

**TOWN OF PLAISTOW, NEW HAMPSHIRE**

**Financial Statements**

**December 31, 2012**

**and**

**Independent Auditor's Report**

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**December 31, 2012**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Plaistow, New Hampshire as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Basis for Adverse Opinion on Governmental Activities***

As discussed in Note 2 to the financial statements, management has not recorded a liability for other post-employment benefits in governmental activities and, accordingly, has not recorded an expense for the

current period change in that liability. Accounting principles generally accepted in the United States of America require that other post-employment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

### ***Adverse Opinion***

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Plaistow, New Hampshire, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Plaistow, New Hampshire, as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 21-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plaistow, New Hampshire's basic financial statements. The combining nonmajor fund and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund and fiduciary fund financial statements 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, based on our audit and the procedures performed as described above, the combining nonmajor fund and fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Vachon Charney & Company PC". The signature is written in a cursive, flowing style.

Manchester, New Hampshire  
March 10, 2014

EXHIBIT A  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Statement of Net Position**  
December 31, 2012

	Governmental <u>Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 5,418,911
Investments	1,307,006
Taxes receivable, net	6,573,378
Accounts receivable, net	58,546
Due from other governments	350,985
Prepaid expenses	28,531
Total Current Assets	<u>13,737,357</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	3,958,200
Depreciable capital assets, net	<u>6,874,610</u>
Total Noncurrent Assets	<u>10,832,810</u>
Total Assets	<u>24,570,167</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Total Deferred Outflows of Resources	<u>-</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	244,667
Accrued expenses	93,655
Due to other governments	<u>7,455,792</u>
Total Current Liabilities	<u>7,794,114</u>
Noncurrent Liabilities:	
Compensated absences	<u>206,553</u>
Total Noncurrent Liabilities	<u>206,553</u>
Total Liabilities	<u>8,000,667</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned tax revenue	<u>9,178</u>
Total Deferred Inflows of Resources	<u>9,178</u>
<b>NET POSITION</b>	
Invested in capital assets	10,832,810
Restricted	214,337
Unrestricted	<u>5,513,175</u>
Total Net Position	<u>\$ 16,560,322</u>

*See accompanying notes to the basic financial statements*

EXHIBIT B  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Statement of Activities**  
For the Year Ended December 31, 2012

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General government	\$ 2,664,100	\$ 7,599		\$ (2,656,501)
Public safety	2,660,410	129,569	\$ 285,310	(2,245,531)
Highways and streets	898,164		143,771	(754,393)
Sanitation	539,441			(539,441)
Water distribution and treatment	63,595	90,246		26,651
Health and welfare	192,414	9,298	365	(182,751)
Culture and recreation	764,468	107,410		(657,058)
Total governmental activities	<u>\$ 7,782,592</u>	<u>\$ 344,122</u>	<u>\$ 429,446</u>	<u>(7,009,024)</u>
General revenues:				
Property and other taxes				4,571,065
Licenses and permits				1,349,770
Grants and contributions:				
Rooms and meals tax distribution				338,320
Railroad tax				71
Interest and investment earnings				15,633
Miscellaneous				455,885
Contributions to permanent fund principal				6,160
Total general revenues and contributions to permanent fund principal				<u>6,736,904</u>
Change in net position				(272,120)
Net position - beginning of year				<u>16,832,442</u>
Net position - ending				<u>\$ 16,560,322</u>

*See accompanying notes to the basic financial statements*

EXHIBIT C  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
December 31, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,621,596	\$ 797,315	\$ 5,418,911
Investments	1,181,290	125,716	1,307,006
Taxes receivable, net	6,573,378		6,573,378
Accounts receivable, net	22,398	36,148	58,546
Due from other governments	83,335	267,650	350,985
Due from other funds	442,698	115,863	558,561
Prepaid expenses	28,531		28,531
Total Assets	<u>12,953,226</u>	<u>1,342,692</u>	<u>14,295,918</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total Deferred Outflows of Resources			
Total Assets and Deferred Outflows of Resources	<u>\$ 12,953,226</u>	<u>\$ 1,342,692</u>	<u>\$ 14,295,918</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 244,667		\$ 244,667
Accrued expenses	93,655		93,655
Due to other governments	7,455,792		7,455,792
Due to other funds	115,863	\$ 442,698	558,561
Total Liabilities	<u>7,909,977</u>	<u>442,698</u>	<u>8,352,675</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned tax revenue	978,056		978,056
Total Deferred Inflows of Resources	<u>978,056</u>		<u>978,056</u>
<b>FUND BALANCES</b>			
Nonspendable	39,031	105,318	144,349
Restricted	51,026	47,494	98,520
Committed	789,023	668,675	1,457,698
Assigned	689,364	78,855	768,219
Unassigned (deficit)	2,496,749	(348)	2,496,401
Total Fund Balances	<u>4,065,193</u>	<u>899,994</u>	<u>4,965,187</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,953,226</u>	<u>\$ 1,342,692</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			10,832,810
Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis			968,878
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:			
Compensated absences			(206,553)
Net position of governmental activities			<u>\$ 16,560,322</u>

See accompanying notes to the basic financial statements



## EXHIBIT D

## TOWN OF PLAISTOW, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

For the Year Ended December 31, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 4,681,250	\$ 12,208	\$ 4,693,458
Licenses and permits	1,349,770		1,349,770
Intergovernmental	752,318	15,519	767,837
Charges for services	110,329	228,496	338,825
Interest and investment income	13,944	1,689	15,633
Miscellaneous	423,867	43,475	467,342
Total Revenues	<u>7,331,478</u>	<u>301,387</u>	<u>7,632,865</u>
Expenditures:			
Current operations:			
General government	2,610,075		2,610,075
Public safety	2,472,386	109,313	2,581,699
Highways and streets	805,907		805,907
Sanitation	539,441		539,441
Water distribution and treatment	28,916		28,916
Health and welfare	190,885		190,885
Culture and recreation	691,893	16,355	708,248
Capital outlay	92,099	9,145	101,244
Total Expenditures	<u>7,431,602</u>	<u>134,813</u>	<u>7,566,415</u>
Excess revenues over expenditures	<u>(100,124)</u>	<u>166,574</u>	<u>66,450</u>
Other financing sources (uses):			
Transfers in	34,640	5,000	39,640
Transfers out	<u>(5,000)</u>	<u>(34,640)</u>	<u>(39,640)</u>
Total other financing sources (uses)	<u>29,640</u>	<u>(29,640)</u>	<u>-</u>
Net change in fund balances	<u>(70,484)</u>	<u>136,934</u>	<u>66,450</u>
Fund balances at beginning of year	<u>4,135,677</u>	<u>763,060</u>	<u>4,898,737</u>
Fund balances at end of year	<u>\$ 4,065,193</u>	<u>\$ 899,994</u>	<u>\$ 4,965,187</u>

See accompanying notes to the basic financial statements

TOWN OF PLAISTOW, NEW HAMPSHIRE  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities

For the Year Ended December 31, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 66,450
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(161,047)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(122,393)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(55,130)</u>
Change in Net Position of Governmental Activities	<u>\$ (272,120)</u>

EXHIBIT E  
TOWN OF PLAISTOW, NEW HAMPSHIRE  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2012

	Private- Purpose <u>Trust Funds</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents		\$ 187,273
Investments	\$ 5,531	
Total Assets	<u>5,531</u>	<u>\$ 187,273</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	
LIABILITIES		
Deposits		\$ 174,709
Due to other governments		12,564
Total Liabilities	<u>-</u>	<u>\$ 187,273</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	
NET POSITION		
Held in trust	<u>5,531</u>	
Total Net Position	<u>\$ 5,531</u>	

*See accompanying notes to the basic financial statements*

EXHIBIT F  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
For the Year Ended December 31, 2012

	<u>Private- Purpose Trust Funds</u>
ADDITIONS:	
Investment earnings:	
Interest	\$       6
Total Additions	<u>         6</u>
DEDUCTIONS:	
Benefits	<u>        114</u>
Total Deductions	<u>        114</u>
Change in Net Position	(108)
Net Position - beginning of year	<u>      5,639</u>
Net Position - end of year	<u><u>\$    5,531</u></u>

*See accompanying notes to the basic financial statements*

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2012**

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

The accounting policies of the Town of Plaistow, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

***Financial Reporting Entity***

The Town of Plaistow, New Hampshire (the “Town”) was incorporated in 1749. The Town operates under the Town Meeting/Board of Selectmen/Town Manager form of government and performs local governmental functions authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

***Basis of Presentation***

The Town’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

During the year ended December 31, 2012, the Town implemented GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*” Under this new standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets.

**1. Government-Wide Financial Statements:**

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

**2. Fund Financial Statements:**

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

***Fund Accounting***

The Town uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of two categories of funds: governmental and fiduciary.

**1. Governmental Funds:**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following is the Town's major governmental fund:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

**2. Fiduciary Funds:**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private purpose trust funds and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town maintains private purpose trust funds which account for monies designated to benefit individuals within the Town. The Town's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Town's agency funds consist of planning board escrow deposits and impact fees held for the school.

***Measurement Focus***

**1. Government-Wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

**2. Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation schedule with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust funds are reported using the economic resources measurement focus.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**1. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes and interest on investments.

Licenses and permits, charges for services, and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

**2. Unearned Revenue:**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

**3. Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

***Budgetary Data***

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended December 31, 2012, the Town applied \$550,000 of its unassigned fund balance to reduce taxes.

***Investments***

Investments are stated at their fair value in all funds. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

***Taxes Receivable***

Taxes levied during the current year and prior and uncollected at December 31, 2012 are recorded as receivables net of reserves for estimated uncollectible amounts of \$805,000.

***Accounts Receivable***

The Town recognizes uncollectible accounts under the allowance method. Accounts receivable in the General Fund and Nonmajor Governmental Funds have been recorded net of reserves for estimated uncollectible amounts of \$32,501 and \$52,445, respectively.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

***Capital Assets***

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets including infrastructure and intangible assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The Town maintains a capitalization threshold of \$30,000. The Town's infrastructure consists of roads, bridges, sidewalks, water purification and distribution system, and similar items. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

The Town is not required to retroactively report its general infrastructure (e.g. roads, bridges, and sidewalks). Infrastructure records have been maintained effective January 1, 2004 and are included in these financial statements.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Years</u>
Infrastructure	25-50
Buildings and improvements	15-50
Vehicles and equipment	10-50

***Compensated Absences***

Dependent upon length of service, full time employees, other than the police department, earn vacation at five to twenty days per year dependent on length of service. Pursuant to the Town's personnel policy, employees may accumulate (subject to certain limitations) unused vacation and upon severance of employment, will be compensated for such amounts at current rates of pay.

Full time employees, other than the police department, may accumulate sick leave days at a rate of one per month, cumulative to a maximum of 90 days. Upon termination, an employee will be reimbursed for half of the unused accumulated sick leave days in excess of a minimum of 20 days.

Police department employees accumulate earned time dependent upon length of service. All unused earned time is paid upon termination.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.



**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

***Accrued Liabilities and Long-Term Obligations***

Except for the obligation for other post-employment benefits (see Note 2), all payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year.

***Net Position***

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***Fund Balance Policy***

GASB Statement 54 established new fund balance classifications and changed the definition of governmental fund types. Under Statement 54, the Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The components of fund balance are defined as follows:

- *Nonspendable Fund Balance:* Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance:* Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation. Restrictions may be changed or lifted only upon the consent of the external resource provider or enabling legislation.
- *Committed Fund Balance:* Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned Fund Balance:* Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance:* Amounts that are available for any purpose; these amounts are reported only in the General Fund, except for any deficit fund balance of another governmental fund.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

As of December 31, 2012, the Town has not adopted a fund balance policy. In instances when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications may be applied, committed resources are to be applied first, followed by assigned and unassigned.

***Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include depreciation expense and the allowance for uncollectible receivables.

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

The Town did not implement GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The provisions of GASB 45 were required to be implemented by the Town during the fiscal year ended December 31, 2009.

**NOTE 3—PROPERTY TAXES**

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$827,670,502 as of April 1, 2012) and are due in two installments on July 1, 2012 and January 21, 2013. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property may be tax deeded to the Town.

In accordance with State law, the Town collects taxes for the Timberlane Regional School District and Rockingham County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the school district. Total taxes appropriated during the year were \$14,498,792 and \$931,830 for the Timberlane Regional School District and Rockingham County, respectively. These taxes are not

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

recognized as revenues in these financial statements. The Town bears responsibility for uncollected taxes.

**NOTE 4—RISK MANAGEMENT**

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2012, the Town was a member of the Local Government Center (LGC) and the New Hampshire Public Risk Management Exchange (PRIMEX). The Town currently reports all of its risk management activities in its General Fund. These Trusts are classified as "Risk Pools" in accordance with accounting principles generally accepted in the United States of America.

The Trust agreements permit the Trusts to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trusts foresee no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2012.

***Property and Liability Insurance***

The LGC provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the LGC, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. For the year ended December 31, 2012, the Trust retained \$500,000 of each loss, up to an aggregate of \$5,000,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

***Worker's Compensation***

PRIMEX provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

**NOTE 5—DEPOSITS AND INVESTMENTS**

Deposits and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

Statement of Net Position:	
Cash and cash equivalents	\$ 5,418,911
Investments	1,307,006
Statement of Fiduciary Net Position:	
Cash and cash equivalents	187,273
Investments	5,531
	<u>\$ 6,918,721</u>

Deposits and investments at December 31, 2012 consist of the following:

Cash on hand	\$ 48,228
Deposits with financial institutions	2,673,582
Investments	4,196,911
	<u>\$ 6,918,721</u>

The Town's investment policy for governmental fund types requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Town limits its investments to demand deposits, money market accounts, certificates of deposit, obligations of the US Government maturing in less than one year, and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool.

Responsibility for the investments of the expendable trust funds, permanent funds, and private-purpose trust funds is with the Board of Trustees of Trust Funds. Investments of the library funds are at the discretion of the Library Trustees.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Town's policy states that the Treasurer may place any excess funds that are not immediately needed for the purpose of expenditure into certificates of deposit, obligations of the United States government, or the NHPDIP. The investment policy of the Trustees of Trust Funds states that funds may be invested in the NHPDIP or obligations guaranteed by the United States government. The Library Trustees have no policy with respect to credit risk.

The following is the actual rating at year end for each investment type:

	<u>Investment Type</u>	<u>Not Rated</u>
Overnight repurchase agreement		\$ 2,884,374
State investment pool		1,312,537
		<u>\$ 4,196,911</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The policy of the Town and the Trustees of Trust Funds states that investments shall be protected through third-party collateralized securities. The Library Trustees have no policy regarding custodial credit risk of its governmental funds.

Of the Town's deposits with financial institutions at year end, \$667,893 was collateralized by securities held by the bank in the bank's name and \$-0- was uninsured and uncollateralized. As of December 31, 2012, Town investments in the following investment types were held by the same counterparty that was used to buy the securities.

<u>Investment Type</u>	<u>Reported Amount</u>
Overnight repurchase agreement	<u>\$ 2,884,374</u>

***Investment in NHPDIP***

The Town is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The Town's exposure to derivatives is indirect through its participation in the NHPDIP. The Town's proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

**NOTE 6—CAPITAL ASSETS**

The following is a summary of changes in capital assets in the governmental funds:

	<u>Balance 1/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 3,925,820			\$ 3,925,820
Construction in progress	-	\$ 32,380	\$ -	32,380
Total capital assets not being depreciated	<u>3,925,820</u>	<u>32,380</u>	<u>-</u>	<u>3,958,200</u>
Other capital assets:				
Infrastructure	2,738,725			2,738,725
Buildings and improvements	5,913,801			5,913,801
Vehicles and equipment	<u>2,215,588</u>	<u>129,982</u>		<u>2,345,570</u>
Total other capital assets at historical cost	<u>10,868,114</u>	<u>129,982</u>	<u>-</u>	<u>10,998,096</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

Less accumulated depreciation for:

Infrastructure	(434,919)	(64,467)		(499,386)
Buildings and improvements	(2,130,062)	(148,705)		(2,278,767)
Vehicles and equipment	(1,235,096)	(110,237)		(1,345,333)
Total accumulated depreciation	(3,800,077)	(323,409)	-	(4,123,486)
Total other capital assets, net	7,068,037	(193,427)	-	6,874,610
Total capital assets, net	<u>\$ 10,993,857</u>	<u>\$ (161,047)</u>	<u>\$ -</u>	<u>\$ 10,832,810</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 32,781
Public safety	109,136
Highways and streets	86,360
Water distribution and treatment	34,679
Culture and recreation	60,453
Total governmental activities depreciation expense	<u>\$ 323,409</u>

**NOTE 7—DUE TO OTHER GOVERNMENTS**

In accordance with State Law, the Town collects taxes for the Timberlane Regional School District and Rockingham County, both independent governmental units, which are remitted to them as required by law. At December 31, 2012, the balance of the property tax appropriation due to the Timberlane Regional School District is \$7,455,792.

**NOTE 8—DEFINED BENEFIT PLAN**

***Plan Description***

The Town contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

***Funding Policy***

Covered police officers and fire employees are required to contribute 11.55% and 11.80%, respectively of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers, fire employees, and general employees were 19.95%, 22.89% and 8.80%, respectively. The Town contributed 100% of the employer cost for public safety and general employees of the Town.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the years ending December 31, 2012, 2011, and 2010 were \$390,983 \$363,459, \$315,701, respectively, equal to the required contributions for each year.

**NOTE 9—LONG-TERM OBLIGATIONS**

*Changes in Long-Term Obligations*

The changes in the Town's long-term obligations for the year ended December 31, 2012 are as follows:

	Balance 1/1/2012	Additions	Reductions	Balance 12/31/2012	Due Within One Year
Governmental activities:					
Compensated absences	\$ 151,423	\$ 201,008	\$ (145,878)	\$ 206,553	\$ -
Total governmental activities	<u>\$ 151,423</u>	<u>\$ 201,008</u>	<u>\$ (145,878)</u>	<u>\$ 206,553</u>	<u>\$ -</u>

Compensated absences will be paid from the fund where the employee's salary is paid.

**NOTE 10—INTERFUND BALANCES AND TRANSFERS**

The General Fund has paid for various items that are to be reimbursed from the Nonmajor Governmental Funds. These reimbursements due to the General Fund are reflected as an interfund receivable from the Nonmajor Governmental Funds. In addition, excess amounts have been reimbursed from a Nonmajor Governmental Fund and is reported as an interfund payable in the General Fund at year end. Interfund balances at December 31, 2012 are as follows:

	General Fund	Due from Nonmajor Governmental Funds	Totals
Due to General Fund		\$ 442,698	\$ 442,698
Due to Nonmajor Governmental Funds	\$ 115,863		115,863
	<u>\$ 115,863</u>	<u>\$ 442,698</u>	<u>\$ 558,561</u>

During the year, several interfund transactions occurred between funds. The various transfers between the General Fund and the Nonmajor Governmental Funds were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2012 are as follows:

	General Fund	Transfer from Nonmajor Governmental Funds	Totals
Transfer to General Fund		\$ 34,640	\$ 34,640
Transfer to Nonmajor Governmental Funds	\$ 5,000		5,000
	<u>\$ 5,000</u>	<u>\$ 34,640</u>	<u>\$ 39,640</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

**NOTE 11—RESTRICTED NET POSITION**

Net position is restricted for specific purposes at December 31, 2012 as follows:

Permanent funds - Endowments	\$ 105,318
Permanent funds - Income	20,327
Library Fund - Endowments	10,500
Library Fund	51,026
Police Fund	10,490
Public Safety Grants Fund	16,676
	<u>\$ 214,337</u>

**NOTE 12—COMPONENTS OF FUND BALANCE**

The components of the Town's fund balance for its governmental funds at December 31, 2012 are as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable</b>			
Prepaid expenses	\$ 28,531		\$ 28,531
Library fund - Endowments	10,500		10,500
Permanent funds - Endowments		\$ 105,318	105,318
<b>Restricted for:</b>			
Permanent funds - Income		20,328	20,328
Police Fund		10,490	10,490
Public Safety Grants Fund		16,676	16,676
Library Fund	51,026		51,026
<b>Committed for:</b>			
Conservation Fund		198,381	198,381
Outside Details Fund		147,428	147,428
Water Suppression Fund		295,491	295,491
Recreation Revolving Fund		27,375	27,375
Expendable Trust Funds	789,023		789,023
<b>Assigned for:</b>			
Subsequent year's expenditures	90,000		90,000
Carryforward appropriations	3,211		3,211
Encumbrances	462,281		462,281
Library Fund	133,872		133,872
Cannons and Statue Fund		1,397	1,397
World War II Monument Fund		86	86
Westville Road Mitigation Fund		133	133
Impact Fees Fund		77,239	77,239
<b>Unassigned (deficit):</b>			
Unassigned - General operations	2,496,749		2,496,749
Other Grants Fund		(348)	(348)
	<u>\$ 4,065,193</u>	<u>\$ 899,994</u>	<u>\$ 4,965,187</u>



**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2012**

**NOTE 13—COMMITMENTS AND CONTINGENCIES**

***Sanitation Contract***

During June 2010, the Town entered into a long-term agreement with an independent company for the disposal of solid waste and recycling services through June 2013. Terms of the contract include minimum payments plus a tipping fee per tonnage disposed. The Town shall have the option to extend the contract for two additional one-year terms. For the year ended December 31, 2012, the Town expended \$493,992 under the terms of the agreement. Minimum future payments based on the flat rate charged for services will be as follows:

<u>Year Ending</u> <u>December 31,</u> 2013	<u>Solid</u> <u>Waste</u> \$ 101,946	<u>Recycling</u> \$ 41,616	<u>Totals</u> \$ 143,562
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***Litigation***

The Town's general counsel estimates that any potential claims against the Town, which are not covered by insurance, are immaterial and would not affect the financial position of the Town.

SCHEDULE 1

**TOWN OF PLAISTOW, NEW HAMPSHIRE**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual (Budgetary Basis) - General Fund**

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 4,820,264	\$ 4,820,264	\$ 4,558,857	\$ (261,407)
Licenses and permits	1,298,885	1,298,885	1,349,770	50,885
Intergovernmental	828,717	828,717	752,318	(76,399)
Charges for services	123,969	123,969	109,154	(14,815)
Interest and investment income	9,800	9,800	12,760	2,960
Miscellaneous	381,736	381,736	410,503	28,767
Total Revenues	<u>7,463,371</u>	<u>7,463,371</u>	<u>7,193,362</u>	<u>(270,009)</u>
Expenditures:				
Current operations:				
General government	2,648,477	2,648,477	2,622,009	26,468
Public safety	2,502,575	2,502,575	2,501,679	896
Highways and streets	1,025,147	1,025,147	936,183	88,964
Sanitation	587,000	587,000	559,068	27,932
Water distribution and treatment	70,877	70,877	28,916	41,961
Health and welfare	197,956	197,956	190,392	7,564
Culture and recreation	246,676	246,676	236,834	9,842
Capital outlay	535,000	130,000	112,099	17,901
Debt service	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total Expenditures	<u>7,813,709</u>	<u>7,408,709</u>	<u>7,187,180</u>	<u>221,529</u>
Excess revenues over (under) expenditures	<u>(350,338)</u>	<u>54,662</u>	<u>6,182</u>	<u>(48,480)</u>
Other financing sources (uses):				
Transfers in	550,000	148,211	126,739	(21,472)
Transfers out	<u>(749,662)</u>	<u>(749,662)</u>	<u>(749,662)</u>	<u>-</u>
Total other financing sources (uses)	<u>(199,662)</u>	<u>(601,451)</u>	<u>(622,923)</u>	<u>(21,472)</u>
Net change in fund balance	(550,000)	(546,789)	(616,741)	(69,952)
Fund balance at beginning of year				
- Budgetary Basis	<u>4,203,819</u>	<u>4,203,819</u>	<u>4,203,819</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 3,653,819</u>	<u>\$ 3,657,030</u>	<u>\$ 3,587,078</u>	<u>\$ (69,952)</u>

See accompanying notes to the required supplementary information

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2012**

**NOTE 1—BUDGET TO ACTUAL RECONCILIATION**

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary expenditures were adjusted for encumbrances. Budgetary revenues and expenditures were adjusted for budgetary transfers and non-budgetary revenues and expenditures as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 7,366,118	\$ 7,436,602
Difference in property taxes meeting susceptible to accrual criteria	(122,393)	
Encumbrances, December 31, 2012		462,281
Encumbrances, December 31, 2011		(228,803)
Budgetary transfers	92,099	744,662
Nonbudgetary activity	(15,723)	(477,900)
Per Schedule 1	<u>\$ 7,320,101</u>	<u>\$ 7,936,842</u>

**NOTE 2—BUDGETARY FUND BALANCES**

The components of the budgetary fund balance for the General Fund are as follows:

<b>Nonspendable</b>	
Prepaid expenses	\$ 28,240
<b>Assigned for:</b>	
Carryforward appropriation	405,000
Less: revenue not susceptible to accrual	(401,789)
Subsequent year's expenditures	90,000
<b>Unassigned:</b>	
General operations	<u>3,465,627</u>
	<u>\$ 3,587,078</u>

SCHEDULE A  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Governmental Funds - All Nonmajor Funds**  
**December 31, 2012**

	Special Revenue <u>Fund</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 797,315		\$ 797,315
Investments		\$ 125,716	125,716
Accounts receivable, net	36,148		36,148
Due from other governments	267,650		267,650
Due from other funds	115,863		115,863
Total Assets	<u>1,216,976</u>	<u>125,716</u>	<u>1,342,692</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,216,976</u>	<u>\$ 125,716</u>	<u>\$ 1,342,692</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 442,628	\$ 70	\$ 442,698
Total Liabilities	<u>442,628</u>	<u>70</u>	<u>442,698</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable		105,318	105,318
Restricted	27,166	20,328	47,494
Committed	668,675		668,675
Assigned	78,855		78,855
Unassigned (deficit)	(348)		(348)
Total Fund Balances	<u>774,348</u>	<u>125,646</u>	<u>899,994</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,216,976</u>	<u>\$ 125,716</u>	<u>\$ 1,342,692</u>

SCHEDULE A-1  
TOWN OF PLAINSTOW, NEW HAMPSHIRE  
Combining Balance Sheet  
Governmental Funds - All Nonmajor Special Revenue Funds  
December 31, 2012

	Conservation Fund	Police Fund	Outside Details Fund	Water Suppression Fund	Cannons and Statue Fund	World War II Monument Fund	Public Safety Grants Fund	Recreation Revolving Fund	Westville Road Mitigation Fund	Other Grants Fund	Impact Fees Fund	Combining Totals
ASSETS												
Cash and cash equivalents	\$ 190,475	\$ 11,138	\$ 11,824	\$ 423,996	\$ 1,397	\$ 86	\$ 21,390	\$ 47,281	\$ 133	\$ 267,650	\$ 89,595	\$ 797,315
Accounts receivable, net			27,647	8,501								36,148
Due from other governments	7,906		107,957									267,650
Due from other funds	198,381	11,138	147,428	432,497	1,397	86	21,390	47,281	133	267,650	89,595	115,863
Total Assets												1,216,976
DEFERRED OUTFLOWS OF RESOURCES												
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 198,381	\$ 11,138	\$ 147,428	\$ 432,497	\$ 1,397	\$ 86	\$ 21,390	\$ 47,281	\$ 133	\$ 267,650	\$ 89,595	\$ 1,216,976
LIABILITIES												
Due to other funds		\$ 648		\$ 137,006			\$ 4,714	\$ 19,906		\$ 267,998	\$ 12,356	\$ 442,628
Total Liabilities	\$ -	648	\$ -	137,006	\$ -	\$ -	4,714	19,906	\$ -	267,998	12,356	442,628
DEFERRED INFLOWS OF RESOURCES												
Total Deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES												
Restricted		10,490	147,428	295,491	1,397	86	16,676	27,375				27,166
Committed	198,381								133		77,239	668,675
Assigned										(348)		78,855
Unassigned (deficit)										(348)	77,239	(348)
Total Fund Balances	198,381	10,490	147,428	295,491	1,397	86	16,676	27,375	133	(348)	77,239	774,348
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 198,381	\$ 11,138	\$ 147,428	\$ 432,497	\$ 1,397	\$ 86	\$ 21,390	\$ 47,281	\$ 133	\$ 267,650	\$ 89,595	\$ 1,216,976

SCHEDULE B

TOWN OF PLAISTOW, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds - All Nonmajor Funds

For the Year Ended December 31, 2012

	Special Revenue <u>Funds</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
Revenues:			
Taxes	\$ 12,208		\$ 12,208
Intergovernmental	15,519		15,519
Charges for services	228,496		228,496
Interest and investment income	1,557	\$ 132	1,689
Miscellaneous	<u>37,315</u>	<u>6,160</u>	<u>43,475</u>
Total Revenues	<u>295,095</u>	<u>6,292</u>	<u>301,387</u>
Expenditures:			
Current operations:			
Public safety	109,313		109,313
Culture and recreation	16,355		16,355
Capital outlay	<u>9,145</u>		<u>9,145</u>
Total Expenditures	<u>134,813</u>	<u>-</u>	<u>134,813</u>
Excess of revenues over expenditures	<u>160,282</u>	<u>6,292</u>	<u>166,574</u>
Other financing sources (uses):			
Transfers in	5,000		5,000
Transfers out	<u>(32,127)</u>	<u>(2,513)</u>	<u>(34,640)</u>
Total other financing sources (uses)	<u>(27,127)</u>	<u>(2,513)</u>	<u>(29,640)</u>
Net change in fund balances	133,155	3,779	136,934
Fund balances at beginning of year	<u>641,193</u>	<u>121,867</u>	<u>763,060</u>
Fund balances at end of year	<u>\$ 774,348</u>	<u>\$ 125,646</u>	<u>\$ 899,994</u>

SCHEDULE B-1  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds - All Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012

	Conservation Fund	Police Fund	Outside Details Fund	Water Suppression Fund	Cannons and Statue Fund	World War II Monument Fund	Public Safety Grants Fund	Forest Fire Fund	Recreation Revolving Fund	Westville Road Mitigation Fund	Other Grants Fund	Impact Fees Fund	Combining Totals
Revenues:													
Taxes	\$ 12,208	\$ 12,987	\$ 124,057	\$ 90,246			\$ 2,532		\$ 14,193				\$ 12,208
Intergovernmental													15,519
Charges for services			65	793	\$ 3		32		80			\$ 162	228,496
Interest and investment income	421	1		2,610								30,955	1,557
Miscellaneous		3,750											37,315
Total Revenues	<u>12,629</u>	<u>16,738</u>	<u>124,122</u>	<u>93,649</u>	<u>3</u>	<u>\$ -</u>	<u>2,564</u>	<u>\$ -</u>	<u>14,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>31,117</u>	<u>295,095</u>
Expenditures:													
Current operations:													
Public safety		23,749	80,614				4,891	59	8,909				109,313
Culture and recreation	7,446											9,145	16,355
Capital outlay													9,145
Total Expenditures	<u>7,446</u>	<u>23,749</u>	<u>80,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,891</u>	<u>59</u>	<u>8,909</u>	<u>-</u>	<u>-</u>	<u>9,145</u>	<u>134,813</u>
Excess of revenues over (under) expenditures	<u>5,183</u>	<u>(7,011)</u>	<u>43,508</u>	<u>93,649</u>	<u>3</u>	<u>-</u>	<u>(2,327)</u>	<u>(59)</u>	<u>5,364</u>	<u>-</u>	<u>-</u>	<u>21,972</u>	<u>160,282</u>
Other financing sources (uses):													
Transfers in	5,000												5,000
Transfers out				(28,916)								(3,211)	(32,127)
Total other financing sources (uses)	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>(28,916)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,211)</u>	<u>(27,127)</u>
Net change in fund balances	10,183	(7,011)	43,508	64,733	3	-	(2,327)	(59)	5,364	-	-	18,761	133,155
Fund balances (deficit) at beginning of year	188,198	17,501	103,920	230,758	1,394	86	19,003	59	22,011	133	(348)	58,478	641,193
Fund balances (deficit) at end of year	<u>\$ 198,381</u>	<u>\$ 10,490</u>	<u>\$ 147,428</u>	<u>\$ 295,491</u>	<u>\$ 1,397</u>	<u>\$ 86</u>	<u>\$ 16,676</u>	<u>\$ -</u>	<u>\$ 27,375</u>	<u>\$ 133</u>	<u>\$ (348)</u>	<u>\$ 77,239</u>	<u>\$ 774,348</u>

SCHEDULE C  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Combining Statement of Assets and Liabilities**  
**All Agency Funds**  
December 31, 2012

	School Agency <u>Funds</u>	Escrow Agency <u>Funds</u>	Combining <u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 12,564	\$ 174,709	\$ 187,273
Total Assets	<u>\$ 12,564</u>	<u>\$ 174,709</u>	<u>\$ 187,273</u>
LIABILITIES			
Deposits		\$ 174,709	\$ 174,709
Due to other governments	\$ 12,564		12,564
Total Liabilities	<u>\$ 12,564</u>	<u>\$ 174,709</u>	<u>\$ 187,273</u>