

**TOWN OF PLAINVILLE, MASSACHUSETTS**

**REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**TABLE OF CONTENTS**

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 – 9
Basic Financial Statements	
Statement of Net Position	10
Statement of Activities	11 – 12
Governmental Funds – Balance Sheet	13
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	14
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	17
Proprietary Funds - Statement of Net Position	18
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Position	19
Proprietary Funds – Statements of Cash Flows	20
Fiduciary Funds – Statement of Fiduciary Net Position	21
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	22
Notes to Basic Financial Statements	23– 59
Required Supplementary Information:	
Norfolk County Contributory Retirement System Schedules:	
Schedules of Funding Progress and Employer Contributions	60

**TOWN PLAINVILLE, MASSACHUSETTS  
REPORT ON EXAMINATION OF  
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JUNE 30, 2015**

**TABLE OF CONTENTS**

	<u>PAGE</u>
Schedule of the Town's Proportionate Share of the Net Pension Liability	61
Schedule of Town's Contribution	62
Massachusetts Teachers Retirement System Schedule:	
Schedule of the State's Proportionate Share of the Net Pension Liability	63
Other Postemployment Benefit Plan Schedules:	
Schedules of Funding Progress and Employer Contributions	64 – 65
Notes to Required Supplementary Information	66

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of Selectmen  
Town of Plainville, Massachusetts

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the Town of Plainville, Massachusetts 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, Massachusetts's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business – type activities, each major fund, and the aggregate remaining fund information of the Town of Plainville, Massachusetts, as of June 30, 2015, and the respective changes in financial position and, where applicable cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 15 to the financial statements, the Town Net Pension Liability has significantly increased as of June 30, 2015 due to the implementation of GASB Statement 68, Accounting and Financial Reporting for Pensions. 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, Norfolk County Contributory System schedules of funding progress, employer contributions, Town's proportionate share of the net pension liability, Town's contribution, and Massachusetts Teachers Retirement system's proportionate share of the net pension liability, and other post-employment benefits – schedules of funding progress and employer contributions and notes to the retirement system on pages 3 – 9, 60 - 62, 63, 64 - 65 and 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



March 14, 2016

## **TOWN OF PLAINVILLE, MASSACHUSETTS**

### **Management's Discussion and Analysis**

As management of the Town of Plainville (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. We encourage readers to consider this information in addition to the statements and notes.

The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). GASB is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Users of these financial statements, such as investors and rating agencies, rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users can assess the financial condition of one government compared to others.

#### **Financial Highlights**

GASB Statement No. 68 (GASB 68), **Accounting and Financial Reporting for Pensions – an amendment of GASB statement No.27**, was implemented by the Town effective July 1, 2014. The purpose of GASB 68 is to improve the accounting and financial reporting by state and local governments for pensions.

It should be noted that this report reflects a re-statement of the Town's net position as of June 30, 2014. This was the result of implementing the new GASB 68.

Pension liabilities are now clearly presented on the Statement of Net Position, to better inform the reader as to the Town's financial obligation for future pension costs. Please refer to the footnotes to the financial statements as well as the required supplementary information regarding pensions.

#### **Overview of the Financial Statements**

These financial statements have been prepared under the Governmental Accounting Standards Board (GASB) Statement Number 34, **Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments**. The approach mandated by GASB 34 focuses on basic financial statements that comprise three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic Financial Statements

The government-wide financial statements are intended to provide readers with an overview of finances in a manner similar to private-sector business.

## Government-wide Financial Statements

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. The net position serves as a useful indicator of whether the Town's financial situation is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions that are principally supported by user fees or charges (business-type activities). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, pension benefits, employee benefits, interest and state and county charges. The business type activities include costs relating to water, sewer and sanitation activities.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds are categorized in three main types: (1) Governmental, (2) Proprietary, and (3) Fiduciary.

### Governmental Funds

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

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement, the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, has been provided for the general fund to demonstrate compliance with this budget.

### Proprietary Funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has three funds in this category:

- Water Enterprise Fund accounts for the water activity of the Town,
- Sewer Enterprise Fund accounts for the sewer activity of the Town,
- Trash (Sanitation) Enterprise Fund accounts for the trash collection and disposal activities of the Town.

## Fiduciary Funds

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

*Private-purpose trust funds* and *agency funds* are each reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "agency funds", respectively.

## Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Government-wide Financial Analysis**

### Statement of Net Position

The Town's total net position as of June 30, 2015 was \$29.9 million, of which the governmental activities provided \$17.6 million and the business-type activities provided \$12.3 million.

The Town's largest net position (109.8%) reflects its investment in capital assets (land, buildings, improvements other than buildings, construction in progress, vehicles, machinery and equipment, software, and infrastructure); less any related debt used to acquire those assets that remain outstanding. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. It is important to note that other resources are needed to repay the debt because the capital assets cannot be used to finance these liabilities.

A modest amount of the Town's net position (16.9%) is subject to external restrictions on how it may be used. The remaining balance (-26.7%) of the Town's net position is unrestricted.



The following table of Condensed Net Position indicates an increase in growth for the Town.

Condensed Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<b>Assets:</b>						
Current assets	\$ 11,267,868	\$ 10,303,718	\$ 3,176,321	\$ 3,261,588	\$ 14,444,189	\$ 13,565,306
Noncurrent assets (excluding capital)	3,537,751	4,043,144	-	-	3,537,751	4,043,144
Capital assets	27,270,366	27,377,198	15,144,116	15,491,312	42,414,482	42,868,510
<b>Total assets</b>	<b>42,075,985</b>	<b>41,724,060</b>	<b>18,320,437</b>	<b>18,752,900</b>	<b>60,396,422</b>	<b>60,476,960</b>
<b>Deferred Outflow of Resources:</b>	<b>498,936</b>	<b>-</b>	<b>26,246</b>	<b>-</b>	<b>525,182</b>	<b>-</b>
<b>Liabilities:</b>						
Current liabilities (excluding debt)	962,614	795,059	328,985	285,944	1,291,599	1,081,003
Noncurrent liabilities (excluding debt)	18,841,096	17,120,694	988,451	920,915	19,829,547	18,041,609
Current debt	1,019,959	826,230	608,646	607,580	1,628,605	1,433,810
Noncurrent debt	4,149,901	4,883,459	4,159,961	4,692,657	8,309,862	9,576,116
<b>Total liabilities</b>	<b>24,973,570</b>	<b>23,625,442</b>	<b>6,086,043</b>	<b>6,507,096</b>	<b>31,059,613</b>	<b>30,132,538</b>
<b>Net Position:</b>						
Net investment in capital assets	22,360,506	21,667,509	10,432,570	10,248,136	32,793,076	31,915,645
Restricted	5,054,784	5,755,256	-	-	5,054,784	5,755,256
Unrestricted	(9,813,939)	(9,324,147)	1,828,070	1,997,668	(7,985,869)	(7,326,479)
<b>Total net position</b>	<b>\$ 17,601,351</b>	<b>\$ 18,098,618</b>	<b>\$ 12,260,640</b>	<b>\$ 12,245,804</b>	<b>\$ 29,861,991</b>	<b>\$ 30,344,422</b>

Total current assets within the governmental activities were \$11.3 million and included cash & investments of \$8.6 million and receivables net of allowances of \$2.7 million. Governmental non-current receivables decreased \$505,393. This decrease represents the continued annual reduction of a long term receivable for School Building Assistance.

Total current liabilities within the governmental activities were \$1.9 million and included accounts payable of \$0.9 million and bonds and notes payable of \$1.0 million. Noncurrent liabilities within the governmental activities were \$23.0 million and included \$4.1 million of general obligation bonds payable, \$12.1 million in net pension liability and \$6.8 million in postemployment benefits liability. The GASB 45 required OPEB annual contribution of the employer increased noncurrent postemployment benefits liability by \$1.2 million. Noncurrent debt decreased \$0.7 million.

The Town's total net position includes a receivable of \$4,043,144 due from Massachusetts School Building Authority (MSBA) which is a reimbursement program for school debt.

Total current assets within the business-type activities were \$3.2 million and included cash & investments of \$2.2 million and receivables of \$1.0 million.

Current liabilities within the business-type activities were \$0.9 million and included \$0.6 million of bonds and notes payable Noncurrent liabilities within the business-type activities were \$5.1 million and included \$4.2 million of general obligation bonds payable, \$0.6 in net pension liability and \$0.3 million in postemployment benefits liability.

The level of investment in capital assets for FY2015 rose \$0.9 million when compared with that of FY2014. Governmental activities' capital assets (net of related debt) increased just under \$0.7 million while business type activities' capital assets increased just under \$0.2 million. Governmental activities current assets increased 9% as compared with FY2014. Business-type activity current assets showed a 3% decrease.

Governmental activities current liabilities' increased \$0.4 million and non-current liabilities increased \$1.0 million. Business-type activity current liabilities increased less than \$0.1 million while non-current liabilities decreased \$0.5 million.

### Changes in Net Position

The Net Position for the Town of Plainville decreased by \$0.5 million. Presented below are the components that contributed to the change in net position, along with comparative data for the previous fiscal year:

Condensed Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for services	\$ 3,162,213	\$ 1,987,171	\$ 2,511,408	\$ 3,000,640	\$ 5,673,621	\$ 4,987,811
Operating grants and contributions	4,604,257	5,192,221	24,765	61,600	4,629,022	5,253,821
Capital grants and contributions	351,949	272,257	-	-	351,949	272,257
<i>General Revenues:</i>						
Real Estate and personal property taxes	18,300,808	17,390,847	-	-	18,300,808	17,390,847
Tax Liens	135,265	193,074	-	-	135,265	193,074
Motor vehicle and other excise taxes	1,268,959	1,157,609	-	-	1,268,959	1,157,609
Meals and Hotel/Motel Taxes	307,291	293,294	-	-	307,291	293,294
Penalties and Interest on Taxes	89,132	116,748	-	-	89,132	116,748
Payments in Lieu of Taxes	44,068	76,419	-	-	44,068	76,419
Nonrestricted grants and contributions	812,303	846,858	-	-	812,303	846,858
Unrestricted investment income	58,807	71,613	-	-	58,807	71,613
Other revenues	17,578	16,311	-	-	17,578	16,311
<b>Total Revenues</b>	<b>29,152,630</b>	<b>27,614,422</b>	<b>2,536,173</b>	<b>3,062,240</b>	<b>31,688,803</b>	<b>30,676,662</b>
<b>Expenses:</b>						
General Government	1,161,035	1,210,043	-	-	1,161,035	1,210,043
Public Safety	4,524,131	4,139,369	-	-	4,524,131	4,139,369
Education	15,620,476	15,156,609	-	-	15,620,476	15,156,609
Public Works	1,284,311	1,155,311	-	-	1,284,311	1,155,311
Human Services	438,424	437,381	-	-	438,424	437,381
Culture and Recreation	483,294	378,759	-	-	483,294	378,759
Employee Benefits	5,298,596	5,170,590	-	-	5,298,596	5,170,590
State and County Assessments	517,021	287,782	-	-	517,021	287,782
Interest	174,694	194,376	-	-	174,694	194,376
Sanitation	-	-	401,703	399,380	401,703	399,380
Sewer	-	-	1,065,949	1,279,596	1,065,949	1,279,596
Water	-	-	1,201,600	1,091,817	1,201,600	1,091,817
<b>Total Expenses</b>	<b>29,501,982</b>	<b>28,130,220</b>	<b>2,669,252</b>	<b>2,770,793</b>	<b>32,171,234</b>	<b>30,901,013</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(349,352)</b>	<b>(515,798)</b>	<b>(133,079)</b>	<b>291,447</b>	<b>(482,431)</b>	<b>(224,351)</b>
<b>Transfers</b>	<b>(147,915)</b>	<b>(220,466)</b>	<b>147,915</b>	<b>220,466</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(497,267)</b>	<b>(736,264)</b>	<b>14,836</b>	<b>511,913</b>	<b>(482,431)</b>	<b>(224,351)</b>
<b>Net Position - beginning</b>	<b>18,098,618</b>	<b>18,834,882</b>	<b>12,245,804</b>	<b>11,733,891</b>	<b>30,344,422</b>	<b>30,568,773</b>
<b>Net Position - ending</b>	<b>\$ 17,601,351</b>	<b>\$ 18,098,618</b>	<b>\$ 12,260,640</b>	<b>\$ 12,245,804</b>	<b>\$ 29,861,991</b>	<b>\$ 30,344,422</b>

Governmental Activities: Charges for services increased over 59% while capital grants and contributions increased 29%. Operating grants and contributions for FY2015 decreased 11%. Property taxes support 63.0% of the Town's governmental activities and FY2015 shows an increase of \$909,961 over FY2014. Over one-third of this increase is attributable to new growth.

Total expenses increased by \$1,371,762 or 4.9% over FY2014. Attributing for 34% of the increase and over one-half of total expenditures, education is by far the largest governmental activity of the Town. Approximately \$11.8 million in taxes and other revenues were needed to cover the FY2015 operating expenses for education. Employee benefits and public safety represent the second and third largest governmental activities of the Town. Approximately \$4.5 million and \$2.2 million of taxes and other revenues were needed to cover the FY2015 operating expenses for those two activities respectively.

Business-Type Activities: Revenues from the three business-type activities decreased by \$526,067 over FY2014. Total expenditures decreased by \$101,541 for FY2015.

## **Analysis of Governmental Fund Statements**

### Governmental Funds

The focus of the Town of Plainville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending in the subsequent fiscal year.

The general fund is the chief operating fund of the Town of Plainville. The Massachusetts Department of Revenue reviews the unaudited balance sheet at the end of the each fiscal year. It certifies what part of undesignated, unreserved fund balance is available for spending at the government's (Town Meeting) discretion during the subsequent fiscal year. At the end of the fiscal year the Town's unassigned fund balance was \$2,704,590 while total fund balance was \$6,684,322. The Massachusetts Department of Revenue certified \$1,965,630 available for spending as of July 1, 2015.

### Other Governmental Funds

The Stabilization Fund was built over many years from annual surpluses and capital project bank interest. The set aside of capital project interest was intended to be used to temporarily reduce the impact to taxpayers of expected peaks in debt burden. A special revenue account called the Landfill Closure Fund had been built up over many years when the Town was receiving revenue from an active landfill owned by a private company. The fund was intended to protect the taxpayers in the remote chance that the private company failed to fulfill their responsibility to maintain the site. At a Special Town Meeting, June 6, 2005, the Town voted to appropriate \$1,030,589 of the accumulated Closure fund and establish the Landfill Stabilization Fund for the purpose of funding potential costs associated with the closure of the Laidlaw Landfill. At an Annual Town Meeting, June 4, 2012, the Town voted to appropriate \$625,892 remaining in the Closure fund to the established Landfill Stabilization Fund. The combined Stabilization Fund balances of \$2,397,132 are available to the Town as a source for short term borrowing. The original Stabilization Fund is available to be appropriated at Town Meeting to meet any needs of the Town. No Stabilization Funds were appropriated to support the FY2016 Omnibus Budget.

## **Capital Asset and Debt Administration**

### **Capital Assets**

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$42,414,482 (net of accumulated depreciation). This investment includes land, buildings, improvements, machinery and equipment, park facilities, streets, sidewalks, and water and sewer systems.

### **Debt Administration**

The Town continues to experience an excellent bond rating of Aa3 as assigned by Moody's Investor Service. This reflects the Town's consistent and satisfactory financial operations with improving reserve levels, stable and diverse tax base and improved debt burden. At the end of the fiscal year the Town had a total bonded debt outstanding of \$9,413,607 a decrease of \$1,302,630 over the prior fiscal year.

## **Economic Factors and next year's Budget**

- The Town of Plainville is strategically positioned at the crossroads of Interstates 95 and 495, 31 miles south of Boston and 14 miles north of Providence, Rhode Island.
- The local unemployment rate remains below that of the national median.
- The Town of Plainville has enjoyed recent development and remains optimistic for future growth. In November 2011, the Massachusetts Legislature passed an expanded gaming bill and in February 2014 awarded a gaming license for 1,250 slot machines at Plainridge Racecourse which has been in operation in Plainville since 1998. The community and the principals at Plainridge Racecourse celebrated a grand opening of the only slots parlor in the state during FY2015 and the Town remains optimistic about future growth in the area.
- The Town of Plainville developed a balanced budget for fiscal year 2016 and continues to be committed to strong budgetary controls.

## **Request for Information**

This financial report is designed to provide a general overview of the Town of Plainville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Town Accountant, Town Hall, 142 South Street, Plainville, MA 02762.

**TOWN OF PLAINVILLE, MASSACHUSETTS  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b><u>ASSETS</u></b>			
CURRENT:			
CASH AND SHORT-TERM INVESTMENTS	\$ 7,210,981	\$ 2,242,374	\$ 9,453,355
INVESTMENTS	1,409,931	-	1,409,931
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES	297,621	-	297,621
TAX LIENS	608,863	-	608,863
MOTOR VEHICLE EXCISE TAXES	82,265	-	82,265
USER FEES	184,822	933,947	1,118,769
INTERGOVERNMENTAL	1,473,385	-	1,473,385
NONCURRENT:			
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
INTERGOVERNMENTAL	3,537,751	-	3,537,751
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	27,270,366	15,144,116	42,414,482
<b>TOTAL ASSETS</b>	<b>42,075,985</b>	<b>18,320,437</b>	<b>60,396,422</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
RELATED TO PENSIONS	498,936	26,246	525,182
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>42,574,921</b>	<b>18,346,683</b>	<b>60,921,604</b>
<b><u>LIABILITIES</u></b>			
CURRENT:			
ACCOUNTS PAYABLE	942,093	120,535	1,062,628
OTHER LIABILITIES	12,643	178,501	191,144
ACCRUED INTEREST	7,878	29,949	37,827
CAPITAL LEASES PAYABLE	18,959	-	18,959
BONDS AND NOTES PAYABLE	1,001,000	608,646	1,609,646
NONCURRENT:			
CAPITAL LEASES PAYABLE	20,901	-	20,901
BONDS AND NOTES PAYABLE	4,129,000	4,159,961	8,288,961
NET PENSION LIABILITY	12,082,239	635,601	12,717,840
POSTEMPLOYMENT BENEFITS	6,758,857	352,850	7,111,707
<b>TOTAL LIABILITIES</b>	<b>24,973,570</b>	<b>6,086,043</b>	<b>31,059,613</b>
<b><u>NET POSITION</u></b>			
NET INVESTMENT IN CAPITAL ASSETS	22,360,506	10,432,570	32,793,076
RESTRICTED FOR:			
STREETS	571,714	-	571,714
OTHER PURPOSES	4,483,070	-	4,483,070
UNRESTRICTED	(9,813,939)	1,828,070	(7,985,869)
<b>TOTAL NET POSITION</b>	<b>\$ 17,601,351</b>	<b>\$ 12,260,640</b>	<b>\$ 29,861,991</b>

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
GENERAL GOVERNMENT	\$ 1,161,035	\$ 334,177	\$ 1,477	\$ -	\$ (825,381)
PUBLIC SAFETY	4,524,131	2,232,715	104,698	-	(2,186,718)
EDUCATION	15,620,476	375,196	3,431,259	-	(11,814,021)
PUBLIC WORKS	1,284,311	300	7,714	351,949	(924,348)
HUMAN SERVICES	438,424	99,568	157,023	-	(181,833)
CULTURE & RECREATION	483,294	120,257	104,018	-	(259,019)
EMPLOYEE BENEFITS	5,298,596	-	798,068	-	(4,500,528)
STATE & COUNTY ASSESSMENTS	517,021	-	-	-	(517,021)
INTEREST	174,694	-	-	-	(174,694)
TOTAL GOVERNMENTAL ACTIVITIES	29,501,982	3,162,213	4,604,257	351,949	(21,383,563)
BUSINESS-TYPE ACTIVITIES:					
WATER	1,201,600	1,266,850	24,765	-	90,015
SEWER	1,065,949	845,951	-	-	(219,998)
SANITATION	401,703	398,607	-	-	(3,096)
TOTAL BUSINESS-TYPE ACTIVITIES	2,669,252	2,511,408	24,765	-	(133,079)
TOTAL PRIMARY GOVERNMENT	\$ 32,171,234	\$ 5,673,621	\$ 4,629,022	\$ 351,949	\$ (21,516,642)

See accompanying notes to the basic financial statements

(continued)

**TOWN OF PLAINVILLE, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2015**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>CHANGES IN NET POSITION:</b>			
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	\$ (21,383,563)	\$ (133,079)	\$ (21,516,642)
GENERAL REVENUES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS PAYABLE	18,300,808	-	18,300,808
TAX LIENS	135,265	-	135,265
MOTOR VEHICLE EXCISE TAXES	1,268,959	-	1,268,959
MEALS & HOTEL TAXES	307,291	-	307,291
PENALTIES AND INTEREST ON TAXES	89,132	-	89,132
PAYMENTS IN LIEU OF TAXES	44,068	-	44,068
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS	812,303	-	812,303
UNRESTRICTED INVESTMENT INCOME	58,807	-	58,807
MISCELLANEOUS	17,578	-	17,578
TRANSFERS, NET	(147,915)	147,915	-
TOTAL GENERAL REVENUES AND TRANSFERS	20,886,296	147,915	21,034,211
CHANGE IN NET POSITION	(497,267)	14,836	(482,431)
<b>NET POSITION:</b>			
<b>BEGINNING OF YEAR</b>	18,098,618	12,245,804	30,344,422
<b>END OF YEAR</b>	\$ 17,601,351	\$ 12,260,640	\$ 29,861,991

See accompanying notes to the basic financial statements

(concluded)

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

<b><u>ASSETS</u></b>	<b><u>GENERAL</u></b>	<b><u>NONMAJOR GOVERNMENTAL FUNDS</u></b>	<b><u>TOTAL GOVERNMENTAL FUNDS</u></b>
CASH AND SHORT-TERM INVESTMENTS	\$ 5,960,367	\$ 1,250,614	\$ 7,210,981
INVESTMENTS	1,409,931	-	1,409,931
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES	297,621	-	297,621
TAX LIENS	608,863	-	608,863
MOTOR VEHICLE EXCISE TAXES	82,265	-	82,265
USER FEES	184,822	-	184,822
INTERGOVERNMENTAL	4,246,386	764,750	5,011,136
<b>TOTAL ASSETS</b>	<b>\$ 12,790,255</b>	<b>\$ 2,015,364</b>	<b>\$ 14,805,619</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
LIABILITIES:			
ACCOUNTS PAYABLE	\$ 833,495	\$ 108,598	\$ 942,093
OTHER LIABILITIES	12,643	-	12,643
NOTES PAYABLE	-	260,000	260,000
<b>TOTAL LIABILITIES</b>	<b>846,138</b>	<b>368,598</b>	<b>1,214,736</b>
DEFERRED INFLOWS OF RESOURCES:			
UNAVAILABLE REVENUE	5,259,795	571,714	5,831,509
FUND BALANCES:			
RESTRICTED	-	1,210,064	1,210,064
COMMITTED	261,341	-	261,341
ASSIGNED	3,718,391	-	3,718,391
UNASSIGNED	2,704,590	(135,012)	2,569,578
<b>TOTAL FUND BALANCES</b>	<b>6,684,322</b>	<b>1,075,052</b>	<b>7,759,374</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ 12,790,255</b>	<b>\$ 2,015,364</b>	<b>\$ 14,805,619</b>

See accompanying notes to the basic financial statements



**TOWN OF PLAINVILLE, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b><u>REVENUES:</u></b>			
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 18,390,921	\$ -	\$ 18,390,921
MOTOR VEHICLE EXCISE TAXES	1,286,790	-	1,286,790
PENALTIES AND INTEREST ON TAXES	89,132	-	89,132
INTERGOVERNMENTAL	5,123,612	1,123,276	6,246,888
CHARGES FOR SERVICES	2,093,774	588,815	2,682,589
INVESTMENT INCOME	55,608	3,489	59,097
CONTRIBUTIONS & DONATIONS	-	117,928	117,928
DEPARTMENTAL AND OTHER	855,405	38,485	893,890
	<u>27,895,242</u>	<u>1,871,993</u>	<u>29,767,235</u>
TOTAL REVENUES			
<b><u>EXPENDITURES:</u></b>			
CURRENT:			
GENERAL GOVERNMENT	1,130,496	89,472	1,219,968
PUBLIC SAFETY	4,344,589	202,582	4,547,171
EDUCATION	14,164,240	951,356	15,115,596
PUBLIC WORKS	1,046,113	504,751	1,550,864
HUMAN SERVICES	409,756	48,111	457,867
CULTURE & RECREATION	256,353	285,849	542,202
EMPLOYEE BENEFITS	4,073,697	3,433	4,077,130
STATE & COUNTY ASSESSMENTS	517,021	-	517,021
DEBT SERVICE:			
PRINCIPAL	771,000	-	771,000
INTEREST	175,970	-	175,970
	<u>26,889,235</u>	<u>2,085,554</u>	<u>28,974,789</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,006,007</u>	<u>(213,561)</u>	<u>792,446</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
OPERATING TRANSFERS IN	2,679	-	2,679
OPERATING TRANSFERS OUT	(147,915)	(2,679)	(150,594)
	<u>(145,236)</u>	<u>(2,679)</u>	<u>(147,915)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	860,771	(216,240)	644,531
FUND BALANCES AT BEGINNING OF YEAR	<u>5,823,551</u>	<u>1,291,292</u>	<u>7,114,843</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,684,322</u>	<u>\$ 1,075,052</u>	<u>\$ 7,759,374</u>

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>		<b>\$ 7,759,374</b>
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS		27,270,366
ACCOUNTS RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS		5,831,509
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE		(7,878)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS		
BONDS AND NOTES PAYABLE	(4,870,000)	
OTHER POSTEMPLOYMENT BENEFITS (OPEB)	(6,758,857)	
NET PENSION LIABILITY	(12,082,239)	
DEFERRED OUTFLOWS OF RESOURCES	498,936	
CAPITAL LEASE PAYABLE	<u>(39,860)</u>	
		<u>(23,252,020)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 17,601,351</u></b>

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2015**

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		<b>\$ 644,531</b>
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE.		
CAPITAL OUTLAY	997,334	
DEPRECIATION EXPENSE	<u>(1,104,166)</u>	
NET EFFECT OF REPORTING CAPITAL ASSETS		(106,832)
REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE FULLY DEFERRED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES. THEREFORE, THE RECOGNITION OF REVENUE FOR VARIOUS TYPES OF ACCOUNTS RECEIVABLE (I.E. REAL ESTATE AND PERSONAL PROPERTY, MOTOR VEHICLE EXCISE, ETC.) DIFFER BETWEEN THE TWO STATEMENTS. THIS AMOUNT REPRESENTS THE NET CHANGE IN DEFERRED REVENUE.		
		(614,605)
THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) PROVIDES CURRENT FINANCIAL RESOURCES TO GOVERNMENTAL FUNDS, WHILE THE REPAYMENT OF THE PRINCIPAL OF LONG-TERM DEBT CONSUMES THE FINANCIAL RESOURCES OF GOVERNMENTAL FUNDS. NEITHER TRANSACTION, HOWEVER, HAS ANY EFFECT ON NET ASSETS. ALSO, GOVERNMENTAL FUNDS REPORT THE EFFECT OF ISSUANCE COSTS, PREMIUMS, DISCOUNTS, AND SIMILAR ITEMS WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE DEFERRED AND AMORTIZED IN THE STATEMENT OF ACTIVITIES.		
DEBT SERVICE PRINCIPAL PAYMENTS	771,000	
CAPITAL LEASE PRINCIPAL PAYMENTS	<u>28,829</u>	
NET EFFECT OF REPORTING LONG-TERM DEBT		799,829
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.		
NET CHANGE IN OTHER POSTEMPLOYMENT BENEFITS	(1,164,046)	
NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES	498,936	
NET CHANGE IN NET PENSION LIABILITY	(556,356)	
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	<u>1,276</u>	
NET EFFECT OF RECORDING LONG-TERM LIABILITIES		<u>(1,220,190)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (497,267)</u></u>

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FISCAL YEAR ENDED JUNE 30, 2015**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL BUDGETARY AMOUNTS</b>	<b>VARIANCE OVER (UNDER)</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>		
<b><u>REVENUES:</u></b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 18,318,399	\$ 18,318,399	\$ 18,390,921	\$ 72,522
MOTOR VEHICLE EXCISE TAXES	1,050,000	1,050,000	1,286,790	236,790
PENALTIES & INTEREST ON TAXES	75,000	75,000	89,132	14,132
INTERGOVERNMENTAL	4,314,987	4,314,987	4,325,734	10,747
CHARGES FOR SERVICES	1,096,200	1,096,200	2,093,774	997,574
INVESTMENT INCOME	10,000	10,000	27,881	17,881
DEPARTMENTAL AND OTHER	548,200	548,200	855,405	307,205
TOTAL REVENUES	25,412,786	25,412,786	27,069,637	1,656,851
<b><u>EXPENDITURES:</u></b>				
CURRENT:				
GENERAL GOVERNMENT	1,415,528	1,433,528	1,130,496	303,032
PUBLIC SAFETY	4,579,670	4,583,470	4,344,589	238,881
EDUCATION	14,176,721	14,176,721	14,164,240	12,481
PUBLIC WORKS	659,208	659,208	1,046,113	(386,905)
HUMAN SERVICES	503,738	503,738	409,756	93,982
CULTURE & RECREATION	273,278	273,278	256,353	16,925
EMPLOYEE BENEFITS	3,343,748	3,321,948	3,275,819	46,129
STATE & COUNTY ASSESSMENTS	478,943	478,943	517,021	(38,078)
DEBT SERVICE:				
PRINCIPAL	771,011	771,011	771,000	11
INTEREST	198,567	198,567	175,970	22,597
TOTAL EXPENDITURES	26,400,412	26,400,412	26,091,357	309,055
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(987,626)	(987,626)	978,280	1,965,906
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
OPERATING TRANSFERS IN	-	-	2,679	2,679
OPERATING TRANSFERS OUT	(411,946)	(411,946)	(147,915)	264,031
TOTAL OTHER FINANCING SOURCES (USES)	(411,946)	(411,946)	(145,236)	266,710
NET CHANGE IN FUND BALANCE	(1,399,572)	(1,399,572)	833,044	2,232,616
BUDGETARY FUND BALANCE, BEGINNING OF YEAR	3,439,055	3,439,055	3,439,055	-
BUDGETARY FUND BALANCE, END OF YEAR	\$ 2,039,483	\$ 2,039,483	\$ 4,272,099	\$ 2,232,616

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER	SEWER	SANITATION	TOTAL
<b><u>ASSETS</u></b>				
CURRENT:				
CASH AND SHORT-TERM INVESTMENTS	\$ 1,767,918	\$ 17,237	\$ 457,219	\$ 2,242,374
USER FEES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:	605,137	328,810	-	933,947
TOTAL CURRENT ASSETS	2,373,055	346,047	457,219	3,176,321
NONCURRENT:				
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	9,417,044	5,727,072	-	15,144,116
TOTAL ASSETS	11,790,099	6,073,119	457,219	18,320,437
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	15,291	9,176	1,779	26,246
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	11,805,390	6,082,295	458,998	18,346,683
<b><u>LIABILITIES</u></b>				
CURRENT:				
ACCOUNTS PAYABLE	90,406	-	30,129	120,535
OTHER LIABILITIES	-	-	178,501	178,501
ACCRUED INTEREST	7,771	22,178	-	29,949
BONDS AND NOTES PAYABLE	238,786	369,860	-	608,646
TOTAL CURRENT LIABILITIES	336,963	392,038	208,630	937,631
NONCURRENT:				
BONDS AND NOTES PAYABLE	1,846,398	2,313,563	-	4,159,961
POST EMPLOYMENT BENEFITS	203,494	112,104	37,252	352,850
NET PENSION LIABILITY	370,298	222,229	43,074	635,601
TOTAL NONCURRENT LIABILITIES	2,420,190	2,647,896	80,326	5,148,412
TOTAL LIABILITIES	2,757,153	3,039,934	288,956	6,086,043
<b><u>NET POSITION</u></b>				
NET INVESTMENT IN CAPITAL ASSETS UNRESTRICTED	7,371,684 1,676,553	3,060,886 (18,525)	- 170,042	10,432,570 1,828,070
TOTAL NET POSITION	\$ 9,048,237	\$ 3,042,361	\$ 170,042	\$ 12,260,640

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER	SEWER	SANITATION	TOTAL
<b><u>OPERATING REVENUES:</u></b>				
CHARGES FOR SERVICES	\$ 1,266,850	\$ 845,951	\$ 398,607	\$ 2,511,408
DEPARTMENTALAND OTHER	24,765	-	-	24,765
TOTAL OPERATING REVENUES	1,291,615	845,951	398,607	2,536,173
<b><u>OPERATING EXPENSES:</u></b>				
GENERAL SERVICES	893,294	864,607	401,703	2,159,604
DEPRECIATION	247,483	146,038	-	393,521
TOTAL OPERATING EXPENSES	1,140,777	1,010,645	401,703	2,553,125
OPERATING INCOME (LOSS)	150,838	(164,694)	(3,096)	(16,952)
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>				
INTEREST EXPENSE	(60,823)	(55,304)	-	(116,127)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	90,015	(219,998)	(3,096)	(133,079)
<b><u>OPERATING TRANSFERS:</u></b>				
OPERATING TRANSFERS IN	-	142,515	5,400	147,915
CHANGE IN NET POSITION	90,015	(77,483)	2,304	14,836
NET POSITION AT BEGINNING OF YEAR	8,958,222	3,119,844	167,738	12,245,804
NET POSITION AT END OF YEAR	\$ 9,048,237	\$ 3,042,361	\$ 170,042	\$ 12,260,640

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FISCAL YEAR ENDED JUNE 30, 2015**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>WATER</b>	<b>SEWER</b>	<b>SANITATION</b>	<b>TOTAL</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 1,419,169	\$ 944,635	\$ 404,218	\$ 2,768,022
PAYMENTS TO SUPPLIERS	(561,226)	(496,579)	(366,934)	(1,424,739)
PAYMENTS TO EMPLOYEES	(262,543)	(125,872)	(34,531)	(422,946)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>595,400</u>	<u>322,184</u>	<u>2,753</u>	<u>920,337</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>				
OPERATING TRANSFERS IN (OUT)	<u>-</u>	<u>142,515</u>	<u>5,400</u>	<u>147,915</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>				
PRINCIPAL PAYMENTS ON BONDS AND NOTES	(237,721)	(293,910)	-	(531,631)
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(46,326)	(231,253)	-	(277,579)
INTEREST EXPENSE	<u>(61,537)</u>	<u>(56,536)</u>	<u>-</u>	<u>(118,073)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:	<u>(345,584)</u>	<u>(581,699)</u>	<u>-</u>	<u>(927,283)</u>
NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	249,816	(117,000)	8,153	140,969
<b>CASH AND SHORT-TERM INVESTMENTS - BEGINNING OF YEAR</b>	1,518,102	134,237	449,066	2,101,405
<b>CASH AND SHORT-TERM INVESTMENTS - END OF YEAR</b>	<u><u>\$ 1,767,918</u></u>	<u><u>\$ 17,237</u></u>	<u><u>\$ 457,219</u></u>	<u><u>\$ 2,242,374</u></u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>				
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 150,838</u>	<u>\$ (164,694)</u>	<u>\$ (3,096)</u>	<u>\$ (16,952)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION	247,483	146,038	-	393,521
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	127,554	98,684	-	226,238
(INCREASE) DECREASE IN DEFERRED OUTFLOWS OF RESOURCES	(15,291)	(9,176)	(1,779)	(26,246)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	44,500	231,253	(5,124)	270,629
INCREASE (DECREASE) IN OTHER LIABILITIES	-	-	5,611	5,611
INCREASE (DECREASE) IN POST EMPLOYMENT BENEFITS	23,264	9,846	5,158	38,268
INCREASE (DECREASE) IN NET PENSION LIABILITY	<u>17,052</u>	<u>10,233</u>	<u>1,983</u>	<u>29,268</u>
TOTAL ADJUSTMENTS	<u>444,562</u>	<u>486,878</u>	<u>5,849</u>	<u>937,289</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 595,400</u></u>	<u><u>\$ 322,184</u></u>	<u><u>\$ 2,753</u></u>	<u><u>\$ 920,337</u></u>

See accompanying notes to the basic financial statements

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

	<b>PRIVATE PURPOSE TRUST FUNDS</b>	<b>AGENCY FUNDS</b>
<b><u>ASSETS</u></b>		
CASH AND SHORT-TERM INVESTMENTS	\$ 6,993	\$ 344,590
<b><u>LIABILITIES</u></b>		
ACCOUNTS PAYABLE	-	70,322
OTHER LIABILITIES	-	274,268
TOTAL LIABILITIES	-	344,590
<b><u>NET POSITION</u></b>		
HELD IN TRUST FOR OTHER PURPOSES	\$ 6,993	\$ -

**See accompanying notes to the basic financial statements**



**TOWN OF PLAINVILLE, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2015**

	<b>PRIVATE PURPOSE TRUST FUNDS</b>
<b><u>ADDITIONS:</u></b>	
NET INVESTMENT INCOME (LOSS):	
INVESTMENT INCOME	\$ 18
<b><u>DEDUCTIONS:</u></b>	-
CHANGE IN NET POSITION	18
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>6,975</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 6,993</b>

See accompanying notes to the basic financial statements

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Plainville, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant Town accounting policies:

**A. Reporting Entity**

Primary Government

The Town is a municipal corporation that is governed by a three member Board of Selectmen (the Board). The Board is responsible for appointing a Town Administrator whose responsibility is to manage the day to day operations. For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units, blended or discretely presented, for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The Town is a participant in the following joint ventures:

Name	Purpose	Address	Annual Assessment
King Philip Regional School District	To provide secondary education	P.O. Box 49 201 Franklin St. Wrentham, Ma 02093	\$ 5,095,679
Tri-County Regional Vocational-Technical High School	To provide vocational education	147 Pond Street Franklin, MA 02038	\$ 1,090,581

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

---

The King Philip Regional School District (the District) is governed by a nine (9) member school committee consisting of one (1) elected representative and one (1) representative appointed by the local school committee from the Town of Plainville. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an approximately 26.01% equity interest in the joint venture.

The Tri-County Regional Vocational-Technical School District (the District) is governed by a fourteen (14) member school committee consisting of one (1) elected representative from the Town of Plainville. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an equity interest of approximately 10.47% in the joint venture.

## **B. Government-Wide and Fund Financial Statements**

### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Nonmajor funds are aggregated and displayed in a single column.

#### *Major Fund Criteria*

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

- a. If the total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- b. If the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

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

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

*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular 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 the following:

- a. *Charges to customers* or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- b. *Grants and contributions* that are restricted to meeting the operational requirements of a particular function or segment.
- c. *Grants and contributions* that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the various enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

*Fund Financial Statements*

***Governmental Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when due, and the non-current portion of the other postemployment benefits (OPEB), net pension liability, and capital leases which are recognized when the obligation is expected to be liquidated with current expendable available resources.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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The Town considers property taxes as available if they are due and collected within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

The Town reports the following major governmental funds:

- The *General fund* is the primary operating fund of the Town. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- The *Nonmajor Governmental funds* consist of other special revenue and capital projects funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:
  - The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.
  - The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).

***Proprietary Fund Financial Statements***

*Proprietary fund* financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

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 the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

- The *Water Enterprise fund* is used to account for water activities.
- The *Sewer Enterprise fund* is used to account for sewer activities.
- The *Sanitation Enterprise fund* is used to account for the operations of the trash collection activities.

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

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***Fiduciary Fund Financial Statements***

*Fiduciary fund* financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held by the Town in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

- The *Private-Purpose Trust fund* is used to account for trust arrangements, other than those properly reported in the nonmajor governmental funds, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Agency fund* is used to account for assets held in a purely custodial capacity.

***Government-Wide and Fund Financial Statements***

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide, proprietary fund, and fiduciary funds financial statements to the extent that those standards do not conflict with or contradict guidance of the *Governmental Accounting Standards Board*. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

**D. Cash and Investments**

***Government-Wide and Fund Financial Statements***

Cash and short term investments 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 are reported at fair value.

**E. Accounts Receivable**

***Government-Wide and Fund Financial Statements***

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and proprietary and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy. Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

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

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A statewide property tax limitation statute known as "Proposition 2 ½" limits the amount of increase in property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½ % of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Town-wide referendum.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

*Motor Vehicle Excise*

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

*Water and Sewer*

User fees are levied (monthly and quarterly) based on residential and commercial meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed annually and included as a lien on the property owner's tax bill. Water and sewer charges and related liens are recorded as receivables in the fiscal year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

*Departmental and Other*

Departmental and other receivables consist primarily of ambulance receivables and are recorded as receivables in the fiscal year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

*Intergovernmental*

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

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

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**F. Inventories**

*Government-Wide and Fund Financial Statements*

Inventories of the governmental funds and the water, sewer and sanitation enterprise funds are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

**G. Capital Assets**

*Government-Wide and Proprietary Fund Financial Statements*

Capital assets, which include land, vehicles, buildings and improvements, machinery and equipment, software, construction in progress, and infrastructure (e.g., water mains, sewer mains, roadways and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets if material.

All purchases and construction costs in excess of \$10,000 (\$25,000 land) are capitalized at the date of acquisition or construction, respectively, with expected useful lives of three years or greater.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<b>Asset Class</b>	<b>Estimated Useful Life (in years)</b>
Buildings and Improvements	40
Machinery and Equipment	3-20
Vehicles	3-15
Software	5-10
Infrastructure	50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

*Governmental Fund Financial Statements*

Capital asset costs are recorded as expenditures in the fiscal year of purchase for the various funds.



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

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## **H. Interfund Transfers**

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

### *Government-Wide Financial Statements*

Operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

### *Fund Financial Statements*

Operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

## **I. Deferred Inflows of Resources**

Although certain revenues are measurable, they are not available. Available means collected within the current period, or expected to be collected soon enough thereafter, to be used to pay liabilities of the current period. Deferred inflows of resources at the fund level, represents the amount of assets that have been recognized, but the related revenue has not been recognized since it is not available. Deferred inflows of resources at the fund level consist of the succeeding year property tax revenue, Intergovernmental revenue, and other revenue not collected within sixty days after year-end.

## **J. Net Position and Fund Equity**

### *Government-Wide Financial Statements (Net Position)*

Net position is classified into three components:

- a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Net position has been “restricted” for the following:

- *Streets* represent amounts committed by the Commonwealth of Massachusetts for the repair and/or construction of streets.
- *Other specific purposes* represents restrictions placed on assets from outside parties.
- c. *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

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*Fund Financial Statements (Fund Balances)*

The Town uses the following criteria for fund balance classification:

- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *committed* fund balance: (1) the government's highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Town uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.
- When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the least restricted amount will be considered to have been spent.

**K. Long-term debt**

*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material 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.

*Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

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

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**L. Investment Income**

Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

**M. Compensated Absences**

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The total amount of sick and vacation costs in future years is not material to the basic financial statements and has not been recorded on the basic financial statements.

**N. Net Pension Liability**

Governmental Accounting Standards Board (GASB) Statement #68 requires employers participating in a cost-sharing pension plan to recognize pension liabilities as employees provide services to the government and earn their pension benefits. Employers participating in cost-sharing plans are required to recognize their proportionate share of the plan's collective pension amounts for all benefits provided through the plan including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

**O. Post Retirement Benefits**

*Government-Wide and Fund Financial Statements*

In addition to providing pension benefits, health and life insurance coverage is provided for retired employees and their survivors in accordance with Chapter 32B of Massachusetts General Laws, under various contributory plans. The cost of providing health and life insurance is recognized by recording the employer's 50%, 75%, and 76.1% share of insurance premiums, depending on the plan involved, in the general fund in the fiscal year paid. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume, and pay all claims.

**P. Use of Estimates**

*Government-Wide and Fund Financial Statements*

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could vary from estimates that were used.

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

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**Q. Total Column**

*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

*Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not comparable to the consolidated financial information.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*A. Budgetary Basis of Accounting*

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the Town adopts an annual budget for the general fund. The budgets for all departments and operations of the Town, except that of the public schools, are prepared under the direction of the Town Administrator. The School Department budget is prepared under the direction of the School Committee. The level of expenditures may not legally exceed appropriations for each department or undertaking in the following categories: (1) salaries and wages; (2) ordinary maintenance; (3) capital outlays; and (4) out-of-state travel.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. These carry forwards are included as part of the subsequent fiscal year's original budget.

Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Finance Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. The original fiscal year 2015 approved budget authorized \$26,066,060 in current year appropriations and other amounts to be raised and \$334,352 in encumbrances and appropriations carried over from previous fiscal years.

The Town Accountant has the responsibility to ensure that budgetary controls are maintained and monitored through the accounting system.

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

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*B. Budgetary – GAAP Reconciliation*

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2015, is presented below:

Net change in fund balance - budgetary basis	\$ 833,044
Basis of accounting differences:	
Net Stabilization fund activity	27,727
Increase in revenue for on-behalf payments - MTRS	797,878
Increase in expenditures for on-behalf payments - MTRS	<u>(797,878)</u>
Net change in fund balance - GAAP basis	<u>\$ 860,771</u>

*C. Excess of Expenditures over Appropriations*

For the fiscal year ended June 30, 2015, actual expenditures exceeded appropriations for snow removal and fire protection gear expenses. These over-expenditures will be funded by available funds during fiscal year 2016.

*D. Deficit Fund Balances*

An individual fund deficit exists within the capital projects funds. This individual deficit will be eliminated through subsequent fiscal year budget transfers, grants, or proceeds of long-term debt during fiscal year 2016.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels unless collateralized by the financial institutions involved.

*Deposits*

- *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the deposits "in a bank or trust company, or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town does not have a formal deposit policy for custodial credit risk. The Town carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC), Shared Insurance Fund (SIF) and the Depositor's Insurance Fund (DIF). The Town also carries deposits that are uninsured and uncollateralized.

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

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The following table illustrates how much of the Town's bank deposits are insured and how much of the Town's bank deposits are uninsured and uncollateralized as of June 30, 2015:

Total bank balances		<u><u>\$ 8,914,979</u></u>
Bank balances covered by deposit insurance		
Federal Deposit Insurance Corporation (FDIC)	3,074,250	
Depositors Insurance Fund (DIF)	1,500,582	
Shared Insurance Fund (SIF)	<u>1,584,097</u>	
Total bank balances covered by deposit insurance		<u>6,158,929</u>
Balances subject to custodial credit risk		
Bank balances uninsured & uncollateralized	<u>2,756,050</u>	
Total bank balances subject to custodial credit risk		<u>2,756,050</u>
Total bank balances		<u><u>\$ 8,914,979</u></u>

*Investments*

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns, and other state and local agencies within the Commonwealth. The Town's fair value of its investment in MMDT represents their value of the pool's shares. The Town's Trust Funds have expanded investment powers including the ability to invest in equity securities, corporate bonds, annuities and other specified investments.

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

The composition of the Town's bank recorded deposits and investments fluctuates depending primarily on the timing of property tax receipts, proceeds from borrowings, collections of state and federal aid, and capital outlays throughout the year.

*a) Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

Presented below is the actual rating as of year end for each investment type of the Town.

Investment type	Fair value	Minimum Legal Rating	Rating as of Year End			
			AAA	A	BBA	Unrated
U S Treasury & Agency Securities	\$ 655,063	N/A	\$ 655,063	\$ -	\$ -	\$ -
Corporate Bonds	183,025	N/A	-	103,102	79,923	-
Fixed Income Mutual Fund	198,884	N/A	-	-	-	198,884
Money Market Mutual Fund	372,959	N/A	-	-	-	372,959
Total Investments	<u>\$ 1,409,931</u>		<u>\$ 655,063</u>	<u>\$ 103,102</u>	<u>\$ 79,923</u>	<u>\$ 571,843</u>

*b) Custodial Credit Risk*

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The investments in U.S. Treasury and Agency securities and corporate bonds are not exposed to custodial credit risk because the related securities are registered in the name of Town. The mutual funds investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The Town does not have an investment policy for custodial credit risk.

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

*c) Interest Rate Risk*

Interest rate risk is the risk of changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk of its fair value to change with the market interest rates. 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.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows:

Investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-5	6-10
<i>Debt Related Securities:</i>				
U.S. Treasury & Agency Securities	\$ 655,063	\$ 187,208	\$ 427,356	\$ 40,499
Corporate Bonds	183,025	-	183,025	-
Fixed Income Mutual Fund	198,884	198,884	-	-
Total Debt Related Securities	\$ 1,036,972	\$ 386,092	\$ 610,381	\$ 40,499
<i>Other Investments:</i>				
Money Market Mutual Fund	372,959	372,959	-	-
Total Investments	\$ 1,409,931	\$ 759,051	\$ 610,381	\$ 40,499

*d) Concentration of Credit Risk*

The Town places no limit on the amount the government may invest in any one issuer. More than 5% of the Town's investments are in the following securities:

Issuer	Percentage of Total Investments
Federated Government Ultra Short Duration Fund - Fixed Income Mutual Fund	<b>11.42%</b>



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

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**NOTE 4 – RECEIVABLES**

The receivables at June 30, 2015 for the Town’s individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	\$ 355,621	\$ (58,000)	\$ 297,621
Tax liens	608,863	-	608,863
Motor vehicle excise taxes	129,165	(46,900)	82,265
User fees	1,377,909	(1,193,087)	184,822
Intergovernmental	5,011,136	-	5,011,136
 Total	 <u>\$ 7,482,694</u>	 <u>\$ (1,297,987)</u>	 <u>\$ 6,184,707</u>

The receivables at June 30, 2015, for the enterprise funds consist of the following:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
<i>Water</i>			
User fees	\$ 605,137	\$ -	\$ 605,137
<i>Sewer</i>			
User fees	328,810	-	328,810
 Total	 <u>\$ 933,947</u>	 <u>\$ -</u>	 <u>\$ 933,947</u>

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

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Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with revenues that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Deferred Inflows of Resources Analysis			
Deferred Inflows:	General Fund	Nonmajor Governmental Funds	Total
Unavailable Revenue	\$ 5,259,795	\$ 571,714	\$ 5,831,509

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

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$ 2,292,155	\$ -	\$ -	\$ 2,292,155
Construction in progress	-	135,012	-	135,012
Total capital assets not being depreciated	2,292,155	135,012	-	2,427,167
<b><i>Capital assets being depreciated:</i></b>				
Buildings and improvements	24,778,661	130,473	-	24,909,134
Machinery and equipment	2,790,028	111,975	-	2,902,003
Vehicles	2,505,395	206,456	(105,575)	2,606,276
Software	153,214	-	-	153,214
Infrastructure	11,125,138	518,993	-	11,644,131
Total capital assets being depreciated	41,352,436	967,897	(105,575)	42,214,758
<b><i>Less accumulated depreciation for:</i></b>				
Buildings and improvements	(8,254,637)	(616,898)	-	(8,871,535)
Machinery and equipment	(2,403,971)	(87,087)	-	(2,491,058)
Vehicles	(1,712,567)	(190,754)	105,575	(1,797,746)
Software	(153,214)	-	-	(153,214)
Infrastructure	(3,743,004)	(315,002)	-	(4,058,006)
Total accumulated depreciation	(16,267,393)	(1,209,741)	105,575	(17,371,559)
Total capital assets being depreciated, net	25,085,043	(241,844)	-	24,843,199
Total governmental activities capital assets, net	\$ 27,377,198	\$ (106,832)	\$ -	\$ 27,270,366

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

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 965,000	\$ -	\$ -	\$ 965,000
Construction in progress	936,671	21,865	(926,536)	32,000
Total capital assets not being depreciated	1,901,671	21,865	(926,536.00)	997,000
<i>Capital assets being depreciated:</i>				
Buildings and improvements	4,124,343	-	182,753	4,307,096
Software	264,000	-	-	264,000
Vehicles	92,169	-	-	92,169
Infrastructure	13,795,543	24,460	743,783	14,563,786
Total capital assets being depreciated	18,276,055	24,460	926,536	19,227,051
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(1,382,151)	(91,287)	-	(1,473,438)
Software	(145,200)	(26,400)	-	(171,600)
Vehicles	(92,169)	-	-	(92,169)
Infrastructure	(3,066,894)	(275,834)	-	(3,342,728)
Total accumulated depreciation	(4,686,414)	(393,521)	-	(5,079,935)
Total capital assets being depreciated, net	13,589,641	(369,061)	926,536	14,147,116
Total business-type activities capital assets, net	\$ 15,491,312	\$ (347,196)	\$ -	\$ 15,144,116

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 13,107
Public safety	232,249
Education	541,105
Public works	357,653
Human Services	9,742
Culture and recreation	55,885
Total depreciation expense - governmental activities	\$ 1,209,741
<b>Business-Type Activities:</b>	
Water	\$ 247,483
Sewer	146,038
Sanitation	-
Total depreciation expense - business-type activities	\$ 393,521

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

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**NOTE 6 – CAPITAL LEASE**

The Town has entered into two lease agreements as lessee for financing the acquisitions of two police cruisers. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates.

The assets acquired through the capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Vehicles	\$ 72,211
Less: Accumulated depreciation	<u>(21,124)</u>
	<u>\$ 51,087</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2015, are as follows:

<u>Year Ending June 30</u>	<u>Government al Activites</u>
2016	\$ 21,682
2017	<u>22,603</u>
Total : Minimum lease payments	44,285
Less : Amounts representing interest	<u>(4,425)</u>
Present Value of minimum lease payments	<u>\$ 39,860</u>

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

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**NOTE 7 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2015, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:			Total
	General Fund	Sewer Enterprise Fund	Sanitation Enterprise Fund	
Nonmajor Governmental Funds	\$ 2,679	\$ -	\$ -	\$ 2,679 (1)
General Fund	-	142,515	5,400	147,915 (2)
Total	<u>\$ 2,679</u>	<u>\$ 142,515</u>	<u>\$ 5,400</u>	<u>\$ 150,594</u>

(1) Represents other transfers to the general fund.

(2) Represents budgeted transfers to the enterprise funds.

**NOTE 8 – SHORT-TERM FINANCING**

Under state law, and with the appropriate authorization, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).
- To fund current project costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth, through the issuance of State Aid anticipation notes (SAANS).

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

Short-term loans are general obligations of the Town and maturity dates are governed by statute. Interest expenditures for short-term borrowings are accounted for in the sewer enterprise fund.

The following is a summary of changes in short-term debt for the year ended June 30, 2015:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
<i>Enterprise Fund</i>							
BAN	Roof Repair	0.55%	6/17/2016	\$ -	\$ 260,000	\$ -	\$ 260,000
<i>Enterprise Fund</i>							
BAN	Sewer Project	0.55%	6/19/2015	225,000	-	(225,000)	-
BAN	Sewer Project	0.55%	6/17/2016	-	225,000	-	225,000
Total				<u>\$ 225,000</u>	<u>\$ 485,000</u>	<u>\$ (225,000)</u>	<u>\$ 485,000</u>

**NOTE 9 – LONG-TERM DEBT**

The Town is subject to a dual-level, general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general long-term debt which are exempt from the debt limit but are subject to other limitations.

The following is a summary of the changes in long-term debt for the year ended June 30, 2015:

**Bonds and Notes Payable Schedule -Governmental Funds**

Project	Interest Rate %	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Fire Equipment	4.22	\$ 306,000	\$ -	\$ 51,000	\$ 255,000
Jackson School	1.60	220,000	-	90,000	130,000
Wood School	1.78	165,000	-	25,000	140,000
Wood School	1.91	4,710,000	-	545,000	4,165,000
Equipment & Road Work	3.72	240,000	-	60,000	180,000
Total		<u>\$ 5,641,000</u>	<u>\$ -</u>	<u>\$ 771,000</u>	<u>\$ 4,870,000</u>

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

The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2015 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 741,000	\$ 150,369	\$ 891,369
2017	716,000	126,901	842,901
2018	686,000	104,184	790,184
2019	601,000	82,239	683,239
2020	591,000	57,816	648,816
2021-2023	1,535,000	72,856	1,607,856
<b>Total</b>	<b>\$ 4,870,000</b>	<b>\$ 594,365</b>	<b>\$ 5,464,365</b>

**Bonds and Notes Payable Schedule -Water and Sewer Enterprise Funds**

<u>Project</u>	<u>Interest Rate %</u>	<u>Outstanding at June 30, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2015</u>
Water Pumping Station	2.00	\$ 707,905	\$ -	\$ 52,721	\$ 655,184
Water Treatment Plant	1.92	670,000	-	75,000	595,000
Water Storage Tank	1.92	535,000	-	60,000	475,000
Water Land Acquisition	1.91	410,000	-	50,000	360,000
MWPAT Sewer	2.00	2,553,782	-	134,409	2,419,373
USDA Sewer	2.75	198,550	-	159,500	39,050
<b>Total</b>		<b>\$ 5,075,237</b>	<b>\$ -</b>	<b>\$ 531,630</b>	<b>\$ 4,543,607</b>



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

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The annual debt service requirements for principal and interest for water and sewer enterprise funds bonds and notes outstanding at June 30, 2015 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 383,646	\$ 104,383	\$ 488,029
2017	379,733	94,771	474,504
2018	380,841	85,287	466,128
2019	379,223	75,781	455,004
2020	372,676	64,527	437,203
2021-2025	1,506,517	195,060	1,701,577
2026-2030	737,743	81,303	819,046
2031-2033	403,228	16,129	419,357
Total	<u>\$ 4,543,607</u>	<u>\$ 717,241</u>	<u>\$ 5,260,848</u>

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

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**Loans Authorized and Unissued**

As of June 30, 2015, the Town has loans authorized and unissued as follows:

<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>
Sewer Infiltration/ Inflow Program	6/3/2013	\$ 225,000
Roofs on various buildings	6/2/2014	<u>260,000</u>
Total		<u>\$ 485,000</u>

**Massachusetts School Building Authority Reimbursements**

Chapter 645 of the Act of 1948 as amended ("Chapter 645") created a statewide school building assistance program. Pursuant to this program, cities and towns issued bonds for eligible school building projects and were reimbursed over a period of years by the Commonwealth according to a statutory percentage for such city or town.

Legislation enacted as part of the Commonwealth's Fiscal 2001 budget repealed 645 and created a new school building assistance program codified as Chapter 70B of the Massachusetts General Laws. Among other changes, the new program includes grants for alternatives to construction and calculates grants for each project based on a number of factors. The new legislation does not affect the reimbursement percentages for bonds previously issued under Chapter 645, and the grants for certain "grandfathered" projects will be based on the statutory percentages provided for in Chapter 645.

The Town has been approved for 67% percent state school construction grants through the Massachusetts School Building authority (MSBA) to cover eligible project costs, including debt service associated with the financing of these projects, subject to annual appropriation by the state legislature. The Town received \$505,393 from scheduled annual payments in FY 2015 from the MSBA for completed school construction projects.

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

**Changes in Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds and notes payable	\$ 5,641,000	\$ -	\$ (771,000)	\$ 4,870,000	\$ 741,000
Capital lease payable	68,689	42,486	(71,315)	39,860	18,959
OPEB	5,594,811	1,164,046	-	6,758,857	-
Net pension liability	11,525,883	556,356	-	12,082,239	-
Total governmental activities long-term liabilities	<u>\$ 22,830,383</u>	<u>\$ 1,762,888</u>	<u>\$ (842,315)</u>	<u>\$ 23,750,956</u>	<u>\$ 759,959</u>

  

<u>Business-Type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds and notes payable	\$ 5,075,237	\$ -	\$ (531,630)	\$ 4,543,607	\$ 383,646
OPEB	314,582	38,268	-	352,850	-
Net pension liability	606,333	29,268	-	635,601	-
Total business-type activities long-term liabilities	<u>\$ 5,996,152</u>	<u>\$ 67,536</u>	<u>\$ (531,630)</u>	<u>\$ 5,532,058</u>	<u>\$ 383,646</u>

The governmental activities long-term liabilities are generally liquidated by the general fund.

**Overlapping Debt**

The Town pays assessments under formulas which include debt service payments to other governmental agencies providing services to the Town, (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of such governmental agencies and the estimated share being financed by the Town as of June 30, 2015:

<u>Agency</u>	<u>Total Long- Term Debt Outstanding</u>	<u>Town's Estimated Share</u>	<u>Town's Indirect Debt</u>
King Philip Regional School District			
Bonds	\$ 17,675,000	26.01%	\$ 4,597,268
Norfolk County			
Bonds	<u>11,540,000</u>	0.99%	<u>114,246</u>
	<u>\$ 29,215,000</u>		<u>\$ 4,711,514</u>

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

**NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town has classified its governmental fund balances with the following hierarchy.

	General Fund	Nonmajor Governmental Funds	TOTAL
Fund Balances			
Restricted For:			
General Government	\$ -	\$ 196,793	\$ 196,793
Public Safety	-	322,060	322,060
Education	-	389,388	389,388
Public Works	-	120,364	120,364
Human Services	-	35,609	35,609
Culture & Recreation	-	103,756	103,756
Expendable Trust Fund	-	42,094	42,094
	<u>-</u>	<u>1,210,064</u>	<u>1,210,064</u>
Committed To:			
Continuing Appropriations			
General Government	128,210	-	128,210
Public Safety	29,668	-	29,668
Education	4,099	-	4,099
Public Works	162	-	162
Human Services	55,234	-	55,234
Employee Benefits	43,968	-	43,968
	<u>261,341</u>	<u>-</u>	<u>261,341</u>
Assigned To:			
Encumbered For:			
General Government	34,452	-	34,452
Public Safety	3,812	-	3,812
Education	6,782	-	6,782
Public Works	1,000	-	1,000
Human Services	3,346	-	3,346
Culture & Recreation	8,664	-	8,664
Subsequent Years Expenditures	1,595,266	-	1,595,266
Reserved for Petty Cash	500	-	500
Reserved for Bond Premium	9,703	-	9,703
OPEB Stabilization Trust Fund	15,093	-	15,093
LCS Stabilization Fund	2,039,773	-	2,039,773
	<u>3,718,391</u>	<u>-</u>	<u>3,718,391</u>
Unassigned			
General Fund	2,347,232	-	2,347,232
General Stabilization Fund	357,358	-	357,358
Capital Projects General Government	-	(135,012)	(135,012)
	<u>2,704,590</u>	<u>(135,012)</u>	<u>2,569,578</u>
Total Governmental Fund Balances	<u>\$ 6,684,322</u>	<u>\$ 1,075,052</u>	<u>\$ 7,759,374</u>

**NOTE 11 – STABILIZATION ARRANGEMENTS**

The Town has established several funds where the town has set aside amounts for emergency and capital needs. These funds consist of the following;

- The *Stabilization fund* is used to account for any appropriation, as approved by a 2/3 vote at the annual or special town meeting for additions or reductions to the fund. Any interest shall be added to and become part of the fund. The Stabilization fund balance is \$357,358 as of June 30, 2015. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.

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

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- *The LCS Stabilization Fund* is used to account for appropriations funding costs related to the landfill. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. The LCS stabilization fund balance is \$2,039,773 as of June 30, 2015.
- *The OPEB Stabilization Fund* is used to account for appropriations funding the employer's share of postemployment health care costs. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. The OPEB stabilization fund balance is \$15,093 as of June 30, 2015.

**NOTE 12 – RISK FINANCING**

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2015.

**NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires the following disclosures with regard to the retiree medical and life insurance benefits:

**Plan Description.** Town of Plainville Other Postemployment Benefits Plan ("the plan") is a single-employer defined benefit healthcare plan administered by the Town of Plainville. The plan provides medical and life insurance benefits to eligible retirees and their spouses. Town meeting vote is the authority to establish and amend benefit provisions to the Town. The Town has accepted various sections of Massachusetts General laws Chapter 32B to provide ½ of the premium cost of retirees' health and life insurance costs.

An employee becomes eligible to retire under this plan upon meeting one of the following conditions:

1. Completion of 20 years of service regardless of age.
2. For an employee hired prior to April 2, 2012 – attainment of age 55 as an active member and completion of 10 years of service.
3. For an employee hired on or after April 2, 2012 – attainment of age 60 with 10 years of creditable service.

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

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***Credited service*** is the elapsed time from date of hire to termination of service date. A participant contribution varies based on coverage elected from 25% to 50%. The benefits offered include various Medical & Life Insurance offerings via Blue Cross Blue Shield of Massachusetts. The normal retirement date is the first day of the month following a participant's 65<sup>th</sup> birthday. Early retirement is available for any participant who has attained benefit eligibility.

***Funding Policy*** The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The required contribution is based on projected pay-as-you-go financing requirements. For Fiscal Year 2015, total Town premiums plus implicit costs for the retiree medical program are \$504,571.

***Annual OPEB Cost and Net OPEB Obligation.*** The Town's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASBS No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (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 fiscal year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation to the plan:

Annual required contribution	\$ 1,764,447
Interest on Net OPEB Obligation	236,376
Adjustment to Annual Required Contribution	(328,598)
Amortization of Actual (Gains)/Losses	<u>34,660</u>
Annual OPEB Cost	1,706,885
Contributions made	<u>(504,571)</u>
Increase in net OPEB obligation	1,202,314
Net OPEB obligation - beginning of year	<u>5,909,393</u>
Net OPEB obligation - end of year	<u><u>\$ 7,111,707</u></u>

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

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the six preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Increase in Net OPEB Obligation</b>	<b>Net OPEB Obligation</b>
6/30/2009	\$ 1,737,746	34.6%	\$ 1,137,075	\$ 1,137,075
6/30/2010	\$ 1,757,905	37.5%	\$ 1,098,648	\$ 2,235,723
6/30/2011	\$ 1,220,000	33.3%	\$ 814,274	\$ 3,049,997
6/30/2012	\$ 1,285,122	34.8%	\$ 837,566	\$ 3,887,563
6/30/2013	\$ 1,482,156	32.2%	\$ 1,005,381	\$ 4,892,944
6/30/2014	\$ 1,542,778	34.1%	\$ 1,016,449	\$ 5,909,393
6/30/2015	\$ 1,706,885	29.6%	\$ 1,202,314	\$ 7,111,707

**Funded Status and Funding Progress.** As of July 1, 2014, the most recent actuarial valuation date, the plan was 0.09% funded. The actuarial accrued liability for benefits was \$16.389 million, and the actuarial value of assets was \$15,063, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,374. The covered payroll (annual payroll of active employees covered by the plan) was \$10.787 million, and the ratio of the UAAL to the covered payroll was 151.80%.

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 actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of 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. Under this method, the normal cost and actuarial liability are both based on an accrual of projected benefits over the period for which benefits are accrued. The normal cost is the actuarial present value of one year's benefit accrual on this basis. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to total service at retirement/termination. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 5% percent. Both rates included a 3.0% inflation assumption. The actuarial value of assets is equal to the market value of the plan assets. The UAAL is being amortized as a level dollar amount over 30 years at transition. The remaining amortization period at July 1, 2015, was 23 years.

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

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**NOTE 14 – PENSION PLANS**

*A. Plan Descriptions*

The Town is a member of the Norfolk County Contributory Retirement System (The System), a multiple-employer, cost sharing contributory defined benefit pension plan covering eligible employees of the 41 member units deemed eligible by the system. Chapter 32 of the Massachusetts General Law assigns authority to establish and amend benefit provisions of the system. Substantially all employees are members of the system except for public school teachers and certain school administrators who are members of the Massachusetts Teachers' Retirement System (MTRS) to which the Town does not contribute.

The "System" and the MTRS are contributory defined benefit plans and membership in both the "System" and the MTRS is mandatory upon commencement of employment for all permanent, full-time employees.

The System issues a publically available audited financial report that may be obtained by contacting the system's executive director at 480 Neponset Street, Building #15, Canton, Massachusetts 02021. The report can also be obtained online at [www.norfolkcountyretirement.org](http://www.norfolkcountyretirement.org). The MTRS issues a publically available audited financial report that may be obtained by contacting MTRS at One Charles Park, Cambridge, Massachusetts 02142-1206.

**B. Benefits Provided**

The System and MTRS provide retirement, disability and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. There are three classes of membership in the retirement system: group 1, group 2, and group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consist of positions that have even been specified as hazardous. Lastly, group 4 consist of police officers, firefighters, and other hazardous positions.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with 10 years of service in group 1, 50 years of age with 10 years of service if in group 2 and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).



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

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Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not disability is work related, the employees age, years of creditable service, level of compensation, veterans' status and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, with at least ten years of creditable service, such employees are entitled to receive one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of living adjustments granted through June 30, 1998, and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited in to the pension fund. Cost-of-living adjustments granted subsequent to June 30, 1998 must be approved by the system and all costs are borne by the system.

### **C. Contributions**

#### *Norfolk County Contributory Retirement System*

Chapter 32 of MGL governs the contributions of plan members and member employees. Active plan members are required to contribute to the system at rates ranging from 5 to 9% of their gross compensation. The rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the system, a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution for the year ended June 30, 2015 which was \$1,186,472 and 20.39% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

#### **Massachusetts Teachers' Retirement System**

As required by State statutes, teachers of the Town are covered by the Massachusetts Teachers Retirement System (MTRS). Plan members (at varying rates of annual covered compensation) and the Commonwealth of Massachusetts fund contributes to the MTRS. The Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth of Massachusetts, and thus the Town is not required to contribute. The Commonwealth of Massachusetts contributed "on-behalf" payments to the MTRS totaling \$797,878 for fiscal year 2015. In accordance with GASB Statement No. 68, these on-behalf" payments have been recorded in the general fund as intergovernmental revenues and pension expenditures.

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

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**D. Pension Liabilities, Pension Expense, and Deferred Outflows or Resources Related to Pensions**

*Pension Liabilities*

At June 30, 2015 the Town reported a liability of \$12,717,840 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, updated procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2014, the Town's proportion was 2.45% which was no increase from its proportion measured as of December 31, 2013.

*Pension Expense and Deferred Outflows of Resources*

For the year ended June 30, 2015 the Town recognized pension expense of \$1,296,478. At June 30, 2015 the Town reported deferred outflows of resources related to pensions of \$525,182 from the net difference between projected and actual investment earnings on pension plan investments. Since the system performs an actuarial valuation bi-annually, there are no reported differences between expected and actual experience or changes of assumptions as of December 31, 2014.

The deferred outflows of resources related to pensions will be recognized in future pension expense are as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2016	\$ 131,296
2017	131,296
2018	131,295
2019	131,295
Totals	<u>\$ 525,182</u>

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

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**E. Actuarial assumptions**

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014.

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal cost method
Amortization method	Open-level percent of payroll. Payroll assumed growth of 4.00% per year.
Cost of Living Increase	3.0% of first \$15,000 of retirement income
Asset valuation method	market value
Inflation rate	4.5%
Projected Salary increases	4.00%
Mortality rates	Based on the RP-2000 mortality table adjusted with scale AA.
Investment rate of return	8.25%

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 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 rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32.0%	7.70%
International Equities	17.5%	6.40%
Fixed Income	19.0%	1.90%
Private Equity	8.5%	11.90%
Real Estate	9.0%	5.20%
Real Assets	5.0%	5.50%
Hedge Funds	9.0%	5.50%
Total	<u>100%</u>	

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

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For the year ended December 31, 2014 the System's annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 5.07%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

**F. Discount Rate**

The discount rate used to measure the total pension liability was 8.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance with section 22D and 22F of Chapter 32 of Massachusetts General Laws. 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.

**G. Sensitivity of the net pension liability to changes on the discount rate**

The following presents the net pension liability of the system, calculated using the discount rate of 8.25%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25%) or 1 percentage point higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
The Towns proportionate share of the net pension liability	\$ 15,945,869	\$ 12,717,840	\$ 9,922,111

Detailed information about the pension plan's fiduciary net position is available in a separately issued Norfolk County Contributory Retirement System financial report.

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

**NOTE 15 – RESTATEMENT DUE TO A CHANGE IN ACCOUNTING STANDARDS**

During 2015, GASB Statement #68, Accounting and Financial Reporting for Pensions was implemented. This resulted in a restatement of the governmental activities and business type activities beginning net positions at June 30, 2014 to reflect the recording net pension liability.

Description	Statement of Net Position					
	Primary Government		Business-type Activities			
	Governmental Activities	Business-type Activities	Water	Sewer	Sanitation	Total
Total Net Positions at June 30, 2014, as previously reported	\$ 29,624,501	\$ 12,852,137	\$ 9,311,468	\$ 3,331,840	\$ 208,829	\$ 12,852,137
To record the beginning net pension liability	(11,525,883)	(606,333)	(353,246)	(211,996)	(41,091)	\$ (606,333)
Total Net Positions at June 30, 2014, as restated	<u>\$ 18,098,618</u>	<u>\$ 12,245,804</u>	<u>\$ 8,958,222</u>	<u>\$ 3,119,844</u>	<u>\$ 167,738</u>	<u>\$ 12,245,804</u>

**NOTE 16 – COMMITMENTS AND CONTINGENCIES**

The Town participates in a number of federal award programs. However the Town is not subject to the provisions of the Single Audit Act Amendments of 1996, since the Town did not expend more than \$500,000 of federal awards during the period ended June 30, 2015. These programs may still be subject to financial and compliance audits. Accordingly, the amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

Various other legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015.

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

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**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2015, the following GASB pronouncements were implemented:

The GASB issued **Statement #68**, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, was implemented in fiscal year 2015. This pronouncement had a significant impact on the basic financial statements. Financial statement changes include the recognition of a net pension liability, pension expense, and deferred inflows/outflows of resources. As noted in Note 15, the financial statements also required a restatement of net position at the beginning of the year.

The GASB issued **Statement #69**, *Government Combinations and Disposals of Government Operations*, was implemented in fiscal year 2015. This pronouncement requires no additional disclosure and will not impact the basic financial statements.

The GASB issued **Statement #70**, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was implemented in fiscal year 2015. This pronouncement requires no additional disclosure and will not impact the basic financial statements.

The GASB issued **Statement #71**, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, was implemented in fiscal year 2015. This pronouncement has a significant impact on the basic financial statements.

*Future GASB Pronouncements:*

The GASB issued **Statement #72**, *Fair Value Measurement and Application*, which is required to be implemented in 2016. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #73**, *Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The provisions of this Statement are effective for 2016 – except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statements 68, which are effective for 2017. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #74**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018. Management's current assessment is that this pronouncement will have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2015**

**The following schedules are presented in accordance with GASB Statement No. 27:**

**Schedules of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
1/1/2014	\$ 696,682,779	\$ 1,247,596,772	\$ 550,913,993	55.8%	\$246,722,941	223.3%
1/1/2012	608,235,096	1,128,960,288	\$ 520,725,192	53.9%	229,095,409	227.3%
1/1/2010	600,790,835	1,001,881,055	401,090,220	60.0%	223,332,595	179.6%
1/1/2008	596,157,147	907,719,124	311,561,977	65.7%	223,814,977	139.2%
1/1/2007	533,077,948	855,677,413	322,599,465	62.3%	219,620,865	146.9%
1/1/2005	467,186,566	762,900,650	295,714,084	61.2%	196,639,163	150.4%
1/1/2003	415,150,776	675,275,257	260,124,481	61.5%	185,281,985	140.4%
1/1/2000	371,646,793	533,959,970	162,313,177	69.6%	163,542,978	99.2%
1/1/1997	258,771,070	392,463,080	133,692,010	65.9%	126,219,194	105.9%
1/1/1993	151,546,609	291,472,940	139,926,331	52.0%	107,482,975	130.2%

**Schedule of Employer Contributions**

Fiscal Year Ended June 30	System Wide			Town of Plainville	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2015	\$ 48,383,549	\$ 48,383,549	100%	\$ 1,186,472	2.45%
2014	42,461,369	42,461,369	100%	962,349	2.27%
2013	44,800,000	44,800,000	100%	925,552	2.07%
2012	42,714,639	42,714,639	100%	881,951	2.06%
2011	41,206,587	41,206,587	100%	926,890	2.25%
2010	39,749,857	39,749,857	100%	893,247	2.25%
2009	38,920,499	38,920,499	100%	837,701	2.15%
2008	33,104,903	33,104,903	100%	616,385	1.86%
2007	32,877,890	32,877,890	100%	590,428	1.80%
2006	31,755,708	31,755,708	100%	487,379	1.53%
2005	28,238,996	28,238,996	100%	423,737	1.50%

**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2015**

**The following schedules are presented in accordance with GASB Statement No. 68**

**Schedule of the Town's Proportionate Share of the Net Pension Liability**

	<b><u>December 31, 2014</u></b>
Town's proportion of the net pension liability	2.45%
Town's proportionate share of the net pension liability	\$ 12,717,840
Town's covered-employee payroll (1)	\$ 5,818,810
Town's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	218.56%
Plan fiduciary net position as a percentage of the total pension liability	60.10%

(1) Covered employee payroll as reported in the January 1, 2014 actuarial report.

**Note:** This schedule is intended to present information for 10 years. Until a 10 year trend is compiled by the (System), information is presented for those years for which the information is available.

See notes to Required Supplementary Information



**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2015**

**SCHEDULE OF TOWN'S CONTRIBUTION**

	<u>December 31, 2014</u>
Actuarily determined contribution (1)	\$ 1,186,472
Contribution in relation to the actuarilly determined contribution	<u>(1,186,472)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered-employee payroll (2)	\$ 5,818,810
Contribution as a percentage of covered - employee payroll	20.39%

(1) Based on the results on the January 1, 2014 actuarial valuation (including assumptions and methods) for the System which determined the Town's budgeted appropriation for fiscal year 2015.

(2) Town's covered employee payroll as reported in the January 1, 2014 system actuarial valuation report.

**Note:** This Town schedule is intended to present information for 10 years. Until a 10 year trend is compiled by the (System), information is presented for those years for which the information is available.

See notes to Required Supplementary Information

**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
MASSACHUSETTS TEACHERS RETIREMENT SYSTEM  
JUNE 30, 2015**

**SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY**

**Teacher's Pension Plan**

	<b><u>2015</u></b>
Towns' proportion of the net pension liability (asset)	0%
Commonwealth's proportion of the net pension liability (assets)	100%
Commonwealth's proportionate share of the net pension liability associated with the district	\$ 11,484,417
Employer pension expense and revenue for Commonwealth support	\$ 797,878

**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2015**

**The following schedules are presented in accordance with GASB Statement No. 45:**

**Schedules of Funding Progress and Employer Contributions**

**Projected Schedule of Funding Progress:**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
7/1/2008	\$ -	\$ 17,862,809	\$ 17,862,809	0.00%	\$ 8,397,673	212.7%
7/1/2010	\$ -	\$ 13,442,914	\$ 13,442,914	0.00%	\$ 8,989,428	149.5%
7/1/2012	\$ -	\$ 14,362,504	\$ 14,362,504	0.00%	\$ 10,082,365	142.5%
7/1/2014	\$ 15,063	\$ 16,388,737	\$ 16,373,674	0.09%	\$ 10,786,627	151.8%

**Schedule of Employer Contributions :**

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed *	Increase in Net OPEB Obligation	Net OPEB Obligation
2009	\$ 1,737,746	34.6%	\$ 1,137,075	\$ 1,137,075
2010	\$ 1,757,905	37.5%	\$ 1,098,648	\$ 2,235,723
2011	\$ 1,220,000	33.3%	\$ 814,274	\$ 3,049,997
2012	\$ 1,285,122	34.8%	\$ 837,566	\$ 3,887,563
2013	\$ 1,482,156	32.2%	\$ 1,005,381	\$ 4,892,944
2014	\$ 1,542,778	34.1%	\$ 1,016,449	\$ 5,909,393
2015	\$ 1,706,885	29.6%	\$ 1,202,314	\$ 7,111,707

\* Based on expected premium payments.

The required information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2014
Discount Rate	4.00%
Medical Trend	5.0%
Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level dollar amount over 30 years at transition
Remaining Amortization Period	23

**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2015**

Mortality	RP-2000 Table for males
	RP-2000 Table for females

Participation	80% of future retirees are assumed to participate in the retiree medical and dental plans.
	80% of future retirees are expected to elect life insurance.

Plan Participants:

Current retirees, beneficiaries, and dependants	117
Current active members/participants	197
Total	<hr/> <hr/> 314

**TOWN OF PLAINVILLE, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2015**

**Pension Plan Schedules – Notes to RSI**

**A. Schedule of the Town's Proportionate Share of the Net Pension Liability**

The Schedule of Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability; the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

**B. Schedule of Town's Contribution**

Governmental employees are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1, and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based in covered payroll.