,706,377</u>	<u>\$ (1,928,929)</u>	<u>\$ (2,109,096)</u>	<u>\$ 136,668,352</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 105,570
Public safety	290,545
Public works	1,869,786
Human services	5,223
Culture and recreation	215,413
Education	<u>3,889,977</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,376,514</u>

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Construction Commitments**

The Town has several active construction projects as of June 30, 2015. The following is a summary of capital projects as of June 30, 2015.

	<u>Appropriation</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Capital and nonrecurring expenditures	\$ 9,705,410	\$ 7,524,686	\$ 2,180,724
Board of Education Capital	1,450,856	1,351,589	99,267
Sewer Capital	1,467,312	842,683	624,629
Downtown Beautification	1,008,337	1,008,337	
Landfill Expansion	92,565	90,625	1,940
Tomlinson Avenue Bridge	116,378	97,498	18,880
Stillwell Drive Bridge	1,836,086	1,670,239	165,847
FEMA Property Acquisition Project	<u>2,755,907</u>	<u>2,747,574</u>	<u>8,333</u>
Total	\$ <u>18,432,851</u>	\$ <u>15,333,231</u>	\$ <u>3,099,620</u>

**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, 2015 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Operating Fund	\$ 1,119
	Capital Projects Fund	238,707
	Nonmajor Governmental Funds	425,315
	Internal Service Fund	323,465
Capital Projects Fund	General Fund	2,535,974
Airport Operations Fund	General Fund	250,270
Nonmajor Governmental Funds	General Fund	<u>720,463</u>
Total		\$ <u>4,495,313</u>

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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Interfund transfers:

	<b>Transfer In</b>				
	<b>General</b>	<b>Capital Projects</b>	<b>Internal Service Funds</b>	<b>Nonmajor and Other Funds</b>	<b>Total Transfer Out</b>
Transfer out:					
General Fund	\$	\$ 1,479,751	\$ 500,000	\$ 841,160	\$ 2,820,911
Sewer Operating Fund	305,670	75,000			380,670
Nonmajor		21,000			21,000
Total Transfers In	\$ <u>305,670</u>	\$ <u>1,575,751</u>	\$ <u>500,000</u>	\$ <u>841,160</u>	\$ <u>3,222,581</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.

## **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, 2015.

### **Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 35,005,000	\$	\$ 3,505,000	\$ 31,500,000	\$ 3,550,000
Unamortized bond premiums	1,261,756		217,149	1,044,607	194,086
Total bonds payable	36,266,756	-	3,722,149	32,544,607	3,744,086
Long-term note payable	17,020,734		980,902	16,039,832	1,000,701
Capital leases	392,308	740,348	243,135	889,521	240,318
Net OPEB obligation	8,447,034	1,360,968		9,808,002	
Compensated absences	2,715,250	779,960	414,668	3,080,542	615,412
Net pension liability	3,881,641	1,117,962		4,999,603	
Total Governmental Activities Long-Term Liabilities	\$ <u>68,723,723</u>	\$ <u>3,999,238</u>	\$ <u>5,360,854</u>	\$ <u>67,362,107</u>	\$ <u>5,600,517</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.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

A schedule of bonds at June 30, 2015 is presented below:

<b>Description</b>	<b>Principal Amount</b>
\$6,855,000 - Refunding Bonds issued May 25, 2007 and maturing April 1, 2021; various interest rates from 3.65% to 4%	\$ 3,995,000
\$9,250,000 - High School and WPCA and collection system improvements issued June 1, 2007 and maturing April 15, 2027; various interest rates from 3.75% to 5%	5,990,000
\$3,515,000 - Refunding Bonds issued October 28, 2010 and maturing July 15, 2017; various interest rates from 1.5% to 4%	1,525,000
\$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%	9,600,000
\$12,535,000 - Refunding Bonds issued December 20, 2011 and maturing August 15, 2023; various interest rates from 3.0% to 4.0%.	<u>10,390,000</u>
Total Bond Indebtedness	<u>\$ 31,500,000</u>

The following is a schedule of future debt service requirements as of June 30, 2015:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 3,550,000	\$ 1,149,625	\$ 4,699,625
2017	3,645,000	1,018,175	4,663,175
2018	3,635,000	890,475	4,525,475
2019	3,180,000	764,625	3,944,625
2020	3,240,000	637,725	3,877,725
2021-2025	9,650,000	1,692,750	11,342,750
2026-2030	4,000,000	477,338	4,477,338
2031	<u>600,000</u>	<u>12,000</u>	<u>612,000</u>
Total	<u>\$ 31,500,000</u>	<u>\$ 6,642,713</u>	<u>\$ 38,142,713</u>

**General Obligation Bonds Refunding**

In prior years, the government defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. The defeased debt was called during the year, and as such the balance in escrow and the outstanding balance of defeased bonds as of June 30, 2015 is \$-0-.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**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>
2016	\$ 1,000,701	\$ 311,656	\$ 1,312,357
2017	1,020,900	291,457	1,312,357
2018	1,041,506	270,851	1,312,357
2019	1,062,529	249,830	1,312,359
2020	1,083,974	228,383	1,312,357
2021-2025	5,757,029	804,760	6,561,789
2026-2030	<u>5,073,193</u>	<u>217,307</u>	<u>5,290,500</u>
Total	\$ <u>16,039,832</u>	\$ <u>2,374,244</u>	\$ <u>18,414,076</u>

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	\$ 96,026,787	\$ 6,470,000	\$ 89,556,787
Schools	192,053,574	24,940,000	167,113,574
Sewers	160,044,645	17,079,831	142,964,814
Urban renewal	138,705,359		138,705,359
Pension deficit	128,038,716		128,035,716

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$298,750,004.

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, 2015.

**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, \$240,318 was included in depreciation expense. 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.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2016	\$ 258,746
2017	258,746
2018	258,745
2019	<u>155,329</u>
Total minimum lease payments	931,566
Less amount representing interest	<u>(42,045)</u>
Present value of minimum lease payments	<u><u>\$ 889,521</u></u>

**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2015 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	\$	\$	\$	\$	\$	\$ 21,698	\$ 21,698
Prepays	20,394	2,225			51,776	2,654	77,049
Restricted for:							
Grants			20,998			914,816	935,814
Endowments and trusts						1,289,557	1,289,557
Committed to:							
Land acquisition						19,544	19,544
Debt management	147,710						147,710
Sewer		2,194,055			1,406,645		3,600,700
Education					328,675	292,775	621,450
Landfill expansion					1,940		1,940
Capital and nonrecurring projects					556,660		556,660
FEMA Acquisition Grant Fund					8,333		8,333
Recreation						83,857	83,857
Social Services Emergency						18,550	18,550
Berner pool						159,002	159,002
Water operating						63,311	63,311
Police forfeiture						3,581	3,581
Airport operations				261,924			261,924
Assigned to:							
Education encumbrances	387,622						387,622
General government encumbrances	53,664						53,664
Other encumbrances	3,880						3,880
Unassigned	<u>10,443,073</u>				<u>(2,450)</u>		<u>10,440,623</u>
Total Fund Balances	<u>\$ 11,056,343</u>	<u>\$ 2,196,280</u>	<u>\$ 20,998</u>	<u>\$ 261,924</u>	<u>\$ 2,351,579</u>	<u>\$ 2,869,345</u>	<u>\$ 18,756,469</u>

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**9. RISK MANAGEMENT**

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

Under the Health Insurance Fund, Anthem Blue Cross/Blue Shield administers the plan, for which the Town pays a fee. The Town, Board of Education and Cafeteria Fund contribute based on Anthem Blue Cross/Blue Shield estimates made using the Town's historical data. The Town covers all claims up to \$100,000 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:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2013-2014	\$ 425,000	\$ 5,745,990	\$ 5,779,582	\$ 391,408
2014-2015	391,408	6,034,575	6,026,901	399,082

**10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**A. Plan Descriptions and Benefits Provided**

The Town of Plainville 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 of Plainville'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.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**

	<b>Municipal Employees Pension Trust Fund</b>	<b>Police Pension Trust Fund</b>	<b>Total</b>
Assets:			
Investments	\$ <u>12,643,255</u>	\$ <u>13,904,723</u>	\$ <u>26,547,978</u>
Net Position:			
Held in Trust for Pension Plan Benefits	\$ <u>12,643,255</u>	\$ <u>13,904,723</u>	\$ <u>26,547,978</u>

**Combining Schedule of Changes in Net Position**

	<b>Municipal Employees Pension Trust Fund</b>	<b>Police Pension Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 414,054	\$ 511,310	\$ 925,364
Employee	<u>115,312</u>	<u>145,519</u>	<u>260,831</u>
Total contributions	<u>529,366</u>	<u>656,829</u>	<u>1,186,195</u>
Investment income:			
Net appreciation in fair value of investments	222,046	240,147	462,193
Interest and dividends	<u>222,236</u>	<u>240,355</u>	<u>462,591</u>
Net investment income	<u>444,282</u>	<u>480,502</u>	<u>924,784</u>
Total additions	<u>973,648</u>	<u>1,137,331</u>	<u>2,110,979</u>
Deductions:			
Benefit payments	943,501	967,721	1,911,222
Administration	<u>64,958</u>	<u>46,226</u>	<u>111,184</u>
Total deductions	<u>1,008,459</u>	<u>1,013,947</u>	<u>2,022,406</u>
Change in net position	(34,811)	123,384	88,573
Net Position, Beginning of Year	<u>12,678,066</u>	<u>13,781,339</u>	<u>26,459,405</u>
Net Position, End of Year	\$ <u>12,643,255</u>	\$ <u>13,904,723</u>	\$ <u>26,547,978</u>

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

For the year ended June 30, 2015, the Town recognized pension revenue of \$913,165. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

		<b>Employees' Pension Plan</b>	
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$		\$ 33,620
Changes of assumptions		123,423	
Net difference between projected and actual earning on pension plan investments		<u>440,936</u>	<u></u>
Total	\$	<u><u>564,359</u></u>	<u><u>\$ 33,620</u></u>

		<b>Police Retirement Plan</b>	
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$		\$ 217,306
Changes of assumptions		330,331	
Net difference between projected and actual earning on pension plan investments		<u>486,397</u>	<u></u>
Total	\$	<u><u>816,728</u></u>	<u><u>\$ 217,306</u></u>

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,**

2016	\$ 320,025
2017	281,540
2018	255,881
2019	255,882
2020	16,833

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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At July 1, 2014, PERS membership consisted of:

	<u><b>Municipal</b></u>	<u><b>Police</b></u>
Retirees and beneficiaries currently receiving benefits	82	36
Terminated employees entitled to benefits but not yet receiving them	10	
Current employees	<u>32</u>	<u>34</u>
Total	<u><u>124</u></u>	<u><u>70</u></u>

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

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

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

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

### **Summary of Significant Accounting Policies and Plan Asset Matters**

#### **Basis of Accounting**

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

#### **Method Used to Value Investments**

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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**Funding Status and Progress**

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

**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2015:

<b>Asset Class</b>	<b>Municipal Employees Target Allocation</b>	<b>Police Target Allocation</b>
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%
<b>Total Allocation</b>	<b>100%</b>	<b>100%</b>

The plans did not have any concentrations that warranted disclosure.

**Rate of Return**

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<b><u>Rate of Return</u></b>
Municipal Employees	3.57%
Police	3.54%

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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2015 were as follows:

	<b>Municipal Employees Target Allocation</b>	<b>Police Target Allocation</b>
Total pension liability	\$ 15,459,291	\$ 16,088,290
Plan fiduciary net position	<u>12,643,255</u>	<u>13,904,723</u>
Net Pension Liability	<u>\$ 2,816,036</u>	<u>\$ 2,183,567</u>
Plan fiduciary net position as a percentage of the total pension liability	81.78%	86.43%

**Actuarial Assumptions**

The total pension liability for Administrative Employees and Police were determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	4.0%, average, including inflation
Investment rate of return	8.0%, 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, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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 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.

<b>Municipal Employees' Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of June 30, 2014	\$ 14,947,422	\$ 12,678,066	\$ 2,269,356
Changes for the year:			
Service cost	132,077		132,077
Interest on total pension liability	1,169,346		1,169,346
Differences between expected and actual experience	(57,635)		(57,635)
Changes in assumptions	211,582		211,582
Employer contributions		414,054	(414,054)
Member contributions		115,312	(115,312)
Net investment income		444,281	(444,281)
Benefit payments, including refund to employee contributions	(943,501)	(943,501)	-
Administrative expenses		(64,957)	64,957
Other changes			-
Net changes	511,869	(34,811)	546,680
Balances as of June 30, 2015	\$ 15,459,291	\$ 12,643,255	\$ 2,816,036

<b>Police Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of June 30, 2014	\$ 15,393,624	\$ 13,781,339	\$ 1,612,285
Changes for the year:			
Service cost	307,211		307,211
Interest on total pension liability	1,218,103		1,218,103
Differences between expected and actual experience	(263,541)		(263,541)
Changes in assumptions	400,614		400,614
Employer contributions		511,310	(511,310)
Member contributions		145,519	(145,519)
Net investment income		480,502	(480,502)
Benefit payments, including refund to employee contributions	(967,721)	(967,721)	-
Administrative expenses		(46,226)	46,226
Other changes			-
Net changes	694,666	123,384	571,282
Balances as of June 30, 2015	\$ 16,088,290	\$ 13,904,723	\$ 2,183,567

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.75% 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 (6.75%) or 1 percentage point higher (8.75%) than the current rate:

		<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
		<b>6.75%</b>	<b>Discount Rate</b>	<b>8.75%</b>
			<b>7.75%</b>	
Municipal Employees Net Pension Liability	\$	4,224,659	\$ 2,816,036	\$ 1,582,020
Police's Net Pension Liability		3,976,175	2,183,567	679,077

**B. Defined Contribution Plan**

By local ordinance, the Town authorized a defined contribution plan for its management and nonunion employees as another type of pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2015, there were 87 members in the plan. All management and nonunion employees must join the defined contribution plan after six months of employment.

The local ordinance requires the employee to contribute 4.5% to 6% of earnings and the Town to contribute 8%. For the fiscal year ended June 30, 2015, the contributions were \$202,674 and \$269,382, 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](http://www.ct.gov).

## **Benefit Provisions**

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

### **Normal Retirement**

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

### **Early Retirement**

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

### **Disability Retirement**

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

## **Contributions**

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

### *Employer (School Districts)*

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

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

### *Employees*

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

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

At June 30, 2015, 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>45,442,874</u>
Total	\$ <u>45,442,874</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$3,409,515 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, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	100.0%	

### **Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined 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.

## **11. 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, 2014, plan membership consisted of the following:

	<b>Healthcare Plan</b>
Active plan members	482
Retired members	45
Total Participants	<u>527</u>

### **B. Funding Policy**

The Town's funding and payment of postemployment benefits for the year ended June 30, 2015 are accounted for in the Internal Service Fund on a pay-as-you go basis. As of June 30, 2015, 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, 2015**

**C. Annual OPEB Cost and Net OPEB Obligations**

The Town of Plainville'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:

	<b>Retiree Healthcare Plan</b>
Annual required contribution (ARC)	\$ 1,567,313
Interest on net OPEB obligation	337,881
Adjustment to annual required contribution	<u>(469,802)</u>
Annual OPEB cost	1,435,392
Contributions made	<u>(74,424)</u>
Increase in net OPEB obligation	1,360,968
Net OPEB obligation, beginning of year	<u>8,447,034</u>
Net OPEB Obligation, End of Year	<u>\$ 9,808,002</u>

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

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2013	\$ 1,768,594	\$ 336,972	19%	\$ 7,315,585
6/30/2014	1,426,602	295,153	21	8,447,034
6/30/2015	1,435,392	74,424	5	9,808,002

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>(Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/01/10	\$ -	\$ 16,375,827	\$ (16,375,827)	0.0%	\$ 28,220,359	(58)%
7/01/12	-	15,503,060	(15,503,060)	0.0	24,578,387	(63)
7/01/14	-	12,117,589	(12,117,589)	0.0	27,804,558	(44)

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**Schedule of Employer Contributions**

<b>Year Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2010	\$ 1,311,187	(3.58)%
2011	1,776,562	(3.05)
2012	1,812,240	(11.51)
2013	1,849,525	(18.22)
2014	1,540,852	(19.16)
2015	1,567,313	(4.75)

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, 2014 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 4.0% interest rate and a 3% inflation rate. The annual healthcare cost trend rate is 10% initially reducing 1% per year with an ultimate rate of 5% for 2015 and later.

## **12. CONTINGENT LIABILITIES**

The Town of Plainville 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.

## **13. SUBSEQUENT EVENT**

In September of 2015, the Town issued \$5,470,977 of general obligation refunding bonds and \$1,011,450 of general obligation bond anticipation notes. The refunding bonds were issued with interest rates of 2-4% and call for principal and interest payments through June 30, 2027. The bond anticipation notes were issued with an interest rate of 2% and are due on June 30, 2016.

**TOWN OF PLAINVILLE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**14. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27:

Net position at June 30, 2014, as previously reported	\$ 101,365,735
Adjustments:	
Eliminate net pension assets reported per GASB No. 27	(113,298)
Record net pension liability per GASB No. 68	<u>(3,881,641)</u>
Net Position at July 1, 2014, as Restated	<u><u>\$ 97,370,796</u></u>

**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, 2015**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Property taxes:				
Revenues from property taxes	\$ 41,775,066	\$ 41,775,066	\$ 41,606,152	\$ (168,914)
Prior years' levy	500,000	500,000	611,664	111,664
Interest and liens fees	280,500	280,500	458,756	178,256
Total property taxes	<u>42,555,566</u>	<u>42,555,566</u>	<u>42,676,572</u>	<u>121,006</u>
Licenses, fees and charges for goods and services:				
Licenses and permits:				
Building	200,200	200,200	413,984	213,784
Police	5,000	5,000	7,555	2,555
Town Clerk	1,350	1,350	2,259	909
Total licenses and permits	<u>206,550</u>	<u>206,550</u>	<u>423,798</u>	<u>217,248</u>
Fines and fees:				
Building	1,200	1,200	809	(391)
Police service charge	32,000	32,000	69,701	37,701
Police fines and impoundment fees	5,500	5,500	6,972	1,472
Town Clerk	95,000	95,000	105,228	10,228
Planning and Zoning fees	5,000	5,000	7,164	2,164
Zoning Board of Appeals	3,000	3,000	2,711	(289)
Tipping and solid waste license	7,750	7,750	12,779	5,029
Senior Center	8,000	8,000	8,793	793
Conveyance tax	135,000	135,000	126,597	(8,403)
Condominium trash	45,000	45,000	49,567	4,567
Miscellaneous	14,000	14,000	27,503	13,503
Total fines and fees	<u>351,450</u>	<u>351,450</u>	<u>417,824</u>	<u>66,374</u>
Total licenses, fees and charges for goods and services	<u>558,000</u>	<u>558,000</u>	<u>841,622</u>	<u>283,622</u>
Intergovernmental revenues:				
State of Connecticut:				
Elderly tax relief:				
Freeze	2,500	2,500	2,000	(500)
Circuit breaker	150,000	150,000	152,604	2,604
Tax relief - disability	3,600	3,600	3,924	324
Tax relief - veterans	22,000	22,000	23,686	1,686
Property tax relief	509,690	509,690	509,690	-

(Continued on next page)

**TOWN OF PLAINVILLE, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Intergovernmental revenues: (continued)				
State-owned property	\$ 17,647	\$ 17,647	\$ 17,664	\$ 17
Youth services	30,000	30,000	30,483	483
Tax share telephone access line	55,000	55,000	45,347	(9,653)
Town aid road				-
Local capital improvement program	126,839	126,839	126,839	-
Education:				
Education equalization	10,405,528	10,405,528	10,463,805	58,277
Special Education				-
School transportation	121,854	121,854	161,034	39,180
Special education excess cost				-
Plane registration	8,200	8,200	8,200	-
Mashantucket Pequot Grant	85,501	85,501	85,023	(478)
Miscellaneous grants	30,000	30,000	57,890	27,890
Total intergovernmental revenues	<u>11,568,359</u>	<u>11,568,359</u>	<u>11,688,189</u>	<u>119,830</u>
Miscellaneous revenues:				
Housing Authority	34,496	34,496	40,172	5,676
Revenues from use of money	25,500	25,500	32,849	7,349
Sale of property			4,775	4,775
Other:				
General Government	153,000	153,000	322,046	169,046
Cancelled Prior Year Encumbrances			128,622	128,622
Total miscellaneous revenues	<u>212,996</u>	<u>212,996</u>	<u>528,464</u>	<u>315,468</u>
Other financing sources:				
Use of fund balance	200,000	200,000		(200,000)
Transfers in	<u>330,056</u>	<u>330,056</u>	<u>330,056</u>	-
Total other financing sources	<u>530,056</u>	<u>530,056</u>	<u>330,056</u>	<u>(200,000)</u>
Total Revenues and Other Financing Sources	\$ <u>55,424,977</u>	\$ <u>55,424,977</u>	56,064,903	\$ <u>639,926</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	3,409,515
Cancellation of prior year encumbrances are recognized as budgetary revenue	(128,622)
State Excess Cost - Student Based grant	562,426
Debt Management Fund Revenues	38
Debt Management Fund Transfers in	<u>(24,386)</u>

Total Revenues and Other Financing Sources as Reported on the Statement  
of Revenues, Expenditures and Changes in Fund Balances - Governmental  
Funds - Exhibit IV

\$ 59,883,874

**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, 2015**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General government:				
Town Council	\$ 59,999	\$ 62,998	\$ 60,992	\$ 2,006
Planning and Zoning	3,600	3,600	2,751	849
Zoning Board of Appeals	3,200	3,200	2,971	229
Inland Wetlands Commission	1,900	1,900	585	1,315
Board of Tax Review	2,020	2,020	1,190	830
Conservation Commission	2,700	2,700	2,628	72
Veterans Council	4,803	4,803	4,803	-
Probate Court	7,925	7,925	7,920	5
Town Manager	200,025	203,225	202,730	495
Human Resources	83,123	83,123	81,735	1,388
Elections	61,625	61,625	62,558	(933)
Town Counsel	126,100	126,100	124,880	1,220
Town Treasurer	5,420	5,420	5,411	9
Finance	177,860	179,360	159,257	20,103
Assessments	194,265	195,265	191,404	3,861
Revenue collection	118,565	122,065	121,635	430
Town Clerk	185,594	187,594	182,632	4,962
Data processing	183,900	183,900	181,686	2,214
Insurance	551,322	569,322	566,400	2,922
General administration services	79,495	79,495	77,617	1,878
Town Historian	17,375	17,375	13,275	4,100
Economic Development Agency	44,500	539,500	539,439	61
Recycling Committee	750	750	713	37
Total	<u>2,116,066</u>	<u>2,643,265</u>	<u>2,595,212</u>	<u>48,053</u>
Public safety:				
Police	3,712,606	3,712,606	3,699,611	12,995
Fire and Civil Preparedness	361,960	361,960	297,121	64,839
Fire Marshal	66,150	67,750	67,278	472
Canine Control	78,350	82,050	79,468	2,582
Ambulance service	13,451	13,451	13,451	-
Total	<u>4,232,517</u>	<u>4,237,817</u>	<u>4,156,929</u>	<u>80,888</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, 2015**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public works:				
Physical and technical services administration	\$ 256,040	\$ 256,040	\$ 252,990	\$ 3,050
Roadways	841,222	973,222	996,400	(23,178)
Buildings and grounds	952,845	958,845	893,366	65,479
Municipal Building maintenance	1,605,034	1,568,844	1,507,397	61,447
Planning	55,155	55,155	53,178	1,977
Building inspections	80,290	80,290	77,414	2,876
Engineering	71,700	71,700	71,429	271
Motor vehicle and equipment pool	135,260	135,260	133,747	1,513
Transfer station	70,435	70,435	49,776	20,659
Total	<u>4,067,981</u>	<u>4,169,791</u>	<u>4,035,697</u>	<u>134,094</u>
Human services:				
Health and sanitation	120,279	120,279	120,278	1
Senior citizens service	256,510	256,510	255,471	1,039
Social services	25,500	26,500	25,826	674
Solid waste management	1,187,055	1,177,055	1,083,333	93,722
Youth services	111,075	111,075	107,223	3,852
Other health and welfare	51,360	55,360	53,506	1,854
Total	<u>1,751,779</u>	<u>1,746,779</u>	<u>1,645,637</u>	<u>101,142</u>
Culture and recreation:				
Recreation	<u>146,110</u>	<u>146,110</u>	<u>143,945</u>	<u>2,165</u>
Education:				
School budget*	<u>33,460,799</u>	<u>33,460,799</u> *	<u>33,455,467</u>	<u>5,332</u>
Other:				
Employee benefits	3,166,310	3,166,310	3,163,812	2,498
Unclassified	30,000	65,000	57,878	7,122
Total	<u>3,196,310</u>	<u>3,231,310</u>	<u>3,221,690</u>	<u>9,620</u>
Debt service:				
Interest	1,237,294	1,237,294	1,237,294	-
Principal	3,475,000	3,443,690	3,443,690	-
Total	<u>4,712,294</u>	<u>4,680,984</u>	<u>4,680,984</u>	<u>-</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, 2015**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing uses:				
Transfers out:				
Library Trust Fund	\$ 643,803	\$ 643,803	\$ 643,803	\$ -
Education Fund*	156,000	156,000	* 156,000	-
Recreation Fund	88,156	88,156	88,156	-
Capital and Nonrecurring Expenditures Fund	825,000	1,173,500	1,173,500	-
Senior Citizens Transportation Fund	27,662	27,662	27,662	-
Other Funds	500	580,500	611,790	(31,290)
Total	<u>1,741,121</u>	<u>2,669,621</u>	<u>2,700,911</u>	<u>(31,290)</u>
Total Expenditures and Other Financing Uses	<u>\$ 55,424,977</u>	<u>\$ 56,986,476</u>	56,636,472	<u>\$ 350,004</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			3,409,515	
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			133,614	
State Excess Cost - Student Based grant			562,426	
Debt Management Fund Transfers in			(24,386)	
Debt Management Fund Transfers out			<u>144,386</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>\$ 60,862,027</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 TWO FISCAL YEARS**

	<u>2014</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 127,611	\$ 132,077
Interest	1,141,910	1,169,346
Differences between expected and actual experience		(57,635)
Changes of assumptions		211,582
Benefit payments, including refunds of member contributions	(919,047)	(943,501)
Net change in total pension liability	350,474	511,869
Total pension liability - beginning	14,596,948	14,947,422
Total pension liability - ending	<u>14,947,422</u>	<u>15,459,291</u>
Plan fiduciary net position:		
Contributions - employer	461,309	414,054
Contributions - member	115,181	115,312
Net investment income	1,750,644	444,282
Benefit payments, including refunds of member contributions	(919,047)	(943,501)
Administrative expense	(52,303)	(64,958)
Net change in plan fiduciary net position	1,355,784	(34,811)
Plan fiduciary net position - beginning	11,322,282	12,678,066
Plan fiduciary net position - ending	<u>12,678,066</u>	<u>12,643,255</u>
Net Pension Liability - Ending	<u>\$ 2,269,356</u>	<u>\$ 2,816,036</u>
Plan fiduciary net position as a percentage of the total pension liability	84.82%	81.78%
Covered-employee payroll	\$ 1,364,785	\$ 1,302,116
Net pension liability as a percentage of covered-employee payroll	166.28%	216.27%

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

	<u>2014</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 295,395	\$ 307,211
Interest	1,176,313	1,218,103
Differences between expected and actual experience		(263,541)
Changes of assumptions		400,614
Benefit payments, including refunds of member contributions	(954,825)	(967,721)
Net change in total pension liability	516,883	694,666
Total pension liability - beginning	14,876,741	15,393,624
Total pension liability - ending	<u>15,393,624</u>	<u>16,088,290</u>
Plan fiduciary net position:		
Contributions - employer	511,310	511,310
Contributions - member	140,430	145,519
Net investment income	1,872,199	480,502
Benefit payments, including refunds of member contributions	(954,825)	(967,721)
Administrative expense	(43,313)	(46,226)
Net change in plan fiduciary net position	1,525,801	123,384
Plan fiduciary net position - beginning	12,255,538	13,781,339
Plan fiduciary net position - ending	<u>13,781,339</u>	<u>13,904,723</u>
Net Pension Liability - Ending	\$ <u>1,612,285</u>	\$ <u>2,183,567</u>
Plan fiduciary net position as a percentage of the total pension liability	89.53%	86.43%
Covered-employee payroll	\$ 1,667,990	\$ 2,134,699
Net pension liability as a percentage of covered-employee payroll	96.66%	102.29%

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 197,797	\$ 210,583	\$ 294,177	\$ 316,014	\$ 404,120	\$ 424,803	\$ 488,088	\$ 527,722	\$ 421,309	\$ 379,054
Contributions in relation to the actuarially determined contribution	197,797	210,583	294,177	316,014	404,120	424,803	488,088	527,722	461,309	414,054
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40,000)	\$ (35,000)
Covered-employee payroll	\$ 2,125,938	\$ 2,235,401	\$ 2,196,507	\$ 2,185,349	\$ 2,099,669	\$ 1,826,777	\$ 1,842,379	\$ 1,699,817	\$ 1,364,785	\$ 1,302,116
Contributions as a percentage of covered-employee payroll	9.30%	9.42%	13.39%	14.46%	19.25%	23.25%	26.49%	31.05%	33.80%	31.80%

Notes to Schedule

Valuation date: July 1, 2014

Measurement date: June 30, 2015

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      25 years  
Asset valuation method      4-year smoothed market  
Inflation      2.5%  
Salary increases      3.5%, average, including inflation  
Investment rate of return      7.75%, net of pension plan investment expense, including inflation

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

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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 250,907	\$ 236,905	\$ 274,317	\$ 259,160	\$ 374,262	\$ 374,226	\$ 432,284	\$ 464,826	\$ 438,012	\$ 451,397
Contributions in relation to the actuarially determined contribution	250,907	236,905	274,317	259,160	374,262	374,226	432,284	464,826	511,310	511,310
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,298)	\$ (59,913)
Covered-employee payroll	\$ 1,529,580	\$ 1,511,468	\$ 1,496,398	\$ 1,419,204	\$ 1,711,289	\$ 1,647,271	\$ 1,686,555	\$ 1,617,441	\$ 1,667,990	\$ 2,134,699
Contributions as a percentage of covered-employee payroll	16.40%	15.67%	18.33%	18.26%	21.87%	22.72%	25.63%	28.74%	30.65%	23.95%

Notes to Schedule

Valuation date: July 1, 2014

Measurement date: June 30, 2015

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	30 years
Asset valuation method	4-year smoothed market
Inflation	2.5%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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

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

---

	<b><u>2014</u></b>	<b><u>2015</u></b>
Annual money-weighted rate of return, net of investment expense	15.75%	3.57%

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

---

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

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

---

	<u><b>2015</b></u>
Town's proportion of the net pension liability	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>45,442,874</u>
Total	<u>\$ 45,442,874</u>
 Town's covered-employee payroll	 \$ 73,878,839
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	 61.51%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	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	22.4 years
Asset valuation method	4-year smoothed market

## ***Appendix B***

### ***Opinion of Bond Counsel and Tax Exemption***

## **APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION**

*The following information has been prepared by Bond Counsel in connection with this note 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 Notes are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Notes. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the successful bidder.

The opinion of Day Pitney LLP with respect to the Notes 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 \$2,000,000 Bond Anticipation Notes, dated as of May 18, 2016.

We have examined a record of proceedings authorizing the Notes, and based on our examination, we are of the opinion that the Town of Plainville is authorized to issue the Notes; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Notes have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Notes; the Notes 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 Notes 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 Notes 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 Notes is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Notes 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 Notes will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Notes 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 Notes, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant

to Section 103 of the Code; (2) the Notes are not "private activity bonds" and interest on the Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and (3) the Notes 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 Notes, it is our opinion that, under existing statutes: (1) interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Notes 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 Notes 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 Notes. Failure to comply with any of these requirements may cause the interest on the Notes 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 Notes will enter into a Tax Compliance Agreement in connection with the delivery of the Notes, 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 Notes will be excluded from the gross income of the owners thereof for federal income tax purposes.

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

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

***Financial Institutions.*** The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Notes 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 Notes should be aware that the ownership of tax-exempt obligations, such as the Notes, 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 Notes 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 Notes, under existing statutes: (1) interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Notes 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 Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Notes and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Notes 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 PREMIUM.**

The initial public offering price of certain of the Notes may be greater than the amount payable on the Notes at maturity. The excess of the initial public offering price at which a substantial amount of such Notes are sold over the amount payable thereon at maturity constitutes original issue premium. No representation is made by the Town regarding the prices at which a substantial amount of the Notes ultimately will be sold to the public. An owner who purchases a note with original issue premium must amortize such original issue premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the note for federal income tax purposes. Owners of Notes having original issue premium, and especially any owner who is not an original owner of a note who bought the note 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 notes.

#### **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 Notes will not have an effect on the federal tax status or the market price of the Notes or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Notes, 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 Notes 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 Notes 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 Notes. Prospective owners of the Notes, 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 Notes, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

## ***Appendix C***

### ***Form of Continuing Disclosure Agreement***

## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR NOTES

*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 Notes to be executed by the Town substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:*

### **Continuing Disclosure Agreement For Notes**

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of May 18, 2016 by the Town of Plainville, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$2,000,000 Bond Anticipation Notes, dated as of May 18, 2016 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

"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. 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 Notes:

- (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 notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;

- (j) release, substitution, or sale of property securing repayment of the Notes, 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 Notes, unless the Issuer applies for or participates in obtaining the enhancement.

*Event (f).* Event (f) is relevant only to the extent interest on the Notes 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 Notes will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Note to be redeemed as required under the terms of the Notes, 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 Note purchases.

### **Section 3. Use of Agents.**

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 4. 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 Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

### **Section 5. Enforcement.**

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. 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 five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Notes of such failure. The present address of the Director of Finance is Plainville 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 Notes 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 Notes.

**Section 6. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 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 information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional 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 Notes, 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.

(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***

**NOTICE OF TELEPHONE AND PARITY® SALE**  
**\$2,000,000**  
**Town of Plainville, Connecticut**  
**Bond Anticipation Notes**  
**(BOOK-ENTRY)**

TELEPHONE PROPOSALS and ELECTRONIC BIDS via PARITY® will be received by the Town of Plainville, Connecticut until **11:30 A.M. Eastern Time on TUESDAY,**

**MAY 10, 2016**

for the purchase of \$2,000,000 Bond Anticipation Notes of the Town of Plainville, dated May 18, 2016, maturing on May 17, 2017 (the "Notes").

The Town will designate the Notes 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 Notes will be payable with interest at maturity. Interest shall be computed on the basis of a 30-day month and a 360-day year. The Notes are not subject to redemption prior to maturity.

The Notes 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 Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate 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 Notes 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 Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal 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 Notes 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 Notes, the Town will authenticate and deliver replacement Notes in the form of fully registered certificates. Any such replacement Notes, will provide that principal of and interest on the Notes will be payable to the registered owner upon presentation and surrender of the Notes at the principal office of the Paying Agent, or of its successors as paying agent for the Notes.

**Proposals.** Proposals may be made for all or any part of the Notes. No proposal for less than the minimum denomination or for less than par and accrued interest will be entertained. Each proposal must state one rate of interest in a multiple of one-hundredth (1/100) of one-percent (1%) per annum for each part of the Notes bid for in the proposal. 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 net interest rate 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.

**Telephone Proposals Bidding Procedure.** Telephone bids for the purchase of the Notes will be received on behalf of the Town by telephone call to a representative of Phoenix Advisors, LLC, at the Office of the Town Manager, Plainville Municipal Center, One Central Square, Plainville, Connecticut at (203) 283-1110.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Notes 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 Notes via PARITY®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Notes 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 Notes 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 Notes. 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 Notes, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale 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 of Sale.

**Basis of Award.** As between proposals which comply with this Notice, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest rate, which will be determined for each interest rate stated in the proposal based on the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making said offer at the same lowest net interest rate, the Notes will be sold to the responsible bidder with a proposal for the highest principal amount of Notes specified or, if the same principal amount of Notes is specified in such proposals, to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest rate with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid at such rate, carried to four places.

The Town reserves the right to award to any bidder all or any part of the Notes bid for in its 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 Notes in accordance with the provisions of this Notice of Sale.

**Certifying and Paying Agent.** The Notes 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 Notes 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 Notes and receipt of payment therefor, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes 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 Note 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 Notes. 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.

**Bond Counsel Opinion.** The opinion of Bond Counsel will cover the following matters: (1) that the Notes 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 Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Notes are not "private activity bonds" and interest on the Notes is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and the Notes are "qualified tax-exempt obligations"; and (3) that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Notes 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.

**Official Statement.** The Town of Plainville has prepared a preliminary Official Statement for the Note issue which is dated May 3, 2016. 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 each winning purchaser 50 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(s) at the office of the Town's financial advisor, Phoenix Advisors, LLC, Milford, Connecticut, by the delivery of the Notes or by the seventh business day after the day bids on the Notes are received if earlier. The purchaser shall arrange with the financial 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 Notes, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Notes"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, timely notice of the occurrence of certain events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for Notes.

**CUSIP Numbers.** The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, 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 Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Town; provided,

however, that the Town assumes no responsibility for any CUSIP Service Bureau 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.

**Reoffering Prices.** IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE NOTES THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF THE NOTES WERE SOLD. The successful bidder may specify that the Notes as “not reoffered” if the successful bidder certifies that it purchased the specified Notes for its own account (or the account of a related party) without any present intention of reoffering such Notes to any other investor.

**Delivery Date and Payment.** The Notes will be delivered against payment in immediately available Federal funds through the facilities of The Depository Trust Company, New York, New York on May 18, 2016.

**More Information.** For more information regarding this issue and the Town reference is made to Official Statement. 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, Plainville Municipal Center, One Central Square, Plainville, Connecticut 06062 (telephone: (860) 793-0221).

ROBERT E. LEE,  
*Town Manager*

DUNCAN W. MAY,  
*Treasurer*

May 3, 2016