

**TOWN OF PLAISTOW,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018**

TOWN OF PLAISTOW, NEW HAMPSHIRE
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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen and Town Manager
Town of Plaistow
Plaistow, New Hampshire

We have audited the accompanying financial statements of the governmental activities, major fund, and aggregate remaining fund information of the Town of Plaistow as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, major fund, and aggregate remaining fund information of the Town of Plaistow, as of December 31, 2018, and the respective changes in financial position 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.

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in fiscal year 2018 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are 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 following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis
- Schedule of the Town's Proportionate Share of Net Pension Liability

***Town of Plaistow
Independent Auditor's Report***

- Schedule of Town Contributions – Pensions
- Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability
- Schedule of Town Contributions – Other Postemployment Benefits
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
- Notes to the Required Supplementary Information

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

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

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

November 15, 2019

*Plodzik & Sanderson
Professional Association*

Town of Plaistow, New Hampshire Management's Discussion and Analysis

Presented herewith please find the Management Discussion & Analysis for the Town of Plaistow, New Hampshire for the year ending December 31, 2018. The responsibility for accuracy of the data, the completeness and fairness of this document (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This report and its content have been designed to fairly present the Town's financial position, including the result of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the Town's financial activities have been included.

The Town's management is responsible for establishing accounting and internal control structures designed to ensure that the physical, data, informational, intellectual, and human resource assets of the Town are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all the activities of the Town of Plaistow, New Hampshire using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components:

1. Government-wide financial statements;
2. Fund financial statements, and
3. Notes to basic financial statements

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Town's net position changed during the most recent year. All the current year's revenue and expenses are considered regardless of when cash is received or paid.

The government-wide financial statements can be found on pages 11-12 of this report.

Town of Plaistow, New Hampshire Management's Discussion and Analysis

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements, focus on the individual parts of the Town government, and report the Town's operations in more detail than the government-wide statements. The Town's funds are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 13-16.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented 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. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

The Town of Plaistow maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be the Town's only major fund. Data from the other governmental funds are combined into a single, aggregate presentation.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The Town's fiduciary funds on pages 18-19 which include the private-purpose trust funds and agency funds.

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 the fund financial statements. These notes to the basic financial statements begin on page 20.

Town of Plaistow, New Hampshire Management's Discussion and Analysis

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes the following:

- Schedule of the Town's Proportionate Share of Net Pension Liability
- Schedule of Town Contributions – Pensions
- Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability
- Schedule of Town Contributions – Other Postemployment Benefits
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios

These schedules are Exhibits F, G, H, I and J after the note section in the report. These Schedules are also accompanied by Notes to the Required Supplementary Information.

Other Supplementary Information

Other supplementary information includes combining and individual fund financial schedules for the governmental funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during fiscal year 2018. The beginning net position for governmental activities was restated by \$436,457 for the OPEB provided by NHRS and \$365,824 for the Town's local OPEB plan to retroactively report the increase in the net OPEB liability as of December 31, 2017.

Town of Plaistow, New Hampshire Management's Discussion and Analysis

Statement of Net Position

Net position of the Town of Plaistow as of December 31, 2018 and 2017 are as follows:

	2018	2017 (As restated)	Increase (Decrease)
Current assets	\$ 15,702,660	\$ 17,476,937	\$ (1,774,277)
Capital assets, net	21,501,015	20,411,519	1,089,496
Total assets	<u>37,203,675</u>	<u>37,888,456</u>	<u>(684,781)</u>
 Total deferred outflows of resources	 1,093,772	 1,302,443	 (208,671)
 Long-term liabilities outstanding	 16,069,380	 16,336,641	 (267,261)
Other liabilities	8,845,548	9,693,050	(847,502)
Total liabilities	<u>24,914,928</u>	<u>26,029,691</u>	<u>(1,114,763)</u>
 Total deferred inflows of resources	 726,294	 738,305	 (12,011)
 Net Position:			
Net investment in capital assets	13,857,426	12,884,052	973,374
Restricted	1,048,680	1,551,351	(502,671)
Unrestricted	(2,249,881)	(2,012,500)	(237,381)
Total net position	<u>\$ 12,656,225</u>	<u>\$ 12,422,903</u>	<u>\$ 233,322</u>

Town of Plaistow, New Hampshire Management's Discussion and Analysis

Statement of Activities

Changes in net position for the years ending December 31, 2018 and 2017 are as follows:

	2017	2017 (As restated)	Increase (Decrease)
Revenues:			
Program Revenues			
Charges for services	\$ 315,278	\$ 300,605	\$ 14,673
Operating grants and contributions	782,066	599,638	182,428
Capital grants and contributions	-	-	-
General revenues:			
Property taxes	6,071,479	5,607,747	463,732
Other taxes	98,107	205,932	(107,825)
Motor vehicle permit fees	1,846,988	1,821,547	25,441
Licenses and other fees	196,305	207,510	(11,205)
Grants and contributions not restricted to specific programs	450,994	406,593	44,401
Miscellaneous	584,623	782,278	(197,655)
Total revenues	<u>\$ 10,345,840</u>	<u>\$ 9,931,850</u>	<u>\$ 413,990</u>
Expenses:			
General government	3,712,367	3,300,515	411,852
Public safety	3,355,345	2,877,092	478,253
Highways and streets	903,818	881,480	22,338
Sanitation	679,624	653,689	25,935
Water distribution and treatment	89,798	161,916	(72,118)
Health and welfare	171,956	153,905	18,051
Culture and recreation	945,855	900,950	44,905
Conservation	10,131	8,750	1,381
Interest on long-term debt	243,624	290,298	(46,674)
Total expenses	<u>10,112,518</u>	<u>9,228,595</u>	<u>883,923</u>
Change in net position	233,322	703,255	(469,933)
Net effect of prior year restatement		(802,281)	802,281
Net position, beginning	12,422,903	12,521,929	(99,026)
Net position, ending	<u>\$ 12,656,225</u>	<u>\$ 12,422,903</u>	<u>\$ 233,322</u>

The Town's net position increased by \$233,322.

The Town's expenses cover a range of services. The largest expenses were for general government and public safety, which accounted for 69.89% of total expenses.

Town of Plaistow, New Hampshire Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

General Fund

The general fund is the main operating fund of the Town. At the end of the current year, the general fund fund balances totaled \$4,470,595. This includes an unassigned amount of \$2,523,909. The total General Fund fund balance decreased \$504,242 from the December 31, 2017 amount.

Other Governmental Funds

The total fund balance of \$2,086,128 in the other governmental funds is restricted for the purposes of the individually established fund. The largest portion of this total represents the balance in the Water Fund (\$540,119), Public Safety Complex Capital Project Fund (\$394,584) Conservation Fund (\$360,816), Permanent Fund (\$149,520) and the Impact Fees Fund (\$249,918).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary information for the major governmental fund (the General Fund) can be found in the report at Exhibit D on page 17.

The actual budgetary revenues exceeded the budget for estimated revenues by \$202,230. The Town received \$1,897 less in taxes, \$88,493 more in licenses and permits, \$75,504 more in intergovernmental and \$40,130 more from miscellaneous sources.

The actual budgetary expenditures were less than the budgeted appropriations by \$408,983.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town considers a capital asset to be an asset whose cost exceeds \$10,000 and has a useful life of greater than one year. Assets are depreciated using the straight-line method over the course of their useful life.

Town of Plaistow, New Hampshire Management's Discussion and Analysis

The Town's capital assets for its governmental activities as of December 31, 2018 is \$28,160,740. Accumulated depreciation amounts to \$6,659,725, leaving a net book value of \$21,501,015. The capital assets include equipment, real property, infrastructure, and land. Infrastructure assets are items that are normally immovable and of value only to the Town. Additional information on the Town's capital assets can be found in Note 8 of the Notes to the Basic Financial Statements.

A summary of the Town's capital assets is as follows:

Capital Assets (net of depreciation)

	2018	2017	Increase (Decrease)
Land	\$ 3,798,432	\$ 3,798,432	\$ -
Buildings and building improvements	11,110,138	3,044,298	8,065,840
Vehicles and equipment	2,137,592	1,853,710	283,882
Infrastructure	3,311,327	3,266,763	44,564
Construction in progress	1,143,526	8,448,316	(7,304,790)
Total	<u>\$ 21,501,015</u>	<u>\$ 20,411,519</u>	<u>\$ 1,089,496</u>

Long-Term Obligations

At December 31, 2018, the Town had several outstanding capital leases used to finance Public Safety vehicles, as well as Highway and Town office equipment. Outstanding balances of all leases at December 31, 2018 totals \$98,249. The leases will all mature by the end of 2020.

A summary of all long-term obligations outstanding is as follows:

	2018	2017 (Restated)	Increase (Decrease)
General obligation bond	\$ 7,560,000	\$ 7,840,000	\$ (280,000)
Premium on bond	322,923	349,772	(26,849)
Capital leases	98,249	175,581	(77,332)
Compensated absences	269,479	130,149	139,330
Net other postemployment benefits	1,431,402	1,148,037	283,365
Net pension liability	6,387,327	6,693,102	(305,775)
Total	<u>\$ 16,069,380</u>	<u>\$ 16,336,641</u>	<u>\$ (267,261)</u>

Town of Plaistow, New Hampshire Management's Discussion and Analysis

Additional information on the Town's long-term obligations can be found in Notes 12 & 13 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS

The Town of Plaistow continues to review and update our capital investment plan (CIP) to accommodate and anticipate the needs of the community and its continued operation based on continued growth. We are continuing to experience significant residential growth and commercial property development. In addition, the Town voted to change the purpose of the Water Fund, to include potable water, which will lead to future development of commercial properties. Also, we have seen the development of several major residential locations which directly impacts our education and government services to be provided.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all of Plaistow citizens, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Plaistow, New Hampshire, 145 Main Street, Plaistow, New Hampshire 03865.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,575,220
Investments	8,405,936
Taxes receivables (net)	994,605
Account receivables	248,757
Intergovernmental receivable	422,434
Prepaid items	52,708
Other	3,000
Capital assets:	
Land and construction in progress	4,941,958
Other capital assets, net of depreciation	16,559,057
Total assets	<u>37,203,675</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,093,772</u>
LIABILITIES	
Accounts payable	356,636
Accrued salaries and benefits	93,204
Accrued interest payable	1,313
Intergovernmental payable	8,394,395
Long-term liabilities:	
Due within one year	389,603
Due in more than one year	15,679,777
Total liabilities	<u>24,914,928</u>
DEFERRED INFLOWS OF RESOURCES	<u>726,294</u>
NET POSITION	
Net investment in capital assets	13,857,426
Restricted	1,048,680
Unrestricted	<u>(2,249,881)</u>
Total net position	<u><u>\$ 12,656,225</u></u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT B
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2018

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 3,712,367	\$ 16,723	\$ -	\$ (3,695,644)
Public safety	3,355,345	88,971	246,027	(3,020,347)
Highways and streets	903,818	-	535,869	(367,949)
Sanitation	679,624	-	-	(679,624)
Water distribution and treatment	89,798	121,621	-	31,823
Health	131,990	-	-	(131,990)
Welfare	39,966	375	-	(39,591)
Culture and recreation	945,855	87,588	170	(858,097)
Conservation	10,131	-	-	(10,131)
Interest on long-term debt	243,624	-	-	(243,624)
Total governmental activities	<u>\$ 10,112,518</u>	<u>\$ 315,278</u>	<u>\$ 782,066</u>	<u>(9,015,174)</u>
General revenues:				
Taxes:				
Property				6,071,479
Other				98,107
Motor vehicle permit fees				1,846,988
Licenses and other fees				196,305
Grants and contributions not restricted to specific programs				450,994
Unrestricted investment earnings				118,855
Miscellaneous				465,768
Total general revenues				<u>9,248,496</u>
Change in net position				233,322
Net position, beginning, as restated (see Note 19)				12,422,903
Net position, ending				<u>\$ 12,656,225</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-1
TOWN OF PLAISTOW, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,780,667	\$ 1,794,553	\$ 5,575,220
Investments	8,271,458	134,478	8,405,936
Taxes receivable (net)	994,605	-	994,605
Accounts receivable	119,421	129,336	248,757
Intergovernmental receivable	42,955	379,479	422,434
Interfund receivable	223,952	51,783	275,735
Prepaid items	185,239	-	185,239
Other	3,000	-	3,000
Total assets	<u>\$ 13,621,297</u>	<u>\$ 2,489,629</u>	<u>\$ 16,110,926</u>
LIABILITIES			
Accounts payable	\$ 353,182	\$ 3,454	\$ 356,636
Accrued salaries and benefits	93,204	-	93,204
Intergovernmental payable	8,394,395	-	8,394,395
Interfund payable	45,438	230,297	275,735
Total liabilities	<u>8,886,219</u>	<u>233,751</u>	<u>9,119,970</u>
DEFERRED INFLOWS OF RESOURCES	<u>264,483</u>	<u>169,750</u>	<u>434,233</u>
FUND BALANCES			
Nonspendable	185,239	120,770	306,009
Restricted	235,371	692,539	927,910
Committed	1,287,104	1,271,188	2,558,292
Assigned	238,972	1,631	240,603
Unassigned	2,523,909	-	2,523,909
Total fund balances	<u>4,470,595</u>	<u>2,086,128</u>	<u>6,556,723</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,621,297</u>	<u>\$ 2,489,629</u>	<u>\$ 16,110,926</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-2
TOWN OF PLAISTOW, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds (Exhibit C-1)		\$ 6,556,723
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 28,160,740	
Less accumulated depreciation	<u>(6,659,725)</u>	
		21,501,015
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 920,363	
Deferred inflows of resources related to pensions	(453,138)	
Deferred outflows of resources related to OPEB	173,409	
Deferred inflows of resources related to OPEB	<u>(2,225)</u>	
		638,409
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (275,735)	
Payables	<u>275,735</u>	
		-
Property taxes are recognized on an accrual basis in the Statement of Net Position and on a modified accrual basis in the governmental funds.		
Deferred inflows of resources - property taxes		163,302
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(1,313)
Repayment of long-term liabilities and related interest not due until subsequent year as recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements.		
Prepaid bond interest		(132,531)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 7,560,000	
Unamortized bond premium	322,923	
Capital leases	98,249	
Compensated absences	269,479	
Net pension liability	6,387,327	
Other postemployment benefits	<u>1,431,402</u>	
		(16,069,380)
Net position of governmental activities (Exhibit A)		<u>\$ 12,656,225</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-3
TOWN OF PLAISTOW, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 6,150,116	\$ -	\$ 6,150,116
Licenses and permits	2,043,293	-	2,043,293
Intergovernmental receivable	811,915	421,145	1,233,060
Charges for services	104,291	210,987	315,278
Miscellaneous	531,761	52,862	584,623
Total revenues	<u>9,641,376</u>	<u>684,994</u>	<u>10,326,370</u>
EXPENDITURES			
Current:			
General government	3,423,091	4,145	3,427,236
Public safety	2,835,365	142,371	2,977,736
Highways and streets	929,661	173	929,834
Water distribution and treatment	-	40,265	40,265
Sanitation	679,624	-	679,624
Health	128,956	-	128,956
Welfare	39,966	-	39,966
Culture and recreation	977,291	16,529	993,820
Conservation	3,231	6,900	10,131
Debt service:			
Principal	280,000	-	280,000
Interest	279,118	-	279,118
Capital outlay	506,012	927,293	1,433,305
Total expenditures	<u>10,082,315</u>	<u>1,137,676</u>	<u>11,219,991</u>
Deficiency of revenues under expenditures	<u>(440,939)</u>	<u>(452,682)</u>	<u>(893,621)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	352	70,000	70,352
Transfers out	(63,655)	(6,697)	(70,352)
Total other financing sources (uses)	<u>(63,303)</u>	<u>63,303</u>	<u>-</u>
Net change in fund balances	(504,242)	(389,379)	(893,621)
Fund balances, beginning	4,974,837	2,475,507	7,450,344
Fund balances, ending	<u>\$ 4,470,595</u>	<u>\$ 2,086,128</u>	<u>\$ 6,556,723</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-4
TOWN OF PLAISTOW, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2018

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (893,621)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capitalized capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 1,812,769	
Depreciation expense	<u>(723,273)</u>	
		1,089,496
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (70,352)	
Transfers out	<u>70,352</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue	\$ (23,544)	
Change in allowance for uncollectible property taxes	<u>43,014</u>	
		19,470
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of bond principal	\$ 280,000	
Repayment of capital leases	77,332	
Amortization of bond premium	<u>26,849</u>	
		384,181
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 governmental funds.		
Decrease in accrued interest expense	\$ 1,617	
Decrease in prepaid bond interest	7,028	
Increase in compensated absences payable	(139,330)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	8,290	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(243,809)</u>	
		(366,204)
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ 233,322</u></u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT D
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 6,171,483	\$ 6,169,586	\$ (1,897)
Licenses and permits	1,954,800	2,043,293	88,493
Intergovernmental receivable	736,411	811,915	75,504
Charges for services	96,800	104,291	7,491
Miscellaneous	477,024	509,663	32,639
Total revenues	9,436,518	9,638,748	202,230
EXPENDITURES			
Current:			
General government	3,560,735	3,394,902	165,833
Public safety	2,904,583	2,819,227	85,356
Highways and streets	930,045	923,448	6,597
Sanitation	710,570	679,624	30,946
Health	135,709	127,581	8,128
Welfare	47,287	39,966	7,321
Culture and recreation	214,220	207,165	7,055
Conservation	11,600	(3,669)	15,269
Debt service:			
Principal	280,000	280,000	-
Interest	284,118	279,118	5,000
Capital outlay	775,000	697,522	77,478
Total expenditures	9,853,867	9,444,884	408,983
Excess (deficiency) of revenues over (under) expenditures	(417,349)	193,864	611,213
OTHER FINANCING SOURCES (USES)			
Transfers in	587,685	510,559	(77,126)
Transfers out	(953,991)	(953,991)	-
Total other financing sources (uses)	(366,306)	(443,432)	(77,126)
Net change in fund balances	\$ (783,655)	(249,568)	\$ 534,087
Increase in nonspendable fund balance		(43,010)	
Unassigned fund balance, beginning		2,929,789	
Unassigned fund balance, ending		\$ 2,637,211	

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT E-1
TOWN OF PLAISTOW, NEW HAMPSHIRE
Fiduciary Funds
Statement of Net Position
December 31, 2018

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 589	\$ 180,999
Investments	5,263	-
Total assets	<u>5,852</u>	<u>\$ 180,999</u>
LIABILITIES		
Intergovernmental payable	-	\$ 23,786
Due to others	-	157,213
Total liabilities	<u>-</u>	<u>\$ 180,999</u>
NET POSITION		
Held in trust for specific purposes	<u>\$ 5,852</u>	

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT E-2
TOWN OF PLAISTOW, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended December 31, 2018

	Private Purpose Trust
ADDITIONS	
Interest	\$ 179
Change in fair market value	(358)
Total additions	<u>(179)</u>
Net position, beginning	6,031
Net position, ending	<u><u>\$ 5,852</u></u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DECEMBER 31, 2018

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Plaistow, New Hampshire (the Town), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

In 2018 the Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which changed the way other postemployment benefit (OPEB) liabilities and related expenses are recorded. See Note 1-O for further information on this pronouncement.

The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Plaistow is a municipal corporation governed by an elected 5-member Board of Selectmen and Town Manager. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

1-B Basis of Accounting, and Measurement Focus

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Town's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town accompanied by a total column. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services and 2) operating grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental Fund Financial Statements – Include a balance sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to

TOWN OF PLAISTOW, NEW HAMPSHIRE
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be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental fund:

General Fund – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the library and expendable trust funds are consolidated in the general fund.

Additionally, the Town reports the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – are used to account for the financial resources and activities relating to specific construction projects.

Permanent Fund – are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the Town. These can include legal trusts for which the interest on the corpus provides funds for the Town’s cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports thirteen nonmajor governmental funds.

Fiduciary Fund Financial Statements – Include a Statement of Net Position and a Statement of Changes in Net Position. The Town’s fiduciary funds are private purpose trust and agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town also reports the following fiduciary funds:

Private Purpose Trust Fund – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Agency Fund – are custodial in nature and do not involve the measurement of operating results. An agency fund is used to account for assets held on behalf of outside parties, including other governments.

1-C Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund’s portion of this pool is reflected on the combined financial statements under the caption “cash and cash equivalents.”

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

TOWN OF PLAISTOW, NEW HAMPSHIRE
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1-D Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Fair Value Measurements of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – Inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date. Directly held marketable equity securities would be examples of Level 1 investments.

Level 2 – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2. All of the Town's holdings in New Hampshire Public Deposit Investment Pool (NHPDIP) would be examples of Level 2 investments.

Level 3 – Inputs are significant unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Investments in Certain External Investment Pools – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP) are categorized as Level 2. The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the Town in accordance with the NHPDIP's Information Statement.

1-E Receivables

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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1-F Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, and expenses/expenditures as the items are used. Under the full accrual basis of accounting used for the government-wide financial statements, prepayments of debt are recognized as they occurred (see Note 7).

1-G Capital Assets

Capital assets include property, plant, and equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), and intangible assets (i.e. easements) which are reported in the government-wide financial statements. The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

Capital Asset Classes:	Years
Buildings and building improvements	15 - 40
Vehicles and equipment	5 - 20
Infrastructure	20 - 60

1-H Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 9, 2018 and November 1, 2018, and due on July 1, 2018 and December 17, 2018. Interest accrues at a rate of 12% on bills outstanding after the due date and 18% on tax liens outstanding.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Timberlane Regional School District, and Rockingham County, which are remitted to these entities as required by law.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Town net assessed valuation as of April 1, 2018 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 975,008,482
For all other taxes	\$ 1,003,587,182

The tax rates and amounts assessed for the year ended December 31, 2018 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$ 6.33	\$ 6,357,944
School portion:		
State of New Hampshire	2.26	2,199,277
Local	14.93	14,986,133
County portion	1.07	1,070,267
Total	<u>\$ 24.59</u>	<u>\$ 24,613,621</u>

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2018.

1-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1-L Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the bond premium. In the fund financial statements, governmental fund types recognize bond premiums during the current period.

1-M Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation and sick time based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by personnel policy. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

1-N Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No. 73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

1-O Postemployment Benefits Other Than Pensions

The Town maintains two separate other postemployment benefit plans (OPEB), as follows:

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-P Net Position/Fund Balances

Government-wide Statements – Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted net position – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.

Unrestricted net position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF PLAISTOW, NEW HAMPSHIRE
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Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Minimum balance – The Town shall maintain a minimum unassigned fund balance of 7% of the Town's annual budget as defined by policy.

Target Balance – The Town shall strive to achieve and maintain an unassigned fund balance of at least 7% of the Town's annual budget as defined by this policy.

Plan for target fund balance – The unassigned fund balance target shall be maintained by conservatively estimating revenues and giving consideration when analyzing use of fund balance to mitigating variations related to larger one time revenues anticipated that are related to general operations (such as an unusually high receipts for land use change tax, income from sale of Town assets or some other similar source) which is not anticipated to be maintained at the same level in future years. In addition, assets made available by reductions in liabilities related to resolution of legal matters, abatement litigation, or other similar circumstances shall be directed toward efforts to reach or maintain the target balance of capital purposes.

Unassigned fund balance uses – When preparing initial revenue estimates for the upcoming budget year (early winter near close of current fiscal year), the Board of Selectmen shall make estimates of unassigned fund balance available to reduce property taxes conservatively based on preliminary assessment of the Town's financial condition. When preparing for the setting of the tax rate in the fall, use of unassigned fund balance shall be reassessed by the Town Manager to determine conformance with this policy. This review shall consider financial statements and reports issued for the previous fiscal cycle, the Town's annual budget based on budgets and appropriations to be assessed (for the Town, State and local education, and county purposes for that tax year) to confirm and if necessary, modify, the Selectmen's initial estimate.

Emergency use of unassigned funds – Unassigned fund balance may be appropriated for emergency purposes, as deemed necessary by the Board of Selectmen, even if such use decreases the fund balance below the targeted percentage. Emergency purposes do not include the offsetting of property taxes related to increasing continuing appropriations (operations) of the Town, school, or county or mismanagement of funds. The Budget Committee must be informed and concur in the usage for emergency purposes.

Use of additional unassigned fund balance may be considered by the Board of Selectmen and/or the Budget Committee during the budget setting process, when an annual budget includes an unusually large capital expenditure not financed from other reserves, long term borrowing or leasing if deemed prudent by the governing body to mitigate the capital expenditures impact on tax rate stability. A warrant article will be written and then voted on by the Town in March in order to approve the usage of unassigned fund monies for these purposes.

When multiple net position/fund balance classifications are available for use, it is the Town's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

1-Q Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date

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of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, and the useful lives of capital assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as two nonmajor funds. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2018, none of the beginning general fund unassigned fund balance was applied for this purpose and \$783,655 was voted from unassigned fund balance to fund current year appropriations.

2-B Budgetary Reconciliation to GAAP Basis

The Town employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year-end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 10,149,307
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record revenue of the blended funds	22,098
To eliminate and recognize transfers between blended funds	(510,207)
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	23,544
Change in allowance for uncollectible property taxes	(43,014)
Per Exhibit C-3 (GAAP basis)	<u>\$ 9,641,728</u>
	<u>(Continued)</u>

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Budgetary reconciliation to GAAP basis continued:

Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 10,398,875
Adjustment:	
Basis differences:	
Encumbrances, beginning	61,640
Encumbrances, ending	(238,972)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	814,763
To eliminate and recognize transfers between blended funds	(890,336)
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,145,970</u>

2-C Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. Beginning net position for governmental activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, deferred inflows and outflows of resources, as follows:

	Local OPEB	State OPEB	Total OPEB
Change in total OPEB liability under current standards, January 1	\$ (463,415)	\$ (470,494)	\$ (933,909)
Initial balance of deferred outflows of resources	97,591	35,530	133,121
Initial balance of deferred inflows of resources	-	(1,493)	(1,493)
Cumulative restatement related to GASB No. 75 implementation (see Note 19)	<u>\$ (365,824)</u>	<u>\$ (436,457)</u>	<u>\$ (802,281)</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2018, the reported amount of the Town's deposits was \$5,756,808 and the bank balance was \$5,886,169. Of the bank balance \$5,319,454 was covered by federal depository insurance or by collateral held by the pledging bank in the Town's name, \$543,496 was uninsured and uncollateralized and \$23,219 was held in short-term investments not subject to custodial credit risk.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 5,575,220
Cash per Statement of Net Position - Fiduciary Fund (Exhibit E-1)	181,588
Total cash and cash equivalents	<u>\$ 5,756,808</u>

NOTE 4 – INVESTMENTS

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

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The Town has the following recurring fair value measurements and maturities as of December 31, 2018:

	Valuation Measurement Method	Fair Value
Investments type:		
Equity exchange traded funds	Level 1	\$ 48,730
Equity mutual funds	Level 1	183,012
Fixed income mutual funds	Level 2	1,320,161
New Hampshire Public Deposit Investment Pool	Level 2	6,859,296
Total fair value		<u>\$ 8,411,199</u>

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Board of Selectmen seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations and state laws that restrict the placement of public funds. Capital reserve and expendable trust funds, which may be expenses in the near-term, have shorter time horizon and therefore, higher safety requirements, calling for a heavier allocation to income producing investments. Trust funds have a long or perpetual time horizon and the portfolio investment objective is to provide a total return (income plus capital appreciation) consistent with the purpose of that fund that exceeds the long-term rate of inflation.

Credit Risk – In selecting the most appropriate depositories, the board of selectmen analyze the credit worthiness of institutions and the Treasurer shall conduct a comprehensive review of the prospective depositories' credit characteristics and financial history. For capital reserves and expendable trusts, investments in corporate bonds shall be limited to those with a rating of investment grade. A mutual fund or exchange-traded fund with an investment objective consistent with holding investment grade bonds may be used. Trust fund investments are not restricted by any specified bond rating.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g. broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Treasurer shall insure that prior to acceptance of any money for deposit or investment including repurchase agreements, the federally insured bank shall, at the time of such deposit or investment, have such funds secured by collateral having a value at least equal to the amount of such funds in excess of the applicable Federal Deposit Insurance limits for such deposit or investment. The Trustees of Trust funds investment policies do not directly address this risk.

Concentration of Credit Risk – The Board of Selectmen places no limit on the amount it may invest in any one issuer while the Trustees of Trust funds require that no single company will comprise more than 5% of the portfolio at the time of purchase. When a portfolio position has grown up to 10% of the target balance, the position will be reduced to prevent it from growing further, unless the Trustees have specifically authorized the continued holding of the position.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 8,405,936
Investments per Statement of Net Position - Fiduciary Funds (Exhibit E-1)	5,263
Total investments	<u>\$ 8,411,199</u>

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NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2018. The amount has been reduced by an allowance for an estimated uncollectible amount of \$476,453. Taxes receivable by year are as follows:

Property:	
Levy of 2018	\$ 729,036
Unredeemed (under tax lien):	
Levy of 2017	158,891
Levy of 2016	76,682
Levies of 2015 and prior	498,174
Yield	8,275
Less: allowance for estimated uncollectible taxes	(476,453)
Net taxes receivable	<u>\$ 994,605</u>

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2018, consisted of accounts (billings for police details, water, and other user charges) and intergovernmental amounts arising primarily from grants and reimbursements. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 7 – PREPAID ITEMS

Prepaid items at December 31, 2018 consisted of the following:

	Governmental Activities (Exhibit A)	Governmental Funds (Exhibit C-1)
Annual dues and licenses	\$ 21,927	\$ 21,927
Insurance	30,781	30,781
Interest on bond	- *	132,531
Total	<u>\$ 52,708</u>	<u>\$ 185,239</u>

*Recognized as an expense on full accrual basis of accounting.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,798,432	\$ -	\$ -	\$ 3,798,432
Construction in progress	8,448,316	1,435,174	(8,739,964)	1,143,526
Total capital assets not being depreciated	<u>12,246,748</u>	<u>1,435,174</u>	<u>(8,739,964)</u>	<u>4,941,958</u>
Being depreciated:				
Buildings and building improvements	6,068,381	8,379,091	-	14,447,472
Vehicles and equipment	3,839,264	569,019	-	4,408,283
Infrastructure	4,193,578	169,449	-	4,363,027
Total capital assets being depreciated	<u>14,101,223</u>	<u>9,117,559</u>	<u>-</u>	<u>23,218,782</u>
Total all capital assets	<u>26,347,971</u>	<u>10,552,733</u>	<u>(8,739,964)</u>	<u>28,160,740</u>

(Continued)

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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
Less accumulated depreciation:				
Buildings and building improvements	(3,024,083)	(313,251)	-	(3,337,334)
Vehicles and equipment	(1,985,554)	(285,137)	-	(2,270,691)
Infrastructure	(926,815)	(124,885)	-	(1,051,700)
Total accumulated depreciation	(5,936,452)	(723,273)	-	(6,659,725)
Net book value, capital assets being depreciated	8,164,771	8,394,286	-	16,559,057
Net book value, all governmental activities capital assets	<u>\$ 20,411,519</u>	<u>\$ 9,829,460</u>	<u>\$ (8,739,964)</u>	<u>\$ 21,501,015</u>

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 48,326
Public safety	409,703
Highways and streets	146,328
Water treatment and distribution	49,533
Culture and recreation	69,383
Total depreciation expense	<u>\$ 723,273</u>

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 223,952
Nonmajor	General	45,438
Nonmajor	Nonmajor	6,345
		<u>\$ 275,735</u>

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

Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2018 is as follows:

	Transfers In:		
	General Fund	Nonmajor Fund	Total
Transfers out:			
General fund	\$ -	\$ 63,655	\$ 63,655
Nonmajor funds	352	6,345	6,697
Total	<u>\$ 352</u>	<u>\$ 70,000</u>	<u>\$ 70,352</u>

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

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NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$8,418,181 at December 31, 2018 consist of the following:

General fund:	
Balance due to the Timberlane Regional School District	\$ 8,274,326
Miscellaneous fees due to the State of Massachusetts	1,170
Miscellaneous fees due to the State of New Hampshire	2,678
Miscellaneous fees due to the Rockingham County	95
Contributions due to the New Hampshire Retirement System	111,664
Fees due to the Town of Atkinson	4,462
Total general fund	<u>8,394,395</u>
Agency fund:	
Balance of impact fees due to the Timberlane Regional School District	<u>23,786</u>
Total intergovernmental payables due	<u><u>\$ 8,418,181</u></u>

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are as follows:

	Government- wide
Amounts related to pensions, see Note 14	\$ 920,363
Amounts related to OPEB, see Note 15	173,409
	<u><u>\$ 1,093,772</u></u>

Deferred inflows of resources are as follows:

	Government- wide	General Fund	Nonmajor Governmental Funds
Property taxes not collected within 60 days of the fiscal year-end	\$ -	\$ 163,302	\$ -
Property taxes collected in advance of commitment	101,181	101,181	-
State bridge aid receivable, not received within 60 days of fiscal year-end	169,750	-	169,750
Amounts related to pensions, see Note 14	453,138	-	-
Amounts related to OPEB, see Note 15	2,225	-	-
Total deferred inflows of resources	<u><u>\$ 726,294</u></u>	<u><u>\$ 264,483</u></u>	<u><u>\$ 169,750</u></u>

NOTE 12 – CAPITAL LEASES

The Town has entered into certain capital lease agreements under which the related equipment will become the property of the Town when all the terms of the lease agreements are met.

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2018
Capital lease obligations:		
Police cruisers	3.30%	\$ 18,373
Tractor loader	3.55%	10,713
Ford F150 truck	6.20%	11,284
Two Police interceptors	2.90%	23,443
Town hall server	7.33%	34,436
Total capital lease obligations		<u><u>\$ 98,249</u></u>

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Leased equipment under capital leases, included in capital assets, is as follows:

	Governmental Activities
Equipment:	
Police cruisers	\$ 54,986
Tractor loader	20,694
Ford F150 truck	27,458
Two Police interceptors	68,363
Town hall server	59,119
Total equipment	230,620
Less: accumulated depreciation	71,208
Total capital lease equipment	\$ 159,412

The annual requirements to amortize the capital leases payable as of December 31, 2018, including interest payments, are as follows:

Fiscal Year Ending December 31,	Governmental Activities
2019	\$ 76,844
2020	26,405
Total requirements	103,249
Less: interest	5,000
Present value of remaining payments	\$ 98,249

Amortization of lease equipment under capital assets is included with depreciation expense.

NOTE 13 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2018:

	Balance January 1, 2018 (as restated)	Additions	Reductions	Balance December 31, 2018	Current
Bond payable:					
General obligation bond	\$ 7,840,000	\$ -	\$ (280,000)	\$ 7,560,000	\$ 280,000
Premium	349,772	-	(26,849)	322,923	25,497
Total bond payable	8,189,772	-	(306,849)	7,882,923	305,497
Capital leases	175,581	-	(77,332)	98,249	72,706
Compensated absences	130,149	139,330	-	269,479	11,400
Net pension liability	6,693,102	-	(305,775)	6,387,327	-
Net other postemployment benefits	1,148,037	283,365	-	1,431,402	-
Total long-term liabilities	\$ 16,336,641	\$ 422,695	\$ (689,956)	\$ 16,069,380	\$ 389,603

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2018
General obligation bond payable:					
Public safety complex	\$ 8,119,600	2016	2045	2.86	\$ 7,560,000
Bond premium					322,923
Total					\$ 7,882,923

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The annual requirements to amortize the general obligation bond outstanding as of December 31, 2018, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	\$ 280,000	\$ 265,062	\$ 545,062
2020	280,000	251,006	531,006
2021	280,000	236,950	516,950
2022	280,000	222,894	502,894
2023	280,000	208,838	488,838
2024-2028	1,400,000	866,950	2,266,950
2029-2033	1,400,000	645,750	2,045,750
2034-2038	1,400,000	422,800	1,822,800
2039-2043	1,400,000	211,400	1,611,400
2044-2045	560,000	25,368	585,368
Totals	<u>\$ 7,560,000</u>	<u>\$ 3,357,018</u>	<u>\$ 10,917,018</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

NOTE 14 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers with in the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

Benefits Provided – The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and available to pay retirement benefits to all members.

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC) multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

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Contributions - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees are required to contribute 7% of earnable compensation. For fiscal year 2018, the Town contributed 25.33% for police, 27.79% for fire and 11.08% for other employees. The contribution requirement for the fiscal year 2018 was \$557,625, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2018 the Town reported a liability of \$6,387,327 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that 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 towns and school districts, actuarially determined. At June 30, 2018, the Town's proportion was .13264919% which was a decrease of .00344499% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Town recognized pension expense of \$563,095. At December 31, 2018 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 166,288	\$ 253,612
Changes in assumptions	442,035	-
Net difference between projected and actual investment earnings on pension plan investments	-	147,808
Differences between expected and actual experience	50,983	51,718
Contributions subsequent to the measurement date	261,057	-
Total	<u>\$ 920,363</u>	<u>\$ 453,138</u>

The \$261,057 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2019	\$ 204,302
2020	198,984
2021	(147,522)
2022	(49,596)
2023	-
Thereafter	-
Totals	<u>\$ 206,168</u>

Actuarial Assumptions – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2017, using the following actuarial assumptions which, accordingly apply to 2018 measurements:

Inflation:	2.5%
Salary increases:	5.6% average, including inflation
Wage inflation	3.25%
Investment rate of return:	7.25% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on last experience study.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

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Long-term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2018:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2018
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.25%
Opportunistic	5.00%	2.15%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

Discount Rate – The discount rate used to measure the collective total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2018	\$ 8,498,391	\$ 6,387,327	\$ 4,618,190

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

TOWN OF PLAISTOW, NEW HAMPSHIRE
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NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

15-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2018 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

Benefits Provide - Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2018 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2018, the Town contributed 4.10% for police and fire, and 0.30% for other employees. The contribution requirement for the fiscal year 2018 was \$69,173, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At December 31, 2018, the Town reported a liability of \$700,189 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2018, the Town’s proportion was .15293115% which was an increase of .05003101% from its proportion measured as of June 30, 2017.

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For the year ended December 31, 2018, the Town recognized OPEB expense of \$247,082. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 48,688	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,225
Differences between expected and actual experience	4,110	-
Contributions subsequent to the measurement date	35,516	-
Total	<u>\$ 88,314</u>	<u>\$ 2,225</u>

The \$35,516 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2019	\$ 52,104
2020	(694)
2021	(696)
2022	(142)
2023	-
Thereafter	-
Totals	<u>\$ 50,572</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2018 and a measurement date of June 30, 2017. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.5 % per year
Wage inflation:	3.25 % per year
Salary increases:	5.6 % average, including inflation
Investment rate of return:	7.25 % net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on last experience study.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and long-term rates of return for 2018:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2018
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.25%
Opportunistic	5.00%	2.15%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2018 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the Town's proportionate share of the OPEB liability calculated using the discount rate of 7.25% as well as what the Town's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2018	\$ 728,760	\$ 700,189	\$ 620,157

Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption – GASB No. 75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

TOWN OF PLAISTOW, NEW HAMPSHIRE
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15-B Town of Plaistow Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees. The benefits are provided through the New Hampshire Inter-Local Trust.

Employees Covered by Benefit Terms – At January 1, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	44
Total participants covered by OPEB plan	<u>47</u>

Total OPEB Liability – The Town's total OPEB liability of \$731,213 was measured as of January 1, 2018, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$731,213 in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.10%
Healthcare Cost Trend Rates:	
Current Year Trend	19.00%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2028
Salary Increases:	3.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of July 1, 2016.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2018 (Base Year 2006).

Changes in the Total OPEB Liability

	December 31,	
	2017	2018
OPEB liability beginning of year	\$ -	\$ 677,543
Changes for the year:		
Service cost	-	27,593
Interest	-	27,110
Assumption changes and difference between actual and expected experience	-	31,594
Benefit payments	-	(32,627)
OPEB liability end of year	<u>\$ 677,543</u>	<u>\$ 731,213</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The January 1, 2018 actuarial valuation was prepared using a discount rate of 4.10%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$672,591 or by (8.02%). If the discount rate were 1% lower than what was used the OPEB liability would increase to \$794,299 or by 8.63%.

	Discount Rate		
	1% Decrease	Baseline 4.10%	1% Increase
Total OPEB Liability	\$ 794,299	\$ 731,213	\$ 672,591

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2018 actuarial valuation was prepared using an initial trend rate of 19.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$818,075 or by 11.88%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$656,276 or by (10.25%).

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 14.01%	1% Increase
Total OPEB Liability	\$ 656,276	\$ 731,213	\$ 818,075

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2018, the Town recognized OPEB expense of \$67,199. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in assumptions	\$ 36,295
Differences between expected and actual experience	48,800
Total	\$ 85,095

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

Fiscal Year Ending December 31,	
2019	\$ 12,496
2020	12,496
2021	12,496
2022	12,496
2023	12,496
Thereafter	22,615
Totals	\$ 85,095

NOTE 16 – ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2018 and are as follows:

General fund:	
General government	\$ 23,780
Culture and recreation	6,000
Capital outlay	209,192
Total encumbrances	\$ 238,972

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NOTE 17 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the Statement of Net Position at December 31, 2018 include the following:

Net investment in capital assets:	
Net book value, all governmental activities capital assets	\$ 21,501,015
Less:	
General obligation bond payable	(7,560,000)
Unamortized bond premium	(322,923)
Capital leases payable	(98,249)
Amount of debt related to unspent proceeds	337,583
Total net investment in capital assets	<u>13,857,426</u>
Restricted net position:	
Perpetual care - nonexpendable	120,770
Perpetual care - expendable	28,750
Library	235,371
Capital projects	541,402
Special revenue funds	122,387
Total restricted net position	<u>1,048,680</u>
Unrestricted	<u>(2,249,881)</u>
Total net position	<u>\$ 12,656,225</u>

NOTE 18 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2018 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 185,239	\$ -	\$ 185,239
Permanent fund - principal balance	-	120,770	120,770
Total nonspendable fund balance	<u>185,239</u>	<u>120,770</u>	<u>306,009</u>
Restricted:			
Library	235,371	-	235,371
Capital projects	-	541,402	541,402
Police	-	58,165	58,165
Grants	-	8,367	8,367
Cable TV	-	55,855	55,855
Permanent fund - income balance	-	28,750	28,750
Total restricted fund balance	<u>235,371</u>	<u>692,539</u>	<u>927,910</u>
Committed:			
Expendable trust	1,287,104	-	1,287,104
Water	-	540,119	540,119
Conservation commission	-	360,816	360,816
Impact fees	-	249,918	249,918
Outside details	-	80,907	80,907
Rescue vehicle and emergency equipment	-	3	3
Recreation revolving	-	39,425	39,425
Total committed fund balance	<u>1,287,104</u>	<u>1,271,188</u>	<u>2,558,292</u>

(Continued)

TOWN OF PLAISTOW, NEW HAMPSHIRE
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Governmental fund balances continued:

	General Fund	Nonmajor Funds	Total Governmental Funds
Assigned:			
Encumbrances	238,972	-	238,972
Other special revenue	-	1,631	1,631
Total assigned fund balance	238,972	1,631	240,603
Unassigned	2,523,909	-	2,523,909
Total governmental fund balances	\$ 4,470,595	\$ 2,086,128	\$ 6,556,723

NOTE 19 – PRIOR PERIOD ADJUSTMENT

Net position at January 1, 2018 was restated to give retroactive effect to the following prior period adjustment:

	Government-wide Statements
To restate for the cumulative changes related to implementation of GASB No. 75, see Note 2-C	\$ (802,281)
Net position, as previously reported	13,225,184
Net position, as restated	\$ 12,422,903

NOTE 20 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2018, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2018 to December 31, 2018 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 21 – CONTINGENT LIABILITIES

There are various legal claims and suits pending against the Town which arose in the normal course of the government's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

TOWN OF PLAISTOW, NEW HAMPSHIRE
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The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through November 15, 2019, the date the December 31, 2018 financial statements were available to be issued, the following warrant articles were approved by the voters at the March 12, 2019 annual town election:

Warrant Article P-19-05: Authorization of not more than \$30,000 of bonds or notes to fund the development of a Drainage Asset Management Plan and mapping effort.

Warrant Article P-19-09: Authorized the use of \$350,000 General Fund unassigned fund balance to fund the second phase of the construction of the Public Works Garage.

Warrant Article P-19-10: Authorized the use of \$85,000 General Fund unassigned fund balance to fund a contingency fund, which through this approved warrant article was established.

Warrant Article P-19-11: Authorized the use of \$29,167 General Fund unassigned fund balance to fund the Town's local portion (20%) of the \$145,835 appropriation for the engineering and construction phase of the replacement of the Westville Road Bridge. Through this approved warrant article the voters approved the State Bridge Aid Grant in the amount of \$116,668 representing the State's portion (80%).

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2018

	December 31,					
	2013	2014	2015	2016	2017	2018
Town's proportion of the net pension liability	0.14158146%	0.13552761%	0.12818969%	0.13141651%	0.13609418%	0.13264919%
Town's proportionate share of the net pension liability	\$ 6,093,361	\$ 5,087,146	\$ 5,078,269	\$ 7,176,738	\$ 6,693,102	\$ 6,387,327
Town's covered payroll	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358
Town's proportionate share of the net pension liability as a percentage of its covered payroll	226.85%	191.99%	196.97%	277.07%	234.62%	218.34%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

EXHIBIT G
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Town Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2018

	December 31,					
	2013	2014	2015	2016	2017	2018
Contractually required contribution	\$ 352,048	\$ 439,683	\$ 430,061	\$ 483,271	\$ 498,572	\$ 560,652
Contributions in relation to the contractually required contributions	352,048	439,683	430,061	483,271	498,572	560,652
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358
Contributions as a percentage of covered pay	13.11%	16.59%	16.68%	18.66%	17.48%	19.17%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
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***Schedule of the Town's Proportionate Share of Net Pension Liability and
Schedule of Town Contributions - Pensions***

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2018. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2018:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	21 years beginning July 1, 2018 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.25% per year, net of investment expenses, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP -2015, based in the last experience study.

Other Information:

Notes	Contribution rates for fiscal year 2018 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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EXHIBIT H
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefit Plan Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2018

	December 31,		
	2016	2017	2018
Town's proportion of the net OPEB liability	0.10166401%	0.10290014%	0.15293115%
Town's proportionate share of the net OPEB liability (asset)	\$ 492,161	\$ 470,494	\$ 700,189
Town's covered payroll	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	19.00%	16.49%	23.94%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT I
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Town Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2018

	December 31,		
	2016	2017	2018
Contractually required contribution	\$ 59,073	\$ 60,989	\$ 67,646
Contributions in relation to the contractually required contribution	59,073	60,989	67,646
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358
Contributions as a percentage of covered payroll	2.28%	2.14%	2.31%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT J
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2018

	December 31, 2018
OPEB liability, beginning of year	\$ 677,543
Changes for the year:	
Service cost	27,593
Interest	27,110
Changes to benefit terms	-
Assumption changes and difference between actual and expected experience	31,594
Change in actuarial cost method	-
Benefit payments	(32,627)
OPEB liability, end of year	\$ 731,213
Covered payroll	\$ 3,345,693
Total OPEB liability as a percentage of covered payroll	21.86%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

***Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability and
Schedule of Town Contributions – Other Postemployment Benefits***

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2018. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

There were no changes to benefit terms or assumptions in the current actuarial valuation report.

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.62% per year
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

Schedule of Changes in Town's Total Other Postemployment Benefits Liability and Related Ratios

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2018. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2018

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 6,077,841	\$ 6,071,479	\$ (6,362)
Land use change	1,500	1,679	179
Yield	8,617	8,618	1
Interest and penalties on taxes	83,525	87,810	4,285
Total from taxes	<u>6,171,483</u>	<u>6,169,586</u>	<u>(1,897)</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	5,000	6,105	1,105
Motor vehicle permit fees	1,781,200	1,846,988	65,788
Building permits	91,700	111,961	20,261
Other	76,900	78,239	1,339
Total from licenses, permits, and fees	<u>1,954,800</u>	<u>2,043,293</u>	<u>88,493</u>
Intergovernmental:			
State:			
Meals and rooms distribution	394,806	394,806	-
Highway block grant	157,240	157,151	(89)
Other	46,365	101,224	54,859
Federal:			
Other	35,000	29,987	(5,013)
Other	103,000	128,747	25,747
Total from intergovernmental	<u>736,411</u>	<u>811,915</u>	<u>75,504</u>
Charges for services:			
Income from departments	<u>96,800</u>	<u>104,291</u>	<u>7,491</u>
Miscellaneous:			
Sale of municipal property	125,500	133,663	8,163
Interest on investments	72,500	90,478	17,978
Other	279,024	285,522	6,498
Total from miscellaneous	<u>477,024</u>	<u>509,663</u>	<u>32,639</u>
Other financing sources:			
Transfers in	<u>587,685</u>	<u>510,559</u>	<u>(77,126)</u>
Total revenues and other financing sources	10,024,203	<u>\$ 10,149,307</u>	<u>\$ 125,104</u>
Amounts voted from fund balance	783,655		
Total revenues, other financing sources, and use of fund balance	<u>\$ 10,807,858</u>		

SCHEDULE 2
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2018

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 349,417	\$ 348,009	\$ -	\$ 1,408
Election and registration	-	132,699	128,245	-	4,454
Financial administration	-	367,870	336,831	-	31,039
Legal	-	75,000	60,740	-	14,260
Personnel administration	-	2,042,317	1,923,197	-	119,120
Planning and zoning	16,520	86,485	89,163	23,780	(9,938)
General government buildings	3,000	249,999	271,469	-	(18,470)
Insurance, not otherwise allocated	-	124,798	119,413	-	5,385
Advertising and regional associations	-	25,000	24,551	-	449
Other	-	107,150	89,024	-	18,126
Total general government	19,520	3,560,735	3,390,642	23,780	165,833
Public safety:					
Police	-	2,074,232	2,027,556	-	46,676
Fire	15,740	681,385	659,316	-	37,809
Building inspection	-	131,166	130,549	-	617
Emergency management	398	17,800	17,944	-	254
Total public safety	16,138	2,904,583	2,835,365	-	85,356
Highways and streets:					
Administration	-	293,545	291,852	-	1,693
Highways and streets	1,400	539,500	515,587	-	25,313
Street lighting	-	97,000	117,409	-	(20,409)
Total highways and streets	1,400	930,045	924,848	-	6,597
Sanitation:					
Solid waste collection	-	663,570	653,262	-	10,308
Solid waste disposal	-	47,000	26,362	-	20,638
Total sanitation	-	710,570	679,624	-	30,946
Health:					
Administration	-	81,749	80,055	-	1,694
Pest control	-	950	212	-	738
Health agencies	-	53,010	47,314	-	5,696
Total health	-	135,709	127,581	-	8,128
Welfare:					
Administration and direct assistance	-	47,287	39,966	-	7,321
Culture and recreation:					
Parks and recreation	-	191,220	181,941	-	9,279
Patriotic purposes	-	500	500	-	-
Other	-	22,500	18,724	6,000	(2,224)
Total culture and recreation	-	214,220	201,165	6,000	7,055
Conservation	6,900	11,600	3,231	-	15,269
Debt service:					
Principal of long-term debt	-	280,000	280,000	-	-
Interest on long-term debt	-	279,118	279,118	-	-
Interest on tax anticipation notes	-	5,000	-	-	5,000
Total debt service	-	564,118	559,118	-	5,000

(Continued)

SCHEDULE 2 (Continued)
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2018

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	17,682	775,000	506,012	209,192	77,478
Other financing uses:					
Transfers out	-	953,991	953,991	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 61,640	\$ 10,807,858	\$ 10,221,543	\$ 238,972	\$ 408,983

SCHEDULE 3
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2018

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 2,929,789
Changes:		
Amounts voted from fund balance		(783,655)
2018 Budget summary:		
Revenue surplus (Schedule 1)	\$ 125,104	
Unexpended balance of appropriations (Schedule 2)	408,983	
2018 Budget surplus		534,087
Increase in nonspendable fund balance		(43,010)
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,637,211
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(163,302)
Decrease in nonspendable fund balance for prepaid item, not recognized on modified-accrual basis		50,000
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		\$ 2,523,909

SCHEDULE 4
TOWN OF PLAISTOW, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2018

	Special Revenue Funds					
	Water	Conservation Commission	Police	Impact Fees	Outside Details	Rescue Vehicle and Emergency Equipment
ASSETS						
Cash and cash equivalents	\$ 416,443	\$ 315,378	\$ 58,165	\$ 259,558	\$ 75,893	\$ 12,445
Investments	-	-	-	-	-	-
Accounts receivable	123,676	-	-	-	5,660	-
Intergovernmental receivable	-	-	-	-	-	-
Interfund receivable	-	45,438	-	-	-	-
Total assets	<u>\$ 540,119</u>	<u>\$ 360,816</u>	<u>\$ 58,165</u>	<u>\$ 259,558</u>	<u>\$ 81,553</u>	<u>\$ 12,445</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 646	\$ -
Interfund payable	-	-	-	9,640	-	12,442
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,640</u>	<u>646</u>	<u>12,442</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	58,165	-	-	-
Committed	540,119	360,816	-	249,918	80,907	3
Assigned	-	-	-	-	-	-
Total fund balances	<u>540,119</u>	<u>360,816</u>	<u>58,165</u>	<u>249,918</u>	<u>80,907</u>	<u>3</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 540,119</u>	<u>\$ 360,816</u>	<u>\$ 58,165</u>	<u>\$ 259,558</u>	<u>\$ 81,553</u>	<u>\$ 12,445</u>

Special Revenue Funds				Capital Project Funds			Total
Recreation Revolving	Grants	Cable	Other Special Revenue	Public Safety Complex	Westville Road Bridge	Permanent	
\$ 39,425	\$ -	\$ 55,855	\$ 1,631	\$ 404,245	\$ 140,473	\$ 15,042	\$ 1,794,553
-	-	-	-	-	-	134,478	134,478
-	-	-	-	-	-	-	129,336
-	209,729	-	-	-	169,750	-	379,479
-	-	-	-	-	6,345	-	51,783
<u>\$ 39,425</u>	<u>\$ 209,729</u>	<u>\$ 55,855</u>	<u>\$ 1,631</u>	<u>\$ 404,245</u>	<u>\$ 316,568</u>	<u>\$ 149,520</u>	<u>\$ 2,489,629</u>
\$ -	\$ 2,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,454
-	198,554	-	-	9,661	-	-	230,297
-	201,362	-	-	9,661	-	-	233,751
-	-	-	-	-	169,750	-	169,750
-	-	-	-	-	-	120,770	120,770
-	8,367	55,855	-	394,584	146,818	28,750	692,539
39,425	-	-	-	-	-	-	1,271,188
-	-	-	1,631	-	-	-	1,631
<u>39,425</u>	<u>8,367</u>	<u>55,855</u>	<u>1,631</u>	<u>394,584</u>	<u>146,818</u>	<u>149,520</u>	<u>2,086,128</u>
<u>\$ 39,425</u>	<u>\$ 209,729</u>	<u>\$ 55,855</u>	<u>\$ 1,631</u>	<u>\$ 404,245</u>	<u>\$ 316,568</u>	<u>\$ 149,520</u>	<u>\$ 2,489,629</u>

SCHEDULE 5
TOWN OF PLAISTOW, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2018

	Special Revenue Funds					Rescue Vehicle and Emergency Equipment
	Water	Conservation Commission	Police	Impact Fees	Outside Details	
REVENUES						
Intergovernmental receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	121,621	-	-	-	77,462	-
Miscellaneous	-	425	186	29,014	-	17
Total revenues	121,621	425	186	29,014	77,462	17
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	29,995	-	57,507	12,442
Highways and streets	-	-	-	173	-	-
Water distribution and treatment	40,265	-	-	-	-	-
Culture and recreation	-	-	-	3,295	-	-
Conservation	-	6,900	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	40,265	6,900	29,995	3,468	57,507	12,442
Excess (deficiency) of revenues over (under) expenditures	81,356	(6,475)	(29,809)	25,546	19,955	(12,425)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(6,345)	-	-
Total other financing sources (uses)	-	-	-	(6,345)	-	-
Net change in fund balances	81,356	(6,475)	(29,809)	19,201	19,955	(12,425)
Fund balances, beginning	458,763	367,291	87,974	230,717	60,952	12,428
Fund balances, ending	\$ 540,119	\$ 360,816	\$ 58,165	\$ 249,918	\$ 80,907	\$ 3

Special Revenue Funds				Capital Project Funds			Total
Recreation Revolving	Grants	Cable	Other Special Revenue	Public Safety Complex	Westville Road Bridge	Permanent	
\$ -	\$ 421,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 421,145
11,904	-	-	-	-	-	-	210,987
-	-	20,000	3	7,829	-	(4,612)	52,862
11,904	421,145	20,000	3	7,829	-	(4,612)	684,994
-	-	4,145	-	-	-	-	4,145
-	42,427	-	-	-	-	-	142,371
-	-	-	-	-	-	-	173
-	-	-	-	-	-	-	40,265
13,234	-	-	-	-	-	-	16,529
-	-	-	-	-	-	-	6,900
-	381,440	-	-	500,303	45,550	-	927,293
13,234	423,867	4,145	-	500,303	45,550	-	1,137,676
(1,330)	(2,722)	15,855	3	(492,474)	(45,550)	(4,612)	(452,682)
-	-	-	-	-	70,000	-	70,000
-	-	-	-	-	-	(352)	(6,697)
-	-	-	-	-	70,000	(352)	63,303
(1,330)	(2,722)	15,855	3	(492,474)	24,450	(4,964)	(389,379)
40,755	11,089	40,000	1,628	887,058	122,368	154,484	2,475,507
\$ 39,425	\$ 8,367	\$ 55,855	\$ 1,631	\$ 394,584	\$ 146,818	\$ 149,520	\$ 2,086,128