

**TOWN OF PLAISTOW,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2021**

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

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# PLODZIK & SANDERSON

*Professional Association/Certified Public Accountants*

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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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Plaistow as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Plaistow, as of December 31, 2021, and the respective changes in financial position, and, the respective budgetary comparison for the general and water funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Plaistow and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

The Town of Plaistow's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Plaistow's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plaistow's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Plaistow's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**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,
- 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, and
- Notes to the Required Supplementary Information

Such information is the responsibility of management and, 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.

**Supplementary 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.

May 31, 2022

*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, 2021. 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 10-11 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 12-15.

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 fifteen 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 and Water Fund which are considered to be the Town's only major funds. 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

### Statement of Net Position

Net position of the Town of Plaistow as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Current assets	\$ 16,361,039	\$ 7,998,585	\$ 8,362,454
Capital assets, net	29,621,657	25,691,038	3,930,619
Total assets	<u>45,982,696</u>	<u>33,689,623</u>	<u>12,293,073</u>
Total deferred outflows of resources	<u>1,747,240</u>	<u>2,164,365</u>	<u>(417,125)</u>
Long-term liabilities outstanding	14,593,948	16,372,275	(1,778,327)
Other liabilities	<u>10,125,665</u>	<u>1,232,660</u>	<u>8,893,005</u>
Total liabilities	<u>24,719,613</u>	<u>17,604,935</u>	<u>7,114,678</u>
Total deferred inflows of resources	<u>2,549,089</u>	<u>938,528</u>	<u>1,610,561</u>
Net Position:			
Net investment in capital assets	22,279,822	18,610,113	3,669,709
Restricted	561,693	724,780	(163,087)
Unrestricted	<u>(2,380,281)</u>	<u>(2,024,368)</u>	<u>(355,913)</u>
Total net position	<u>\$ 20,461,234</u>	<u>\$ 17,310,525</u>	<u>\$ 3,150,709</u>

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

### Statement of Activities

Changes in net position for the years ending December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Revenues:			
Program Revenues			
Charges for services	\$ 482,654	\$ 517,205	\$ (34,551)
Operating grants and contributions	424,246	816,622	(392,376)
Capital grants and contributions	2,905,861	2,917,031	(11,170)
General revenues:			
Property taxes	6,081,353	6,316,551	(235,198)
Other taxes	77,232	65,223	12,009
Motor vehicle permit fees	1,976,329	1,871,269	105,060
Licenses and other fees	202,387	229,341	(26,954)
Grants and contributions not restricted to specific programs	572,969	490,741	82,228
Miscellaneous	1,066,890	952,988	113,902
Total revenues	<u>13,789,921</u>	<u>14,176,971</u>	<u>(387,050)</u>
Expenses:			
General government	3,389,151	3,944,780	(555,629)
Public safety	3,924,180	3,895,127	29,053
Highways and streets	912,769	999,296	(86,527)
Sanitation	899,446	809,009	90,437
Water	247,603	282,803	(35,200)
Health and welfare	156,663	140,178	16,485
Culture and recreation	889,529	1,019,117	(129,588)
Conservation	39,893	15,512	24,381
Interest on long-term debt	179,978	220,718	(40,740)
Total expenses	<u>10,639,212</u>	<u>11,326,540</u>	<u>(687,328)</u>
Change in net position	3,150,709	2,850,431	300,278
Net position, beginning	<u>17,310,525</u>	<u>14,460,094</u>	<u>2,850,431</u>
Net position, ending	<u>\$ 20,461,234</u>	<u>\$ 17,310,525</u>	<u>\$ 3,150,709</u>

The Town's net position increased by \$3,150,709.

The Town's expenses cover a range of services. The largest expenses were for general government and public safety, which accounted for 68.74% 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 \$4,107,067. This includes an unassigned amount of \$2,407,090. The total General Fund fund balance decreased \$706,217 from the December 31, 2020 amount.

#### ***Water Fund***

The Water fund accounts for all activity related to the Water Department. At the end of the current year, the Water fund fund balances totaled \$446,278. The fund balance decreased \$84,134 from the December 31, 2020 amount.

#### ***Other Governmental Funds***

The total fund balance of \$1,184,135 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 Conservation Fund (\$361,955), Impact Fees Fund (\$246,819), Outside Details Fund (\$204,878), and Permanent Fund (\$155,513).

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgetary information for the major governmental fund (the General Fund) can be found in the report at Exhibit D-1 on page 16.

The actual budgetary revenues exceeded the budget for estimated revenues by \$329,265. The Town received \$114,007 more in taxes, \$66,216 more in licenses and permits, \$6,044 more in intergovernmental, \$8,478 more in charges for services and \$134,520 more from miscellaneous sources.

The actual budgetary expenditures were less than the budgeted appropriations by \$345,765.

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

## 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.

The Town's capital assets for its governmental activities as of December 31, 2021 is \$39,358,774. Accumulated depreciation amounts to \$9,737,117, leaving a net book value of \$29,621,657. 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:

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Land	\$ 3,804,365	\$ 3,779,365	\$ 25,000
Buildings and building improvements	10,804,655	11,316,286	(511,631)
Vehicles and equipment	2,514,124	1,948,326	565,798
Infrastructure	6,263,875	5,402,151	861,724
Construction in progress	6,234,638	3,244,910	2,989,728
Total	<u>\$ 29,621,657</u>	<u>\$ 25,691,038</u>	<u>\$ 3,930,619</u>

### Long-Term Obligations

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

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
General obligation bond	\$ 6,720,000	\$ 7,000,000	\$ (280,000)
Premium on bond	250,488	273,281	(22,793)
Capital leases	371,347	-	371,347
Compensated absences	258,339	182,101	76,238
Net other postemployment benefits	1,695,783	1,657,589	38,194
Net pension liability	5,297,991	7,259,304	(1,961,313)
Total	<u>\$ 14,593,948</u>	<u>\$ 16,372,275</u>	<u>\$ (1,778,327)</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 is moving forward with significant progress to bring potable water to Town which will lead to future development of commercial properties.

### **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, 2021*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,378,733
Investments	2,603,655
Taxes receivables (net)	1,315,344
Account receivables	273,506
Intergovernmental receivable	646,010
Prepaid items	143,791
Capital assets:	
Land and construction in progress	10,039,003
Other capital assets, net of depreciation	19,582,654
Total assets	45,982,696
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	1,339,601
Amounts related to other postemployment benefits	407,639
Total deferred outflows of resources	1,747,240
<b>LIABILITIES</b>	
Accounts payable	805,693
Accrued salaries and benefits	141,922
Retainage payable	119,889
Contracts payable	208,972
Accrued interest payable	84,296
Intergovernmental payable	8,764,893
Long-term liabilities:	
Due within one year	375,110
Due in more than one year	14,218,838
Total liabilities	24,719,613
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - ARPA	403,924
Amounts related to pensions	2,059,949
Amounts related to other postemployment benefits	85,216
Total deferred inflows of resources	2,549,089
<b>NET POSITION</b>	
Net investment in capital assets	22,279,822
Restricted	561,693
Unrestricted	(2,380,281)
Total net position	\$ 20,461,234

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, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 3,389,151	\$ 17,946	\$ -	\$ -	\$ (3,371,205)
Public safety	3,924,180	246,465	227,289	-	(3,450,426)
Highways and streets	912,769	-	151,570	-	(761,199)
Sanitation	899,446	-	-	-	(899,446)
Water	247,603	148,116	-	2,905,861	2,806,374
Health	129,627	-	-	-	(129,627)
Welfare	27,036	-	-	-	(27,036)
Culture and recreation	889,529	70,127	-	-	(819,402)
Conservation	39,893	-	45,387	-	5,494
Interest on long-term debt	179,978	-	-	-	(179,978)
Total governmental activities	<u>\$ 10,639,212</u>	<u>\$ 482,654</u>	<u>\$ 424,246</u>	<u>\$ 2,905,861</u>	<u>(6,826,451)</u>
General revenues:					
Taxes:					
Property					6,081,353
Other					77,232
Motor vehicle permit fees					1,976,329
Licenses and other fees					202,387
Grants and contributions not restricted to specific programs					572,969
Unrestricted investment earnings					30,991
Miscellaneous					1,035,899
Total general revenues					<u>9,977,160</u>
Change in net position					3,150,709
Net position, beginning					17,310,525
Net position, ending					<u>\$ 20,461,234</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, 2021**

	General	Water	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,171,480	\$ 19,009	\$ 1,188,244	\$ 11,378,733
Investments	2,045,757	-	557,898	2,603,655
Taxes receivable (net)	1,315,344	-	-	1,315,344
Accounts receivable	106,814	152,023	14,669	273,506
Intergovernmental receivable	29,873	605,257	10,880	646,010
Interfund receivable	183,632	-	-	183,632
Prepaid items	143,791	-	-	143,791
Total assets	<u>\$ 13,996,691</u>	<u>\$ 776,289</u>	<u>\$ 1,771,691</u>	<u>\$ 16,544,671</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 804,543	\$ 1,150	\$ -	\$ 805,693
Accrued salaries and benefits	141,922	-	-	141,922
Retainage payable	-	119,889	-	119,889
Contracts payable	-	208,972	-	208,972
Intergovernmental payable	8,764,893	-	-	8,764,893
Interfund payable	-	-	183,632	183,632
Total liabilities	<u>9,711,358</u>	<u>330,011</u>	<u>183,632</u>	<u>10,225,001</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - Property taxes	178,266	-	-	178,266
Unavailable revenue - ARPA	-	-	403,924	403,924
Total deferred inflows of resources	<u>178,266</u>	<u>-</u>	<u>403,924</u>	<u>582,190</u>
<b>FUND BALANCES</b>				
Nonspendable	143,791	-	140,494	284,285
Restricted	240,526	-	180,673	421,199
Committed	1,309,167	446,278	861,329	2,616,774
Assigned	6,493	-	1,639	8,132
Unassigned	2,407,090	-	-	2,407,090
Total fund balances	<u>4,107,067</u>	<u>446,278</u>	<u>1,184,135</u>	<u>5,737,480</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,996,691</u>	<u>\$ 776,289</u>	<u>\$ 1,771,691</u>	<u>\$ 16,544,671</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, 2021*

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

Total fund balances of governmental funds (Exhibit C-1)	\$ 5,737,480
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.	
Cost	\$ 39,358,774
Less accumulated depreciation	<u>(9,737,117)</u>
	29,621,657
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.	
Deferred outflows of resources related to pensions	\$ 1,339,601
Deferred inflows of resources related to pensions	(2,059,949)
Deferred outflows of resources related to OPEB	407,639
Deferred inflows of resources related to OPEB	<u>(85,216)</u>
	(397,925)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.	
Receivables	\$ (183,632)
Payables	<u>183,632</u>
	-
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.	
Deferred inflows of resources - property taxes	178,266
Interest on long-term debt is not accrued in governmental funds.	
Accrued interest payable	(84,296)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.	
Bond	\$ 6,720,000
Unamortized bond premium	250,488
Capital lease	371,347
Compensated absences	258,339
Net pension liability	5,297,991
Other postemployment benefits	<u>1,695,783</u>
	(14,593,948)
Net position of governmental activities (Exhibit A)	<u><u>\$ 20,461,234</u></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, 2021**

	General	Water	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 6,163,052	\$ -	\$ -	\$ 6,163,052
Licenses and permits	2,178,716	-	-	2,178,716
Intergovernmental	880,550	2,905,861	116,665	3,903,076
Charges for services	91,478	148,116	243,060	482,654
Miscellaneous	970,080	-	96,810	1,066,890
Total revenues	<u>10,283,876</u>	<u>3,053,977</u>	<u>456,535</u>	<u>13,794,388</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,618,781	-	2,357	3,621,138
Public safety	3,570,609	-	220,337	3,790,946
Highways and streets	822,458	-	-	822,458
Water	-	3,138,111	-	3,138,111
Sanitation	1,293,105	-	-	1,293,105
Health	128,636	-	-	128,636
Welfare	27,036	-	-	27,036
Culture and recreation	811,020	-	3,296	814,316
Conservation	6,173	-	33,720	39,893
Debt service:				
Principal	280,000	-	-	280,000
Interest	236,950	-	-	236,950
Capital outlay	554,912	-	398,461	953,373
Total expenditures	<u>11,349,680</u>	<u>3,138,111</u>	<u>658,171</u>	<u>15,145,962</u>
Deficiency of revenues under expenditures	<u>(1,065,804)</u>	<u>(84,134)</u>	<u>(201,636)</u>	<u>(1,351,574)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	27,200	-	55,000	82,200
Transfers out	(55,000)	-	(27,200)	(82,200)
Capital lease	387,387	-	-	387,387
Total other financing sources (uses)	<u>359,587</u>	<u>-</u>	<u>27,800</u>	<u>387,387</u>
Net change in fund balances	(706,217)	(84,134)	(173,836)	(964,187)
Fund balances, beginning, as restated (see Note 20)	4,813,284	530,412	1,357,971	6,701,667
Fund balances, ending	<u>\$ 4,107,067</u>	<u>\$ 446,278</u>	<u>\$ 1,184,135</u>	<u>\$ 5,737,480</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, 2021*

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (964,187)
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	\$ 5,049,457	
Depreciation expense	<u>(1,118,838)</u>	
		3,930,619
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (82,200)	
Transfers out	<u>82,200</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(4,467)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Inception of capital lease	\$ (387,387)	
Repayment of bond principal	280,000	
Repayment of capital lease	16,040	
Amortization of bond premium	<u>22,793</u>	
		(68,554)
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.		
Increase in accrued interest expense	\$ (84,296)	
Decrease in prepaid bond interest	118,475	
Increase in compensated absences payable	(76,238)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	392,953	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(93,596)</u>	
		257,298
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 3,150,709</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT D-1**  
**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, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 6,044,578	\$ 6,158,585	\$ 114,007
Licenses and permits	2,112,500	2,178,716	66,216
Intergovernmental	874,506	880,550	6,044
Charges for services	83,000	91,478	8,478
Miscellaneous	743,000	877,520	134,520
Total revenues	<u>9,857,584</u>	<u>10,186,849</u>	<u>329,265</u>
<b>EXPENDITURES</b>			
Current:			
General government	3,627,436	3,547,002	80,434
Public safety	3,082,991	3,138,622	(55,631)
Highways and streets	925,996	769,313	156,683
Sanitation	935,937	905,718	30,219
Health	131,517	128,636	2,881
Welfare	32,350	27,036	5,314
Culture and recreation	187,296	173,827	13,469
Conservation	6,480	6,173	307
Debt service:			
Principal	280,000	280,000	-
Interest	236,951	236,950	1
Capital outlay	630,000	517,912	112,088
Total expenditures	<u>10,076,954</u>	<u>9,731,189</u>	<u>345,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(219,370)</u>	<u>455,660</u>	<u>675,030</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	148,544	135,744	(12,800)
Transfers out	(721,296)	(736,296)	(15,000)
Total other financing sources (uses)	<u>(572,752)</u>	<u>(600,552)</u>	<u>(27,800)</u>
Net change in fund balances	<u>\$ (792,122)</u>	<u>(144,892)</u>	<u>\$ 647,230</u>
Decrease in nonspendable fund balance		54,439	
Unassigned fund balance, beginning		2,675,809	
Unassigned fund balance, ending		<u>\$ 2,585,356</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

*EXHIBIT D-2*  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual (GAAP Basis)*  
*Water Fund*  
*For the Fiscal Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,905,861	\$ 2,905,861	\$ -
Charges for services	431,300	431,300	148,116	(283,184)
Total revenues	<u>431,300</u>	<u>3,337,161</u>	<u>3,053,977</u>	<u>(283,184)</u>
<b>EXPENDITURES</b>				
Current:				
Water	<u>421,300</u>	<u>3,327,161</u>	<u>3,138,111</u>	<u>189,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,000</u>	<u>10,000</u>	<u>(84,134)</u>	<u>(94,134)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(84,134)</u>	<u>\$ (84,134)</u>
Committed fund balance, beginning			<u>530,412</u>	
Committed fund balance, ending			<u>\$ 446,278</u>	

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 Fiduciary Net Position**  
**December 31, 2021**

	Private Purpose Trust Funds	All Custodial Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,479	\$ 277,379	\$ 280,858
Investments	348,097	1,083,994	1,432,091
Intergovernmental receivable	-	8,629,703	8,629,703
Total assets	<u>351,576</u>	<u>9,991,076</u>	<u>10,342,652</u>
<b>LIABILITIES</b>			
Accounts payable	-	29,873	29,873
Intergovernmental payables:			
School	-	8,629,703	8,629,703
Total liabilities	<u>-</u>	<u>8,659,576</u>	<u>8,659,576</u>
<b>NET POSITION</b>			
Restricted	<u>\$ 351,576</u>	<u>\$ 1,331,500</u>	<u>\$ 1,683,076</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 Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2021**

	Private Purpose Trust Funds	All Custodial Funds	Total
<b>ADDITIONS</b>			
Contributions	\$ 11,000	\$ 56,273	\$ 67,273
Investment earnings	7,273	10,627	17,900
Change in fair market value	19,476	21,066	40,542
Tax collections for other governments	-	19,240,240	19,240,240
Collection of motor vehicle fees for State	-	637,183	637,183
Intergovernmental transfer in	-	2,970	2,970
Total additions	<u>37,749</u>	<u>19,968,359</u>	<u>20,006,108</u>
<b>DEDUCTIONS</b>			
Scholarships	22,170	-	22,170
Payments to other governments	-	19,274,740	19,274,740
Payments of motor vehicle fees to State	-	637,183	637,183
Payments for escrow purposes	-	29,873	29,873
Total deductions	<u>22,170</u>	<u>19,941,796</u>	<u>19,963,966</u>
Net increase in fiduciary net position	15,579	26,563	42,142
Net position, beginning	335,997	1,304,937	1,640,934
Net position, ending	<u>\$ 351,576</u>	<u>\$ 1,331,500</u>	<u>\$ 1,683,076</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**  
*AS OF AND FOR THE FISCAL YEAR ENDED*  
*DECEMBER 31, 2021*

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**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

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**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

**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.

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 three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital 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 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.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

The Town reports the following major governmental funds:

**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.

**Water Fund** – accounts for the activities related to the operation of the water treatment plant, wells, and water system.

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 Funds** – 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 13 nonmajor governmental funds.

**Fiduciary Fund Financial Statements** – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town 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.

**Custodial Fund** – are custodial in nature and do not belong to the primary government. A custodial 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.

### ***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.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

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.

**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). 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.

***1-F Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

***1-G Capital Assets***

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), which are reported in the governmental activities' column 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.

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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:

	<u>Years</u>
<b>Capital Asset Classes:</b>	
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” (i.e., the current portion of interfund loans). 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 5, 2021, and November 9, 2021, and due on July 1, 2021 and December 27, 2021. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2020 on April 28, 2021.

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.

The Town net assessed valuation as of April 1, 2021 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 1,312,314,969
For all other taxes	\$ 1,349,940,969

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The tax rates and amounts assessed for the year ended December 31, 2021 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$ 4.66	\$ 6,291,805
School portion:		
State of New Hampshire	1.67	2,191,861
Local	11.84	15,982,091
County portion	0.79	1,066,288
Total	\$ 18.96	\$25,532,045

***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, 2021.

***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 outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Town after the measurement date but before the end of the Town’s reporting period.

*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. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable, other receivables not collected within 60 days after year-end, and American Rescue Plan Act federal funds (ARPA) received in advance of eligible expenditures.

***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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the bond premium or discount.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classification to categorize the financial transaction:

**Direct Placements** – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

***1-M Compensated Absences***

The Town’s policy allows certain employees to earn varying amounts of vacation pay 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 the Town’s 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.

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***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 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 the bond and capital lease that are attributable to the acquisition, construction, or improvement of those 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.

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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 and Town Manager 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 policy.

*Plan for Target Balance* – The unassigned fund balance target shall be maintained by conservatively estimating revenues and giving consideration when analyzing the use of fund balance to mitigating variations related to larger one-time revenues anticipated that are related to general operations (such as 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 (operations) of the Town, State and local education, and county purposes for that tax year to confirm and if necessary, modify, the Selectmen’s initial estimates.

*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 of 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 government’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.

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***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 of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts and taxes receivables, and the useful lives and impairment of capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, 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.

***1-R Change in Classification***

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the Westville Road Capital Project fund which accounts for the Westville Road project did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds.

***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 and water funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

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 2021, none of the beginning general fund unassigned fund balance was applied for this purpose and \$792,122 was voted from unassigned fund balance to fund current year appropriations.

***2-B Budgetary Reconciliation to GAAP Basis***

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for each major governmental fund which had a budget. There are no differences between the budgetary basis of accounting for the major water fund.

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Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 10,322,593
Adjustment:	
Basis difference:	
Inception of capital lease	387,387
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	92,560
To eliminate and recognize transfers between blended funds	(108,544)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	4,467
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,698,463</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 10,467,485
Adjustment:	
Basis differences:	
Inception of capital lease	387,387
Encumbrances, beginning	176,704
Encumbrances, ending	(6,493)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	1,060,893
To eliminate and recognize transfers between blended funds	(681,296)
Per Exhibit C-3 (GAAP basis)	<u>\$ 11,404,680</u>

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$11,659,591 and the bank balances totaled \$12,648,572. Petty cash totaled \$100.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 11,378,733
Cash per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	280,858
Total cash and cash equivalents	<u>\$ 11,659,591</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. Since 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, 2021:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Equity exchange traded funds	Level 1	\$ 374,867	\$ 374,867
Equity mutual funds	Level 1	213,848	213,848
Fixed income exchange traded funds	Level 2	598,053	598,053
Fixed income mutual funds	Level 2	2,044,323	2,044,323
Total fair value		<u>3,231,091</u>	<u>3,231,091</u>
Investments carried at amortized cost:			
New Hampshire Public Deposit Investment Pool		804,655	804,655
Total investments		<u>\$ 4,035,746</u>	<u>\$ 4,035,746</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 rate 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 expensed 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.

The Town’s investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure
Equity exchange traded funds	\$ 374,867	\$ 374,867
Equity mutual funds	213,848	213,848
Fixed income exchange traded funds	598,053	598,053
Fixed income mutual funds	2,044,323	2,044,323
New Hampshire Public Deposit Investment Pool	804,655	804,655
Total	<u>\$ 4,035,746</u>	<u>\$ 4,035,746</u>

**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 Trustee of Trust Funds investment policies do not directly address the 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 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.

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Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 2,603,655
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	<u>1,432,091</u>
Total investments	<u><u>\$ 4,035,746</u></u>

**NOTE 5 – TAXES RECEIVABLE**

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2021. 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 2021	\$ 1,036,316
Unredeemed (under tax lien):	
Levy of 2020	122,902
Levy of 2019	101,366
Levies of 2018 and prior	531,213
Less: allowance for estimated uncollectible taxes	<u>(476,453)</u>
Net taxes receivable	<u><u>\$ 1,315,344</u></u>

**NOTE 6 – OTHER RECEIVABLES**

Receivables at December 31, 2021, consisted of accounts (billings for police details, water, and other user charges) and intergovernmental amounts arising 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 in the general fund at December 31, 2021 consisted of the following:

Annual dues and licenses	\$ 14,796
Insurance	120,225
Miscellaneous	<u>8,770</u>
Total	<u><u>\$ 143,791</u></u>

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,779,365	\$ 25,000	\$ -	\$ 3,804,365
Construction in progress	<u>3,244,910</u>	<u>3,206,668</u>	<u>(216,940)</u>	<u>6,234,638</u>
Total capital assets not being depreciated	<u><u>7,024,275</u></u>	<u><u>3,231,668</u></u>	<u><u>(216,940)</u></u>	<u><u>10,039,003</u></u>

*(continued)*

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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Buildings and building improvements	15,632,247	-	-	15,632,247
Vehicles and equipment	4,856,346	919,340	-	5,775,686
Infrastructure	6,796,449	1,115,389	-	7,911,838
Total capital assets being depreciated	<u>27,285,042</u>	<u>2,034,729</u>	<u>-</u>	<u>29,319,771</u>
Total all capital assets	<u>34,309,317</u>	<u>5,266,397</u>	<u>(216,940)</u>	<u>39,358,774</u>
Less accumulated depreciation:				
Buildings and building improvements	(4,315,961)	(511,631)	-	(4,827,592)
Vehicles and equipment	(2,908,020)	(353,542)	-	(3,261,562)
Infrastructure	(1,394,298)	(253,665)	-	(1,647,963)
Total accumulated depreciation	<u>(8,618,279)</u>	<u>(1,118,838)</u>	<u>-</u>	<u>(9,737,117)</u>
Net book value, capital assets being depreciated	<u>18,666,763</u>	<u>915,891</u>	<u>-</u>	<u>19,582,654</u>
Net book value, all capital assets	<u>\$25,691,038</u>	<u>\$4,147,559</u>	<u>\$(216,940)</u>	<u>\$29,621,657</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	\$ 51,812
Public safety	634,559
Highways and streets	296,274
Sanitation	9,768
Water treatment and distribution	49,533
Culture and recreation	76,892
Total depreciation expense	<u>\$ 1,118,838</u>

**NOTE 9 – INTERFUND BALANCES AND TRANSFERS**

**Interfund Balances** - The composition of interfund balances as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	<u>\$ 183,632</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, 2021 is as follows:

	Transfers In:		Total
	General Fund	Nonmajor Fund	
Transfers out:			
General fund	\$ -	\$ 55,000	\$ 55,000
Nonmajor fund	27,200	-	27,200
Total	<u>\$ 27,200</u>	<u>\$ 55,000</u>	<u>\$ 82,200</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 at December 31, 2021 consist of the following:

	Governmental Fund General	Fiduciary Funds
Property taxes due to the custodial funds	\$ 8,629,703 <sup>1</sup>	\$ -
Property taxes due to the Timberlane Regional School District	-	8,629,703 <sup>2</sup>
Due to the New Hampshire Retirement System	107,271	-
Other	27,919	-
Total intergovernmental payables due	<u>\$ 8,764,893</u>	<u>\$ 8,629,703</u>

- Property taxes due to the custodial funds represent amounts collected by the Town on behalf of the Timberlane Regional School District and are reported as a component of general fund cash at year-end.
- Property taxes due to the Timberlane Regional School District represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

**NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources of at December 31, 2021 consist of amounts related to pensions totaling \$1,339,601 and amounts related to OPEB totaling \$407,639. For further discussion on these amounts, see Note 14 and 16, respectively.

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	\$ -	\$178,266	\$ -
ARPA funds received in advance of eligible expenditures	403,924	-	403,924
Amounts related to pensions, see Note 14	2,059,949	-	-
Amounts related to OPEB, see Note 16	85,216	-	-
Total deferred inflows of resources	<u>\$ 2,549,089</u>	<u>\$178,266</u>	<u>\$ 403,924</u>

**NOTE 12 – CAPITAL LEASE OBLIGATION**

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

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2021
Capital lease obligation:		
Trash carts	3.13%	<u>\$ 371,347</u>

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

	Governmental Activities
Equipment:	
Trash carts	\$ 387,387
Less: accumulated depreciation	-
Total capital lease equipment	<u>\$ 387,387</u>

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The annual requirements to amortize the capital lease payable as of December 31, 2021, including interest payments, are as follows:

Fiscal Year Ending December 31.	Governmental Activities
2022	\$ 84,227
2023	84,227
2024	84,227
2025	84,227
2026	63,170
Total requirements	400,078
Less: interest	(28,731)
Present value of remaining payments	<u>\$ 371,347</u>

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, 2021:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due in Less Than One Year	Due in More Than One Year
Bond payable:						
Direct placement	\$ 7,000,000	\$ -	\$ (280,000)	\$ 6,720,000	\$ 280,000	\$ 6,440,000
Premium	273,281	-	(22,793)	250,488	21,441	229,047
Total bond payable	<u>7,273,281</u>	<u>-</u>	<u>(302,793)</u>	<u>6,970,488</u>	<u>301,441</u>	<u>6,669,047</u>
Capital lease	-	387,387	(16,040)	371,347	73,669	297,678
Compensated absences	182,101	76,238	-	258,339	-	258,339
Net pension liability	7,259,304	-	(1,961,313)	5,297,991	-	5,297,991
Net other postemployment benefits	1,657,589	38,194	-	1,695,783	-	1,695,783
Total long-term liabilities	<u>\$ 16,372,275</u>	<u>\$ 501,819</u>	<u>\$(2,280,146)</u>	<u>\$ 14,593,948</u>	<u>\$ 375,110</u>	<u>\$ 14,218,838</u>

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2021
Bond payable:					
Direct placement:					
Public safety complex	\$ 8,119,600	2016	2045	2.86	\$ 6,720,000
Bond premium					250,488
Total					<u>\$ 6,970,488</u>

The annual requirements to amortize the general obligation bond outstanding as of December 31, 2021, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond - Direct Placement		
	Principal	Interest	Total
2022	\$ 280,000	\$ 222,894	\$ 502,894
2023	280,000	208,838	488,838
2024	280,000	197,582	477,582
2025	280,000	186,326	466,326
2026	280,000	172,270	452,270
2027-2031	1,400,000	728,210	2,128,210
2032-2036	1,400,000	507,360	1,907,360
2037-2041	1,400,000	295,960	1,695,960
2042-2045	1,120,000	84,560	1,204,560
Totals	<u>\$ 6,720,000</u>	<u>\$ 2,604,000</u>	<u>\$ 9,324,000</u>

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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.

**Bonds/Notes Authorized and Unissued** – Bonds and notes authorized and unissued as of December 31, 2021 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 12, 2019	Asset management study	<u>\$ 30,000</u>

**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 a 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 within 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** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). 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.

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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.

**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. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80% respectively. For the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43% for fire and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021 the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$640,382, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2021 the Town reported a liability of \$5,297,991 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net

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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, 2021, the Town's proportion was 0.12% which was an increase of 0.01% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$252,687. At December 31, 2021 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	\$ 270,388	\$ 522,756
Changes in assumptions	553,345	-
Net difference between projected and actual investment earnings on pension plan investments	-	1,481,727
Differences between expected and actual experience	148,352	55,466
Contributions subsequent to the measurement date	367,516	-
Total	\$ 1,339,601	\$ 2,059,949

The \$367,516 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, 2022. 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,	
2022	\$ (270,677)
2023	(207,369)
2024	(184,527)
2025	(425,291)
Totals	\$ (1,087,864)

**Actuarial Assumptions** – The collective total pension liability was based on the following assumptions:

Inflation:	2.0%
Salary increases:	5.6% average, including inflation
Wage inflation:	2.75% (2.25% for Teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

**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.

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Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the collective total pension liability was 6.75%. 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 6.75% 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 (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 7,576,733	\$ 5,297,991	\$ 3,397,148

**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.

**NOTE 15 – SUPPLEMENTAL RETIREMENT PLAN**

All employees employed by the Town are eligible to participate in a defined contribution pension plan administered by the Variable Annuity Insurance Company (VALIC). Participation begins on the first day of employment. The Town has no requirement or obligation under State Statutes to contribute to this plan, however the Town has adopted the Supplemental Retirement Plan 457(b) for its employees. The Board of Selectmen has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The Town does not contribute to the plan. Employees may make voluntary contributions to the plan. Contributions for the year ended December 31, 2021, were \$39,000 from employees.

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**NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**16-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2021 Annual Comprehensive Financial Report, which can be found on the system’s website at [www.nhrs.org](http://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 2021 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 the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$59,492, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At December 31, 2021, the Town reported a liability of \$496,280 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. 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, 2021, the Town’s proportion was 0.12% which was the same as its proportion measured as of June 30, 2020.

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For the year ended December 31, 2021, the Town recognized OPEB expense of \$44,919. At December 31, 2021, 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	\$ 319	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	6,199
Differences between expected and actual experience	-	104
Contributions subsequent to the measurement date	33,041	-
Total	\$ 33,360	\$ 6,303

The \$33,041 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, 2022. 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,	
2022	\$ (1,203)
2023	(1,303)
2024	(1,460)
2025	(2,018)
Totals	\$ (5,984)

**Actuarial Assumptions** – The collective total OPEB liability was based on the following actuarial assumptions:

Inflation:	2.0%	
Salary increases:	5.6 % average, including inflation	
Wage inflation:	2.75% (2.25% for Teachers)	
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation for determining solvency contributions	

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 - June 30, 2019.

**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 geometric real rates of return for each asset class:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and 100-A:53. 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 6.75% 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 (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 539,496	\$ 496,280	\$ 458,680

**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.

**16-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.

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**Benefits Provided** – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees.

**Employees Covered by Benefit Terms** – At January 1, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	<u>36</u>
Total participants covered by OPEB plan	<u><u>41</u></u>

**Total OPEB Liability** – The Town’s total OPEB liability of \$1,199,503 was measured as of December 31, 2021, and was determined by an actuarial valuation of January 1, 2020.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$1,199,503 in the January 1, 2020, 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:	2.12%
Healthcare Cost Trend Rates:	
Current Year Trend	9.50%
Second Year Trend	9.00%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2030
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 December 31, 2020.

Mortality rates were based on the *SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Year 2006)*.

**Changes in the Total OPEB Liability**

	December 31,	
	2020	2021
OPEB liability beginning of year	\$ 753,714	\$ 1,153,298
Changes for the year:		
Service cost	49,016	50,055
Interest	23,209	24,153
Assumption changes and difference between actual and expected experience	354,781	-
Benefit payments	<u>(27,422)</u>	<u>(28,003)</u>
OPEB liability end of year	<u><u>\$ 1,153,298</u></u>	<u><u>\$ 1,199,503</u></u>

**Sensitivity of the Town’s OPEB Liability to Changes in the Discount Rate** – The January 1, 2020, actuarial valuation was prepared using a discount rate of 2.12%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$1,088,305. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$1,322,926.

	Discount Rate		
	1% Decrease	Baseline 2.12%	1% Increase
Total OPEB Liability	<u><u>\$ 1,322,926</u></u>	<u><u>\$ 1,199,503</u></u>	<u><u>\$ 1,088,305</u></u>

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**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The January 1, 2020, actuarial valuation was prepared using an initial trend rate of 9.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$1,371,622. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$1,052,831.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 9.50%	1% Increase
Total OPEB Liability	\$ 1,052,831	\$ 1,199,503	\$ 1,371,622

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2021, the Town recognized OPEB expense of \$140,215. At December 31, 2021, 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 assumptions	\$ 346,977	\$ -
Differences between expected and actual experience	27,302	78,913
Total	\$ 374,279	\$ 78,913

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,	
2022	\$ 66,007
2023	66,007
2024	66,007
2025	63,630
2026	33,715
Totals	\$ 295,366

**NOTE 17 – ENCUMBRANCES**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2021 and are as follows:

General fund:	
Highways and streets	\$ 6,493

**NOTE 18 – GOVERNMENTAL AND FIDUCIARY FUNDS NET POSITION**

Net position reported on the governmental and fiduciary funds Statements of Net Position at December 31, 2021 include the following:

	Government-wide Financial Statements	Fiduciary Funds
	Governmental Activities	Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 29,621,657	\$ -
Less:		
General obligation bond payable	(6,720,000)	-
Unamortized bond premiums	(250,488)	-
Capital lease payable	(371,347)	-
Total net investment in capital assets	22,279,822	-

*(Continued)*

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Governmental and fiduciary funds net position continued:

	Government-wide	
	Financial	
	Statements	
	Governmental	Fiduciary
	Activities	Funds
Restricted net position:		
Permanent fund principal	140,494	-
Permanent fund income	15,019	-
Library	240,526	-
Capital Projects	79,655	-
Special revenue funds	85,999	-
Private purpose trust funds	-	351,576
Individuals, organizations, and other governments	-	1,331,500
Total restricted net position	<u>561,693</u>	<u>1,683,076</u>
Unrestricted	<u>(2,380,281)</u>	<u>-</u>
Total net position	<u>\$ 20,461,234</u>	<u>\$ 1,683,076</u>

**NOTE 19 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General	Water	Nonmajor	Total
	Fund	Fund	Funds	Governmental
				Funds
<b>Nonspendable:</b>				
Prepaid items	\$ 143,791	\$ -	\$ -	\$ 143,791
Permanent fund - principal balance	-	-	140,494	140,494
Total nonspendable fund balance	<u>143,791</u>	<u>-</u>	<u>140,494</u>	<u>284,285</u>
<b>Restricted:</b>				
Library	240,526	-	-	240,526
Capital projects	-	-	79,655	79,655
Police	-	-	62,561	62,561
Grants	-	-	177	177
Cable TV	-	-	23,261	23,261
Permanent fund - income balance	-	-	15,019	15,019
Total restricted fund balance	<u>240,526</u>	<u>-</u>	<u>180,673</u>	<u>421,199</u>
<b>Committed:</b>				
Expendable trust	1,309,167	-	-	1,309,167
Water	-	446,278	-	446,278
Conservation commission	-	-	361,955	361,955
Impact fees	-	-	246,819	246,819
Outside details	-	-	204,878	204,878
Recreation revolving	-	-	33,062	33,062
Cemetery maintenance	-	-	14,615	14,615
Total committed fund balance	<u>1,309,167</u>	<u>446,278</u>	<u>861,329</u>	<u>2,616,774</u>
<b>Assigned:</b>				
Encumbrances	6,493	-	-	6,493
Other special revenue	-	-	1,639	1,639
Total assigned fund balance	<u>6,493</u>	<u>-</u>	<u>1,639</u>	<u>8,132</u>
<b>Unassigned</b>	<u>2,407,090</u>	<u>-</u>	<u>-</u>	<u>2,407,090</u>
Total governmental fund balances	<u>\$ 4,107,067</u>	<u>\$ 446,278</u>	<u>\$ 1,184,135</u>	<u>\$ 5,737,480</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

**NOTE 20 – PRIOR PERIOD ADJUSTMENTS**

Fund balance at January 1, 2021 was restated to give retroactive effect to the following prior period adjustments:

	General Fund	Nonmajor Funds
Reclassification of previously major to nonmajor fund	\$ -	\$ 1,600
To report the Highway Garage/Salt Shed project as a capital project fund	(131,754)	131,754
Fund balance, as previously reported	4,945,038	1,224,617
Fund balance, as restated	\$ 4,813,284	\$ 1,357,971

**NOTE 21 – 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 2021, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex<sup>3</sup>, 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 Primex<sup>3</sup> 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. In 2021 the Town paid \$159,275 and \$72,136 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex<sup>3</sup> 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 22 – CAFETERIA BENEFIT PLAN**

Effective March 1, 2007, the Town implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the Town, into any combination of the following benefit categories:

1. Out of Pocket Medical Spending Account; or
2. Dependent Care Spending Account

In addition to directing the Town's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Care Spending Account, and \$2,500 into the medical spending account. This cap applies to both Town contributions and employee pre-tax contributions.

All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the Town begins on January 1 and ends on December 31. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (items 2 and 3 above), employees must submit claims within 90 days of the end of the plan year or separation of service from the Town, whichever occurs first. Funds unclaimed after 90 days of the close of the plan year are then remitted to the Town.

**NOTE 23 – CONTINGENCIES**

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 Town'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 Town anticipates such amounts, if any, will be immaterial.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

**NOTE 24 – COVID-19**

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The Town was allotted a total of \$807,785 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$403,893 or 50% of the funding was received in 2021. The remainder is expected to be received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue and necessary water, sewer, and broadband investment. For the year ended December 31, 2021, the Town spent none of the funds received. The remaining funds are included in deferred inflows of resources until eligible expenditures have been made. The total deferred amount includes \$31 in interest for a total deferred amount of \$403,924.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

**NOTE 25 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. No tax abatement programs requiring financial statement disclosure were identified.

**NOTE 26 – 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 May 31, 2022, the date the December 31, 2021 financial statements were available to be issued, the following warrant articles were approved by the voters at the March 8, 2022 annual Town election:

**Warrant Article P-22-02:** Authorized the issuance of up to \$450,000 in bonds or notes for the water service incentive program.

**Warrant Article P-22-03:** Authorized the issuance of up to \$1,500,000 in bonds or notes for the replacement of the fire truck.

**Warrant Article P-22-08:** Authorized the use of \$80,000 General Fund unassigned fund balance for unanticipated expenditures.

**Warrant Article P-22-13:** Authorized the use of \$20,000 General Fund unassigned fund balance to be deposited into the Cemetery Special Maintenance Expendable Trust Fund.

**Warrant Article P-22-17:** Authorized the use of \$25,000 General Fund unassigned fund balance to establish a Building Expendable Trust Fund.

**Warrant Article P-22-19:** Authorized the use of \$5,120 General Fund unassigned fund balance to be deposited into the Old Home Day Expendable Trust Fund.

***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, 2021*  
**Unaudited**

	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Town's:									
Proportion of the net pension liability	0.14%	0.14%	0.13%	0.13%	0.14%	0.13%	0.13%	0.11%	0.12%
Proportionate share of the net net pension liability	\$ 6,093,361	\$ 5,087,146	\$ 5,078,269	\$ 7,176,738	\$ 6,693,102	\$ 6,387,327	\$ 6,114,322	\$ 7,259,304	\$ 5,297,991
Covered payroll (as of the measurement date)	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419	\$ 2,789,520	\$ 3,055,644
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%	215.26%	260.23%	173.38%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

47 This Note to the Required Supplementary Information – Pension Liability is and integral part of this report.

**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, 2021*  
**Unaudited**

	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 352,048	\$ 439,683	\$ 430,061	\$ 483,271	\$ 498,572	\$ 560,652	\$ 552,999	\$ 504,192	\$ 640,382
Contributions in relation to the contractually required contributions	(352,048)	(439,683)	(430,061)	(483,271)	(498,572)	(560,652)	(552,999)	(504,192)	(640,382)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year-end)	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419	\$ 2,789,520	\$ 3,185,473
Contributions as a percentage of covered pay	13.11%	16.59%	16.68%	18.66%	17.48%	19.17%	19.47%	18.07%	20.10%

This Note to the Required Supplementary Information – Pension Liability is and integral part of this report.  
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**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

***Schedule of the Town's Proportionate Share of Net Pension Liability and  
Schedule of Town Contributions - Pensions***

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates***– A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

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, 2021. 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.

**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, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net OPEB liability	0.10%	0.10%	0.15%	0.14%	0.12%	0.12%
Town's proportionate share of the net OPEB liability (asset)	\$ 492,161	\$ 470,494	\$ 700,189	\$ 635,868	\$ 504,291	\$ 496,280
Town's covered payroll (as of the measurement date)	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419	\$ 2,789,520	\$ 3,055,644
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	19.00%	16.49%	23.94%	22.39%	18.08%	16.24%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

**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, 2021*

*Unaudited*

	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Contractually required contribution	\$ 59,073	\$ 60,989	\$ 67,646	\$ 66,190	\$ 53,478	\$ 59,492
Contributions in relation to the contractually required contribution	(59,073)	(60,989)	(67,646)	(66,190)	(53,478)	(59,492)
Contribution deficiency (excess)	<u>\$ -</u>					
Town's covered payroll (as of the fiscal year-end)	<u>\$ 2,590,231</u>	<u>\$ 2,852,730</u>	<u>\$ 2,925,358</u>	<u>\$ 2,840,419</u>	<u>\$ 2,789,520</u>	<u>\$ 3,185,473</u>
Contributions as a percentage of covered payroll	2.28%	2.14%	2.31%	2.33%	1.92%	1.87%

**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, 2021**  
**Unaudited**

	December 31.			
	2018	2019	2020	2021
OPEB liability, beginning of year	\$ 677,543	\$ 731,213	\$ 753,714	\$ 1,153,298
Changes for the year:				
Service cost	27,593	31,269	49,016	50,055
Interest	27,110	25,001	23,209	24,153
Assumption changes and difference between actual and expected experience	31,594	-	354,781	-
Benefit payments	(32,627)	(33,769)	(27,422)	(28,003)
OPEB liability, end of year	<u>\$ 731,213</u>	<u>\$ 753,714</u>	<u>\$ 1,153,298</u>	<u>\$ 1,199,503</u>
Covered payroll	<u>\$ 3,649,307</u>	<u>\$ 3,800,602</u>	<u>\$ 2,652,873</u>	<u>\$ 2,732,459</u>
Total OPEB liability as a percentage of covered payroll	20.04%	19.83%	43.47%	43.90%

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, 2021**

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

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates***– A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

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, 2021. 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.

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

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – Mortality assumption changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2018 (Base Year 2006) to SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Year 2006). In addition, the tables used for retirement and termination assumptions were updated to reflect the most recent tables from the New Hampshire Retirement System Comprehensive Annual Financial Report dated June 30, 2019.

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, 2021. 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, 2021*

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 5,974,578	\$ 6,081,353	\$ 106,775
Interest and penalties on taxes	70,000	77,232	7,232
Total from taxes	<u>6,044,578</u>	<u>6,158,585</u>	<u>114,007</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	2,500	3,465	965
Motor vehicle permit fees	1,960,000	1,976,329	16,329
Building permits	84,000	122,314	38,314
Other	66,000	76,608	10,608
Total from licenses, permits, and fees	<u>2,112,500</u>	<u>2,178,716</u>	<u>66,216</u>
Intergovernmental:			
State:			
Meals and rooms distribution	568,863	568,863	-
Highway block grant	151,609	151,570	(39)
Other	1,034	4,186	3,152
Federal:			
Other	20,000	18,738	(1,262)
Other	133,000	137,193	4,193
Total from intergovernmental	<u>874,506</u>	<u>880,550</u>	<u>6,044</u>
Charges for services:			
Income from departments	<u>83,000</u>	<u>91,478</u>	<u>8,478</u>
Miscellaneous:			
Sale of municipal property	265,000	263,008	(1,992)
Interest on investments	7,500	5,116	(2,384)
Other	470,500	609,396	138,896
Total from miscellaneous	<u>743,000</u>	<u>877,520</u>	<u>134,520</u>
Other financing sources:			
Transfers in	<u>148,544</u>	<u>135,744</u>	<u>(12,800)</u>
Total revenues and other financing sources	10,006,128	<u>\$ 10,322,593</u>	<u>\$ 316,465</u>
Amounts voted from fund balance	<u>792,122</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 10,798,250</u>		

See Independent Auditor's Report.

**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, 2021*

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
<b>Current:</b>					
<b>General government:</b>					
Executive	\$ -	\$ 306,297	\$ 287,064	\$ -	\$ 19,233
Election and registration	-	119,548	112,845	-	6,703
Financial administration	-	344,113	355,515	-	(11,402)
Revaluation of property	45,000	-	45,000	-	-
Legal	-	81,000	124,408	-	(43,408)
Personnel administration	-	1,910,526	1,864,632	-	45,894
Planning and zoning	-	96,057	106,058	-	(10,001)
General government buildings	-	292,185	282,668	-	9,517
Cemeteries	-	8,000	7,733	-	267
Insurance, not otherwise allocated	-	142,416	98,026	-	44,390
Advertising and regional associations	-	25,500	16,564	-	8,936
Other	26,779	301,794	318,268	-	10,305
<b>Total general government</b>	<b>71,779</b>	<b>3,627,436</b>	<b>3,618,781</b>	<b>-</b>	<b>80,434</b>
<b>Public safety:</b>					
Police	8,287	2,010,225	2,074,712	-	(56,200)
Fire	-	918,285	926,173	-	(7,888)
Building inspection	-	136,881	121,958	-	14,923
Emergency management	-	17,600	24,066	-	(6,466)
<b>Total public safety</b>	<b>8,287</b>	<b>3,082,991</b>	<b>3,146,909</b>	<b>-</b>	<b>(55,631)</b>
<b>Highways and streets:</b>					
Administration	-	316,165	289,753	-	26,412
Highways and streets	59,638	492,331	436,993	6,493	108,483
Street lighting	-	117,500	95,712	-	21,788
<b>Total highways and streets</b>	<b>59,638</b>	<b>925,996</b>	<b>822,458</b>	<b>6,493</b>	<b>156,683</b>
<b>Sanitation:</b>					
Solid waste collection	-	889,437	844,574	-	44,863
Solid waste disposal	-	46,500	61,144	-	(14,644)
<b>Total sanitation</b>	<b>-</b>	<b>935,937</b>	<b>905,718</b>	<b>-</b>	<b>30,219</b>
<b>Health:</b>					
Administration	-	88,617	86,479	-	2,138
Pest control	-	950	210	-	740
Health agencies	-	41,950	41,947	-	3
<b>Total health</b>	<b>-</b>	<b>131,517</b>	<b>128,636</b>	<b>-</b>	<b>2,881</b>
<b>Welfare:</b>					
Administration and direct assistance	-	32,350	27,036	-	5,314
<b>Culture and recreation:</b>					
Parks and recreation	-	186,695	172,626	-	14,069
Patriotic purposes	-	600	597	-	3
Other	-	1	604	-	(603)
<b>Total culture and recreation</b>	<b>-</b>	<b>187,296</b>	<b>173,827</b>	<b>-</b>	<b>13,469</b>
Conservation	-	6,480	6,173	-	307
<b>Debt service:</b>					
Principal of long-term debt	-	280,000	280,000	-	-
Interest on long-term debt	-	236,950	236,950	-	-
Interest on tax anticipation notes	-	1	-	-	1
<b>Total debt service</b>	<b>-</b>	<b>516,951</b>	<b>516,950</b>	<b>-</b>	<b>1</b>

See Independent Auditor's Report.

(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, 2021*

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	37,000	630,000	554,912	-	112,088
Other financing uses:					
Transfers out	-	721,296	736,296	-	(15,000)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 176,704	\$ 10,798,250	\$ 10,637,696	\$ 6,493	\$ 330,765

See Independent Auditor's Report.

**SCHEDULE 3**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Changes in Unassigned Fund Balance*  
*For the Fiscal Year Ended December 31, 2021*

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)	\$ 2,675,809
Changes:	
Amounts voted from fund balance	(792,122)
2021 Budget summary:	
Revenue surplus (Schedule 1)	\$ 316,465
Unexpended balance of appropriations (Schedule 2)	<u>330,765</u>
2021 Budget surplus	647,230
Decrease in nonspendable fund balance	<u>54,439</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)	2,585,356
<b><i>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</i></b>	
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis	<u>(178,266)</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)	<u><u>\$ 2,407,090</u></u>

**SCHEDULE 4**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
*Nonmajor Governmental Funds*  
*Combining Balance Sheet*  
*December 31, 2021*

	Special Revenue Funds					
	Conservation Commission	Police	Impact Fees	Outside Details	Recreation Revolving	Grants
<b>ASSETS</b>						
Cash and cash equivalents	\$ 357,455	\$ 62,561	\$ 416,036	\$ 194,709	\$ 33,062	\$ -
Investments	-	-	-	-	-	403,924
Accounts receivable	4,500	-	-	10,169	-	-
Intergovernmental receivable	-	-	-	-	-	10,880
Total assets	<u>\$ 361,955</u>	<u>\$ 62,561</u>	<u>\$ 416,036</u>	<u>\$ 204,878</u>	<u>\$ 33,062</u>	<u>\$ 414,804</u>
<b>LIABILITIES</b>						
Interfund payable	\$ -	\$ -	\$ 169,217	\$ -	\$ -	\$ 10,703
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - ARPA	-	-	-	-	-	403,924
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	62,561	-	-	-	177
Committed	361,955	-	246,819	204,878	33,062	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>361,955</u>	<u>62,561</u>	<u>246,819</u>	<u>204,878</u>	<u>33,062</u>	<u>177</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 361,955</u>	<u>\$ 62,561</u>	<u>\$ 416,036</u>	<u>\$ 204,878</u>	<u>\$ 33,062</u>	<u>\$ 414,804</u>

Special Revenue Funds			Capital Project Funds				Permanent Fund	Total
Cable	Other Special Revenue	Cemetery Maintenance	Public Safety Complex	Westville Road Bridge	Highway Garage			
\$ 23,261	\$ 1,639	\$ 14,615	\$ 26,415	\$ -	\$ 56,952	\$ 1,539	\$ 1,188,244	
-	-	-	-	-	-	153,974	557,898	
-	-	-	-	-	-	-	14,669	
-	-	-	-	-	-	-	10,880	
<u>\$ 23,261</u>	<u>\$ 1,639</u>	<u>\$ 14,615</u>	<u>\$ 26,415</u>	<u>\$ -</u>	<u>\$ 56,952</u>	<u>\$ 155,513</u>	<u>\$ 1,771,691</u>	
\$ -	\$ -	\$ -	\$ 3,712	\$ -	\$ -	\$ -	\$ 183,632	
-	-	-	-	-	-	-	403,924	
-	-	-	-	-	-	140,494	140,494	
23,261	-	-	22,703	-	56,952	15,019	180,673	
-	-	14,615	-	-	-	-	861,329	
-	1,639	-	-	-	-	-	1,639	
<u>23,261</u>	<u>1,639</u>	<u>14,615</u>	<u>22,703</u>	<u>-</u>	<u>56,952</u>	<u>155,513</u>	<u>1,184,135</u>	
<u>\$ 23,261</u>	<u>\$ 1,639</u>	<u>\$ 14,615</u>	<u>\$ 26,415</u>	<u>\$ -</u>	<u>\$ 56,952</u>	<u>\$ 155,513</u>	<u>\$ 1,771,691</u>	

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**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, 2021**

	Special Revenue Fund					
	Conservation Commission	Police	Impact Fees	Outside Details	Recreation Revolving	Grants
<b>REVENUES</b>						
Intergovernmental receivable	\$ 45,387	\$ 33,381	\$ -	\$ -	\$ -	\$ 37,897
Charges for services	-	-	-	241,895	1,165	-
Miscellaneous	442	43	54,359	-	-	1
Total revenues	<u>45,829</u>	<u>33,424</u>	<u>54,359</u>	<u>241,895</u>	<u>1,165</u>	<u>37,898</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	2,973	-	185,467	-	31,897
Culture and recreation	-	-	-	-	2,995	-
Conservation	33,720	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,000
Total expenditures	<u>33,720</u>	<u>2,973</u>	<u>-</u>	<u>185,467</u>	<u>2,995</u>	<u>37,897</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,109</u>	<u>30,451</u>	<u>54,359</u>	<u>56,428</u>	<u>(1,830)</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	12,109	30,451	54,359	56,428	(1,830)	1
Fund balances, beginning, as restated (see Note 20)	349,846	32,110	192,460	148,450	34,892	176
Fund balances, ending	<u>\$ 361,955</u>	<u>\$ 62,561</u>	<u>\$ 246,819</u>	<u>\$ 204,878</u>	<u>\$ 33,062</u>	<u>\$ 177</u>

Special Revenue Funds			Capital Project Funds				Total
Cable	Other Special Revenue	Cemetery Maintenance	Public Safety Complex	Westville Road Bridge	Highway Garage	Permanent Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,665
-	-	-	-	-	-	-	243,060
-	2	5,375	25,957	-	-	10,631	96,810
-	2	5,375	25,957	-	-	10,631	456,535
2,357	-	-	-	-	-	-	2,357
-	-	-	-	-	-	-	220,337
-	-	-	-	-	-	301	3,296
-	-	-	-	-	-	-	33,720
-	-	-	261,059	1,600	129,802	-	398,461
2,357	-	-	261,059	1,600	129,802	301	658,171
(2,357)	2	5,375	(235,102)	(1,600)	(129,802)	10,330	(201,636)
-	-	-	-	-	55,000	-	55,000
-	-	-	-	-	-	(27,200)	(27,200)
-	-	-	-	-	55,000	(27,200)	27,800
(2,357)	2	5,375	(235,102)	(1,600)	(74,802)	(16,870)	(173,836)
25,618	1,637	9,240	257,805	1,600	131,754	172,383	1,357,971
\$ 23,261	\$ 1,639	\$ 14,615	\$ 22,703	\$ -	\$ 56,952	\$ 155,513	\$ 1,184,135

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**SCHEDULE 6**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Custodial Funds Fiduciary Net Position**  
**December 31, 2021**

	Custodial Funds					Total
	Taxes	Trust Funds	Impact Fees	Escrows	Town Clerk Fees - State Portion	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 14,894	\$ 22,615	\$ 239,870	\$ -	\$ 277,379
Investments	-	1,083,994	-	-	-	1,083,994
Intergovernmental receivables	8,629,703	-	-	-	-	8,629,703
Total assets	<u>8,629,703</u>	<u>1,098,888</u>	<u>22,615</u>	<u>239,870</u>	<u>-</u>	<u>9,991,076</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	29,873	-	29,873
Intergovernmental payables:						
School	8,629,703	-	-	-	-	8,629,703
Total liabilities	<u>8,629,703</u>	<u>-</u>	<u>-</u>	<u>29,873</u>	<u>-</u>	<u>8,659,576</u>
<b>NET POSITION</b>						
Restricted	<u>\$ -</u>	<u>\$ 1,098,888</u>	<u>\$ 22,615</u>	<u>\$ 209,997</u>	<u>\$ -</u>	<u>\$ 1,331,500</u>

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**SCHEDULE 7**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Custodial Funds Changes in Fiduciary Net Position**  
**Unaudited**

	Custodial Funds					Total
	Taxes	Trust Funds	Impact Fees	Escrows	Town Clerk Fees - State Portion	
<b>ADDITIONS</b>						
Contributions	\$ -	\$ -	\$ 14,270	\$ 42,003	\$ -	\$ 56,273
Investment earnings	-	10,339	62	226	-	10,627
Change in fair market value	-	21,066	-	-	-	21,066
Collections for other governments	19,240,240	-	-	-	-	19,240,240
Collection of motor vehicle fees for State	-	-	-	-	637,183	637,183
Intergovernmental sources	-	2,970	-	-	-	2,970
<b>Total additions</b>	<b>19,240,240</b>	<b>34,375</b>	<b>14,332</b>	<b>42,229</b>	<b>637,183</b>	<b>19,968,359</b>
<b>DEDUCTIONS</b>						
Payments to other governments	19,240,240	-	34,500	-	-	19,274,740
Payments of motor vehicle fees to State	-	-	-	-	637,183	637,183
Payments for escrow purposes	-	-	-	29,873	-	29,873
<b>Total deductions</b>	<b>19,240,240</b>	<b>-</b>	<b>34,500</b>	<b>29,873</b>	<b>637,183</b>	<b>19,941,796</b>
Net increase (decrease) in fiduciary net position	-	34,375	(20,168)	12,356	-	26,563
Net position, beginning	-	1,064,513	42,783	197,641	-	1,304,937
Net position, ending	\$ -	\$ 1,098,888	\$ 22,615	\$ 209,997	\$ -	\$ 1,331,500

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