

**TOWN OF PLAISTOW,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

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

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Plaistow, as of December 31, 2019, and the respective changes in financial position and, the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in fiscal year 2019 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information - Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

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

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

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

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

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

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

April 16, 2020

*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, 2019. 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.

Effective January 1, 2019 the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. Under this Statement private purpose trust funds will be reported the same, however, agency funds as they were reported in 2018 will now be reported as custodial funds since the Town does not control the assets or the activity. In addition, the school tax liability that was previously reported in the general fund at year end will now be reported as a custodial fund in the fiduciary activities since the Town is collecting the money on behalf of the School District and has no control over how that money is to be spent. By moving this liability to a custodial fund, a corresponding amount of cash and investments was also moved in order to fund the liability. Further discussion of this Statement can be found in the Notes to the Financial Statements at Note 2-C Accounting Changes and Note 19 Prior Period Adjustments.

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.

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

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

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

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

The Town of Plaistow maintains 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 Westville Road Capital Project 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.

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

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.

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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position of the Town of Plaistow as of December 31, 2019 and 2018 are as follows:

	2019	2018 (As restated)	Increase (Decrease)
Current assets	\$ 8,086,541	\$ 7,428,334	\$ 658,207
Capital assets, net	22,486,088	21,501,015	985,073
Total assets	<u>30,572,629</u>	<u>28,929,349</u>	<u>1,643,280</u>
 Total deferred outflows of resources	 714,669	 1,093,772	 (379,103)
 Long-term liabilities outstanding	 15,255,745	 16,069,380	 (813,635)
Other liabilities	977,741	470,041	507,700
Total liabilities	<u>16,233,486</u>	<u>16,539,421</u>	<u>(305,935)</u>
 Total deferred inflows of resources	 593,718	 726,294	 (132,576)
 Net Position:			
Net investment in capital assets	15,193,256	13,857,426	1,335,830
Restricted	937,660	1,048,680	(111,020)
Unrestricted	<u>(1,670,822)</u>	<u>(2,148,700)</u>	<u>477,878</u>
Total net position	<u>\$ 14,460,094</u>	<u>\$ 12,757,406</u>	<u>\$ 1,702,688</u>

Town of Plaistow, New Hampshire

Management's Discussion and Analysis

Statement of Activities

Changes in net position for the years ending December 31, 2019 and 2018 are as follows:

Statement of Activities

Summary of Changes in Net Position Governmental Activities

	2019	2018 (As restated)	Increase (Decrease)
Revenues:			
Program Revenues			
Charges for services	\$ 551,211	\$ 315,278	\$ 235,933
Operating grants and contributions	766,819	782,066	(15,247)
Capital grants and contributions	929,421	-	929,421
General revenues:			
Property taxes	6,712,006	6,071,479	640,527
Other taxes	76,058	98,107	(22,049)
Motor vehicle permit fees	1,825,514	1,846,988	(21,474)
Licenses and other fees	281,850	196,305	85,545
Grants and contributions not restricted to specific programs	475,247	450,994	24,253
Miscellaneous	816,572	584,623	231,949
Total revenues	<u>\$ 12,434,698</u>	<u>\$ 10,345,840</u>	<u>\$ 2,088,858</u>
Expenses:			
General government	3,697,779	3,712,367	(14,588)
Public safety	3,570,363	3,355,345	215,018
Highways and streets	906,253	903,818	2,435
Sanitation	744,683	679,624	65,059
Water distribution and treatment	472,252	89,798	382,454
Health and welfare	143,596	171,956	(28,360)
Culture and recreation	959,342	945,855	13,487
Conservation	6,228	10,131	(3,903)
Interest on long-term debt	231,514	243,624	(12,110)
Total expenses	<u>10,732,010</u>	<u>10,112,518</u>	<u>619,492</u>
Change in net position	1,702,688	233,322	1,469,366
Net effect of prior year restatement		101,181	(101,181)
Net position, beginning	12,757,406	12,422,903	334,503
Net position, ending	<u>\$ 14,460,094</u>	<u>\$ 12,757,406</u>	<u>\$ 1,702,688</u>

The Town's net position increased by \$1,702,688.

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

The Town's expenses cover a range of services. The largest expenses were for general government and public safety, which accounted for 67.72% of total expenses.

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 \$4,804,251. This includes an unassigned amount of \$2,472,312. The total General Fund fund balance increased \$232,475 from the December 31, 2018 amount.

Other Governmental Funds

The total fund balance of \$2,131,324 in the other governmental funds is restricted for the purposes of the individually established fund. The largest portion of this total represents the balance in the Water Fund (\$621,720), Public Safety Complex Capital Project Fund (\$373,982) Conservation Fund (\$359,894), Permanent Fund (\$163,557) and the Impact Fees Fund (\$266,718).

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The actual budgetary revenues exceeded the budget for estimated revenues by \$91,957. The Town received \$11,374 more in taxes, \$17,364 more in licenses and permits, \$2,028 less in intergovernmental, \$6,218 less in charges for services and \$71,465 more from miscellaneous sources.

The actual budgetary expenditures were less than the budgeted appropriations by \$332,859.

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, 2019 is \$30,088,371. Accumulated depreciation amounts to \$7,602,283, leaving a net book value of \$22,486,088. 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>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Land	\$ 3,815,932	\$ 3,798,432	\$ 17,500
Buildings and building improvements	10,644,654	11,110,138	(465,484)
Vehicles and equipment	1,846,981	2,137,592	(290,611)
Infrastructure	3,811,276	3,311,327	499,949
Construction in progress	2,367,245	1,143,526	1,223,719
Total	<u>\$ 22,486,088</u>	<u>\$ 21,501,015</u>	<u>\$ 985,073</u>

Long-Term Obligations

At December 31, 2019, the Town had several outstanding capital leases used to finance Public Safety vehicles, as well as Highway and Town office equipment. Outstanding balances of all leases at December 31, 2019 totals \$25,543. The leases will all mature by the end of 2020.

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

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

	2019	2018	Increase (Decrease)
General obligation bond	\$ 7,280,000	\$ 7,560,000	\$ (280,000)
Premium on bond	297,426	322,923	(25,497)
Capital leases	25,543	98,249	(72,706)
Compensated absences	148,872	269,479	(120,607)
Net other postemployment benefits	1,389,582	1,431,402	(41,820)
Net pension liability	6,114,322	6,387,327	(273,005)
Total	<u>\$ 15,255,745</u>	<u>\$ 16,069,380</u>	<u>\$ (813,635)</u>

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. Also, we have seen the development of several major residential locations which directly impacts our education and government services to be provided.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Net Position
December 31, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,349,188
Investments	3,485,792
Taxes receivables (net)	1,034,596
Account receivables	311,149
Intergovernmental receivable	775,296
Prepaid items	130,520
Capital assets:	
Land and construction in progress	6,183,177
Other capital assets, net of depreciation	16,302,911
Total assets	<u>30,572,629</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	614,985
Amounts related to other postemployment benefits	99,684
Total deferred outflows of resources	<u>714,669</u>
LIABILITIES	
Accounts payable	223,227
Accrued salaries and benefits	138,718
Contracts payable	593,859
Accrued interest payable	290
Intergovernmental payable	21,647
Long-term liabilities:	
Due within one year	329,688
Due in more than one year	14,926,057
Total liabilities	<u>16,233,486</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	52,402
Amounts related to pensions	535,559
Amounts related to other postemployment benefits	5,757
Total deferred inflows of resources	<u>593,718</u>
NET POSITION	
Net investment in capital assets	15,193,256
Restricted	937,660
Unrestricted	(1,670,822)
Total net position	<u>\$ 14,460,094</u>

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

EXHIBIT B
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2019

		Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change In Net Position
	Expenses				
General government	\$ 3,697,779	\$ 13,290	\$ -	\$ -	\$ (3,684,489)
Public safety	3,570,363	320,545	203,978	-	(3,045,840)
Highways and streets	906,253	-	176,068	929,421	199,236
Sanitation	744,683	-	-	-	(744,683)
Water distribution and treatment	472,252	122,547	386,773	-	37,068
Health	123,572	-	-	-	(123,572)
Welfare	20,024	-	-	-	(20,024)
Culture and recreation	959,342	94,829	-	-	(864,513)
Conservation	6,228	-	-	-	(6,228)
Interest on long-term debt	231,514	-	-	-	(231,514)
Total governmental activities	<u>\$ 10,732,010</u>	<u>\$ 551,211</u>	<u>\$ 766,819</u>	<u>\$ 929,421</u>	<u>(8,484,559)</u>
General revenues:					
Taxes:					
Property					6,712,006
Other					76,058
Motor vehicle permit fees					1,825,514
Licenses and other fees					281,850
Grants and contributions not restricted to specific programs					475,247
Unrestricted investment earnings					181,026
Miscellaneous					635,546
Total general revenues					<u>10,187,247</u>
Change in net position					<u>1,702,688</u>
Net position, beginning, as restated (see Note 19)					<u>12,757,406</u>
Net position, ending					<u>\$ 14,460,094</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, 2019

	General	Westville Road Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 537,429	\$ -	\$ 1,811,759	\$ 2,349,188
Investments	3,331,563	-	154,229	3,485,792
Taxes receivable (net)	1,034,596	-	-	1,034,596
Accounts receivable	137,160	-	173,989	311,149
Intergovernmental receivable	-	758,782	16,514	775,296
Interfund receivable	119,045	6,345	376	125,766
Prepaid items	256,023	-	-	256,023
Total assets	<u>\$ 5,415,816</u>	<u>\$ 765,127</u>	<u>\$ 2,156,867</u>	<u>\$ 8,337,810</u>
LIABILITIES				
Accounts payable	\$ 222,477	\$ -	\$ 750	\$ 223,227
Accrued salaries and benefits	138,718	-	-	138,718
Contracts payable	-	593,859	-	593,859
Intergovernmental payable	21,647	-	-	21,647
Interfund payable	376	100,597	24,793	125,766
Total liabilities	<u>383,218</u>	<u>694,456</u>	<u>25,543</u>	<u>1,103,217</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	228,347	-	-	228,347
FUND BALANCES				
Nonspendable	256,023	-	129,616	385,639
Restricted	227,883	70,671	509,490	808,044
Committed	1,741,609	-	1,490,583	3,232,192
Assigned	106,424	-	1,635	108,059
Unassigned	2,472,312	-	-	2,472,312
Total fund balances	<u>4,804,251</u>	<u>70,671</u>	<u>2,131,324</u>	<u>7,006,246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,415,816</u>	<u>\$ 765,127</u>	<u>\$ 2,156,867</u>	<u>\$ 8,337,810</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, 2019

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 7,006,246
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 30,088,371	
Less accumulated depreciation	<u>(7,602,283)</u>	
		22,486,088
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 614,985	
Deferred inflows of resources related to pensions	(535,559)	
Deferred outflows of resources related to OPEB	99,684	
Deferred inflows of resources related to OPEB	<u>(5,757)</u>	
		173,353
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (125,766)	
Payables	<u>125,766</u>	
		-
Property taxes are recognized on an accrual basis in the Statement of Net Position and on a modified accrual basis in the governmental funds.		
Deferred inflows of resources - property taxes		175,945
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(290)
Repayment of long-term liabilities and related interest not due until subsequent year as recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements.		
Prepaid bond interest		(125,503)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 7,280,000	
Unamortized bond premium	297,426	
Capital leases	25,543	
Compensated absences	148,872	
Net pension liability	6,114,322	
Other postemployment benefits	<u>1,389,582</u>	
		(15,255,745)
Net position of governmental activities (Exhibit A)		<u>\$ 14,460,094</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, 2019

	General	Westville Road Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 6,775,045	\$ -	\$ 376	\$ 6,775,421
Licenses and permits	2,107,364	-	-	2,107,364
Intergovernmental	838,733	929,421	403,333	2,171,487
Charges for services	108,782	-	442,429	551,211
Miscellaneous	745,720	-	70,852	816,572
Total revenues	10,575,644	929,421	916,990	12,422,055
EXPENDITURES				
Current:				
General government	3,578,582	-	15,268	3,593,850
Public safety	2,857,352	-	220,541	3,077,893
Highways and streets	1,025,772	-	-	1,025,772
Water distribution and treatment	-	-	440,219	440,219
Sanitation	744,683	-	-	744,683
Health	128,076	-	-	128,076
Welfare	20,024	-	-	20,024
Culture and recreation	883,845	-	10,158	894,003
Conservation	4,165	-	2,063	6,228
Debt service:				
Principal	280,000	-	-	280,000
Interest	265,062	-	-	265,062
Capital outlay	513,941	1,034,735	49,227	1,597,903
Total expenditures	10,301,502	1,034,735	737,476	12,073,713
Excess (deficiency) of revenues over (under) expenditures	274,142	(105,314)	179,514	348,342
OTHER FINANCING SOURCES (USES)				
Transfers in	-	29,167	12,500	41,667
Transfers out	(41,667)	-	-	(41,667)
Total other financing sources (uses)	(41,667)	29,167	12,500	-
Net change in fund balances	232,475	(76,147)	192,014	348,342
Fund balances, beginning, as restated (see Note 19)	4,571,776	146,818	1,939,310	6,657,904
Fund balances, ending	\$ 4,804,251	\$ 70,671	\$ 2,131,324	\$ 7,006,246

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, 2019

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 348,342
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capitalized capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 1,927,631	
Depreciation expense	(942,558)	
		985,073
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (41,667)	
Transfers out	41,667	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		12,643
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the		
Repayment of bond principal	\$ 280,000	
Repayment of capital leases	72,706	
Amortization of bond premium	25,497	
		378,203
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 1,023	
Decrease in prepaid bond interest	7,028	
Decrease in compensated absences payable	120,607	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(114,794)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	(35,437)	
		(21,573)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 1,702,688</u>

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

EXHIBIT D
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,776,314	\$ 6,776,314	\$ 6,787,688	\$ 11,374
Licenses and permits	2,090,000	2,090,000	2,107,364	17,364
Intergovernmental	840,761	840,761	838,733	(2,028)
Charges for services	115,000	115,000	108,782	(6,218)
Miscellaneous	533,500	533,500	604,965	71,465
Total revenues	<u>10,355,575</u>	<u>10,355,575</u>	<u>10,447,532</u>	<u>91,957</u>
EXPENDITURES				
Current:				
General government	3,800,764	3,801,859	3,571,594	230,265
Public safety	2,977,046	2,976,095	2,909,832	66,263
Highways and streets	968,902	967,808	1,024,328	(56,520)
Sanitation	763,000	763,000	744,683	18,317
Health	128,391	129,341	130,576	(1,235)
Welfare	43,385	43,385	20,024	23,361
Culture and recreation	838,100	238,890	224,467	14,423
Conservation	9,650	9,650	4,165	5,485
Debt service:				
Principal	280,000	280,000	280,000	-
Interest	267,562	267,562	265,062	2,500
Capital outlay	432,500	420,000	390,000	30,000
Total expenditures	<u>10,509,300</u>	<u>9,897,590</u>	<u>9,564,731</u>	<u>332,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,725)</u>	<u>457,985</u>	<u>882,801</u>	<u>424,816</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,500	12,500	12,500	-
Transfers out	(352,942)	(964,652)	(964,652)	-
Bond/Note proceeds	30,000	30,000	-	(30,000)
Total other financing sources (uses)	<u>(310,442)</u>	<u>(922,152)</u>	<u>(952,152)</u>	<u>(30,000)</u>
Net change in fund balances	<u>\$ (464,167)</u>	<u>\$ (464,167)</u>	<u>(69,351)</u>	<u>\$ 394,816</u>
Increase in nonspendable fund balance			(20,784)	
Unassigned fund balance, beginning, as restated (see Note 19)			2,738,392	
Unassigned fund balance, ending			<u>\$ 2,648,257</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, 2019

	Private Purpose Trust Funds	All Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 19,073	\$3,036,861
Investments	315,353	7,582,549
Total assets	<u>334,426</u>	<u>10,619,410</u>
LIABILITIES		
Intergovernmental payables:		
School	<u>-</u>	<u>8,505,164</u>
NET POSITION		
Restricted	<u>\$ 334,426</u>	<u>\$2,114,246</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, 2019

	Private Purpose Trust Funds	All Custodial Funds
ADDITIONS		
Contributions	\$ 32,125	\$ 201,919
Investment earnings	5,856	14,207
Change in fair market value	14,476	24,555
Tax collections for other governments	-	18,220,487
Intergovernmental transfer in	278,367	1,732,577
Total additions	330,824	20,193,745
DEDUCTIONS		
Scholarships	2,250	-
Payments of taxes to other governments	-	18,220,487
Payments to other governments	-	35,000
Payments for escrow purposes	-	5,011
Total deductions	2,250	18,260,498
Change in net position	328,574	1,933,247
Net position, beginning, as restated (see Note 19)	5,852	180,999
Net position, ending	\$ 334,426	\$ 2,114,246

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, 2019

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TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2019 the Town implemented GASB Statement No. 84, *Fiduciary Activities*, which changed the way fiduciary activities are recorded. See Note 2-C for further information on this pronouncement.

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

1-A Reporting Entity

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

1-B Basis of Accounting, and Measurement Focus

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

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

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

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

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

The Town reports the following major governmental 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.

Westville Road Capital Project Fund – the Westville Road capital project fund accounts for the activity pertaining to the construction/renovation of the Westville Road Bridge.

Additionally, the Town reports the following fund types:

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

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

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

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column.

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 also reports the following fiduciary funds:

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

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,

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

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

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

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

Level 2 – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2.

Level 3 – Inputs are significant unobservable inputs.

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

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

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

1-E Receivables

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

1-F Prepaid Items

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

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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1-G Capital Assets

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

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

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

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

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

1-H Interfund Activities

Interfund activities are reported as follows:

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

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

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 13, 2019 and October 23, 2019, and due on July 1, 2019 and December 1, 2019. Interest accrues at a rate of 12% (from January 1, 2019 through March 31, 2019) and 8% (after April 1, 2019) on bills outstanding after the due date and 18% (from January 1, 2019 through March 31, 2019) and 14% (after April 1, 2019) on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2018 on April 24, 2019.

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

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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The Town net assessed valuation as of April 1, 2019 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 1,150,756,902
For all other taxes	\$ 1,181,910,822

The tax rates and amounts assessed for the year ended December 31, 2019 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$ 5.84	\$ 6,904,348
School portion:		
State of New Hampshire	1.98	2,276,140
Local	12.53	14,805,108
County portion	0.96	1,139,239
Total	<u>\$ 21.31</u>	<u>\$25,124,835</u>

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2019.

1-K Deferred Outflows/Inflows of Resources

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

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

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 are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the bond premium. In the fund financial statements, governmental fund types recognize bonds premiums during the current period.

1-M Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation and sick time based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by 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.

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.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DECEMBER 31, 2019

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

1-O Postemployment Benefits Other Than Pensions

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

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

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

1-P Net Position/Fund Balances

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

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

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

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

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

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

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

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.

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

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

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

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

When multiple net position/fund balance classifications are available for use, it is the 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.

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 receivable, and the useful lives of capital assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

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NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as the nonmajor water suppression fund. 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 2019, none of the beginning general fund unassigned fund balance was applied for this purpose and \$464,167 was voted from unassigned fund balance as a transfer 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. 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 (budgetary basis)	\$ 10,460,032
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record revenue of the blended funds	140,755
To eliminate and recognize transfers between blended funds	(12,500)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(12,643)
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,575,644</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 10,529,383
Adjustment:	
Basis differences:	
Encumbrances, beginning	238,972
Encumbrances, ending	(191,675)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	689,474
To eliminate and recognize transfers between blended funds	(922,985)
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,343,169</u>

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2-C Accounting Change

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented during fiscal year 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust of equivalent arrangement that meet specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or other condition is required to be taken or met by the beneficiary to release the assets. Beginning net position for the fiduciary funds was restated to retroactively report the change in accounting principle, see Note 19.

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 \$5,405,122 and the bank balances totaled \$5,643,185. Petty cash totaled \$100.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 2,349,188
Cash per Statement of Net Position - Fiduciary Fund (Exhibit E-1)	3,055,934
Total cash and cash equivalents	<u>\$ 5,405,122</u>

NOTE 4 – INVESTMENTS

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements and maturities as of December 31, 2019:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Equity exchange traded funds	Level 1	\$ 122,588	\$ 122,588
Equity mutual funds	Level 1	546,838	546,838
Fixed income exchange traded funds	Level 2	23,757	23,757
Fixed income mutual funds	Level 2	3,001,190	3,001,190
New Hampshire Public Deposit Investr	Level 2	7,689,321	7,689,321
Total fair value		<u>\$ 11,383,694</u>	<u>\$ 11,383,694</u>

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Board of Selectmen seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations and state laws that restrict the placement of public funds. Capital reserve and

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expenditure 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	\$ 122,588	\$ 122,588
Equity mutual funds	546,838	546,838
Fixed income exchange traded funds	23,757	23,757
Fixed income mutual funds	3,001,190	3,001,190
New Hampshire Public Deposit Investment Pool	7,689,321	7,689,321
Total	<u>\$ 11,383,694</u>	<u>\$ 11,383,694</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 Trustees of Trust funds investment policies do not directly address this risk.

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

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 3,485,792
Investments per Statement of Net Position - Fiduciary Funds (Exhibit E-1)	7,897,902
Total investments	<u>\$ 11,383,694</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, 2019. 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 2019	\$ 775,485
Unredeemed (under tax lien):	
Levy of 2018	141,944
Levy of 2017	88,359
Levies of 2016 and prior	502,678
Yield	2,207
Land use change	376
Less: allowance for estimated uncollectible taxes	(476,453)
Net taxes receivable	<u>\$ 1,034,596</u>

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NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2019, 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 at December 31, 2019 consisted of the following:

	Governmental Activities (Exhibit A)	Governmental Funds (Exhibit C-1)
Annual dues and licenses	\$ 13,657	\$ 13,657
Insurance	40,560	40,560
Interest on bond	- *	125,503
Miscellaneous	76,303	76,303
Total	<u>\$ 130,520</u>	<u>\$ 256,023</u>

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

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,798,432	\$ 17,500	\$ -	\$ 3,815,932
Construction in progress	1,143,526	1,677,494	(453,775)	2,367,245
Total capital assets not being depreciated	<u>4,941,958</u>	<u>1,694,994</u>	<u>(453,775)</u>	<u>6,183,177</u>
Being depreciated:				
Buildings and building improvements	14,447,472	16,528	-	14,464,000
Vehicles and equipment	4,408,283	24,683	-	4,432,966
Infrastructure	4,363,027	645,201	-	5,008,228
Total capital assets being depreciated	<u>23,218,782</u>	<u>686,412</u>	<u>-</u>	<u>23,905,194</u>
Total all capital assets	<u>28,160,740</u>	<u>2,381,406</u>	<u>(453,775)</u>	<u>30,088,371</u>
Less accumulated depreciation:				
Buildings and building improvements	(3,337,334)	(482,012)	-	(3,819,346)
Vehicles and equipment	(2,270,691)	(315,294)	-	(2,585,985)
Infrastructure	(1,051,700)	(145,252)	-	(1,196,952)
Total accumulated depreciation	<u>(6,659,725)</u>	<u>(942,558)</u>	<u>-</u>	<u>(7,602,283)</u>
Net book value, capital assets being depreciated	<u>16,559,057</u>	<u>(256,146)</u>	<u>-</u>	<u>16,302,911</u>
Net book value, all governmental activities capital assets	<u>\$21,501,015</u>	<u>\$1,438,848</u>	<u>\$(453,775)</u>	<u>\$22,486,088</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	\$ 49,401
Public safety	601,455
Highways and streets	169,616
Water treatment and distribution	49,533
Culture and recreation	72,553
Total depreciation expense	<u>\$ 942,558</u>

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NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General	Westville Road Project	\$ 100,597
	Nonmajor	18,448
Westville Road Project	Nonmajor	6,345
Nonmajor	General	376
		<u>\$ 125,766</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, 2019 is as follows:

	Transfers In:		
	Westville Road Project Fund	Nonmajor Fund	Total
Transfers out:			
General fund	<u>\$ 29,167</u>	<u>\$ 12,500</u>	<u>\$ 41,667</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.

NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$8,526,811 at December 31, 2019 consist of the following:

	Governmental Fund General	Fiduciary Funds
Miscellaneous withholdings due to State and Federal Governments	\$ 21,647	\$ -
Taxes due to the Timberlane Regional School District	-	8,505,164
Total intergovernmental payables due	<u>\$ 21,647</u>	<u>\$8,505,164</u>

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at December 31, 2019 are as follows:

	Government- wide
Amounts related to pensions, see Note 14	\$ 614,985
Amounts related to OPEB, see Note 15	99,684
	<u>\$ 714,669</u>

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Deferred inflows of resources at December 31, 2019 are as follows:

	Government- wide	General Fund
Property taxes not collected within 60 days of the fiscal year-end	\$ -	\$175,945
Property taxes collected in advance of commitment	52,402	52,402
Amounts related to pensions, see Note 14	535,559	-
Amounts related to OPEB, see Note 15	5,757	-
Total deferred inflows of resources	<u>\$ 593,718</u>	<u>\$228,347</u>

NOTE 12 – CAPITAL LEASES

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

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2019
Capital lease obligations:		
Tractor loader	3.55%	\$ 5,451
Ford F150 truck	6.20%	5,812
Town hall server	7.33%	14,280
Total capital lease obligations		<u>\$ 25,543</u>

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

	Governmental Activities
Equipment:	
Tractor loader	\$ 20,694
Ford F150 truck	27,458
Town hall server	59,119
Total equipment	107,271
Less: accumulated depreciation	44,005
Total capital lease equipment	<u>\$ 63,266</u>

The annual requirements to amortize the capital leases payable as of December 31, 2019, including interest payments, are as follows:

Fiscal Year Ending December 31,	Governmental Activities
2020	\$ 26,405
Less: interest	862
Present value of remaining payments	<u>\$ 25,543</u>

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

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NOTE 13 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2019:

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Current
Bond payable:					
General obligation bond	\$ 7,560,000	\$ -	\$ (280,000)	\$ 7,280,000	\$ 280,000
Premium	322,923	-	(25,497)	297,426	24,145
Total bond payable	7,882,923	-	(305,497)	7,577,426	304,145
Capital leases	98,249	-	(72,706)	25,543	25,543
Compensated absences	269,479	-	(120,607)	148,872	-
Net pension liability	6,387,327	-	(273,005)	6,114,322	-
Net other postemployment benefits	1,431,402	22,501	(64,321)	1,389,582	-
Total long-term liabilities	<u>\$ 16,069,380</u>	<u>\$ 22,501</u>	<u>\$ (836,136)</u>	<u>\$ 15,255,745</u>	<u>\$ 329,688</u>

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2019
General obligation bond payable:					
Public safety complex	\$ 8,119,600	2016	2045	2.86	\$ 7,280,000
Bond premium					297,426
Total					<u>\$ 7,577,426</u>

The annual requirements to amortize the general obligation bond outstanding as of December 31, 2019, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 280,000	\$ 251,006	\$ 531,006
2021	280,000	236,950	516,950
2022	280,000	222,894	502,894
2023	280,000	208,838	488,838
2024	280,000	197,582	477,582
2025-2029	1,400,000	816,270	2,216,270
2030-2034	1,400,000	600,320	2,000,320
2035-2039	1,400,000	380,520	1,780,520
2040-2044	1,400,000	169,120	1,569,120
2045	280,000	8,456	288,456
Totals	<u>\$ 7,280,000</u>	<u>\$ 3,091,956</u>	<u>\$ 10,371,956</u>

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

Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of December 31, 2019 were as follows:

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

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

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

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

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

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 fiscal year 2019, the Town contributed 25.33% for police, 27.79% for fire and 11.08% for other employees through June 30, 2019. From July 1, 2019 through December 31, 2019 the Town contributed 24.77% for police, 26.43% for fire and 10.88% for other employees. The contribution requirement for the fiscal year 2019 was \$244,563, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2019 the Town reported a liability of \$6,114,322 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2019, the Town's proportion was 0.12707315% which was a decrease of 0.00557604% from its proportion measured as of June 30, 2018.

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For the year ended December 31, 2019, the Town recognized pension expense of \$651,294. At December 31, 2019 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	\$ 117,237	\$ 354,138
Changes in assumptions	219,379	-
Net difference between projected and actual investment earnings on pension plan investments	-	49,945
Differences between expected and actual experience	33,807	131,476
Contributions subsequent to the measurement date	244,563	-
Total	<u>\$ 614,986</u>	<u>\$ 535,559</u>

The \$244,563 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, 2020. 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,	
2020	\$ 145,545
2021	(187,602)
2022	(94,060)
2023	(29,019)
2024	-
Thereafter	-
Totals	<u>\$ (165,136)</u>

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

Inflation:	2.5%
Salary increases:	5.6% average, including inflation
Wage inflation	3.25% (3.00% for teachers)
Investment rate of return:	7.25% net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Long-term Rates of Return – The long-term expected rate of return on 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
		2019
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.00%
Total international equity	20.00%	
Core Bonds	4.50%	0.50%
Short Duration	2.50%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	1.80%
Absolute Return Fixed Income	7.00%	1.14%
Total fixed income	25.00%	
Private equity	5.00%	6.25%
Private debt	5.00%	4.25%
Opportunistic	5.00%	2.15%
Total alternative investments	15.00%	
Real estate	10.00%	3.25%
Total	100.00%	

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

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

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2019	\$ 8,187,328	\$ 6,114,322	\$ 4,400,997

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.

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NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

15-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) 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 2019 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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

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

Maximum medical subsidy rates paid during fiscal year 2019 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2019, the Town contributed 4.10% for police and fire, and 0.30% for other employees through June 30, 2019. From July 1, 2019 through December 31, 2019 the Town contributed 3.66% for police and fire, and 0.29% for other employees. The contribution requirement for the fiscal year 2019 was \$26,990, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At December 31, 2019, the Town reported a liability of \$635,868 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2019, the Town’s proportion was 0.14387780% which was an decrease of 0.00905335% from its proportion measured as of June 30, 2018.

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For the year ended December 31, 2019, the Town recognized OPEB expense of \$58,104. At December 31, 2019, 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	\$ 95	\$ 3,936
Net difference between projected and actual investment earnings on OPEB plan investments	-	715
Differences between expected and actual experience	-	1,106
Contributions subsequent to the measurement date	26,990	-
Total	<u>\$ 27,085</u>	<u>\$ 5,757</u>

The \$26,990 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, 2020. 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,	
2020	\$ (5,422)
2021	(472)
2022	49
2023	184
2024	-
Thereafter	-
Totals	<u>\$ (5,661)</u>

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

Inflation:	2.5 %
Wage inflation:	3.25 % (3.00%) for teachers
Salary increases:	5.6 % average, including inflation
Investment rate of return:	7.25 % net of OPEB plan investment expense, including inflation for determining solvency contributions

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

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

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

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2019 was 7.25%. 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 7.25% as well as what the Town's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2019	\$ 689,696	\$ 635,868	\$ 589,095

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.

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15-B Town of Plaistow Retiree Health Benefit Program

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	44
Total participants covered by OPEB plan	<u>47</u>

Total OPEB Liability – The Town's total OPEB liability of \$753,714 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$753,714 in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.50%
Healthcare Cost Trend Rates:	
Current Year Trend	19.00%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2028
Salary Increases:	3.00%

Changes in the Total OPEB Liability

	December 31,	
	2018	2019
OPEB liability beginning of year	\$ 677,543	\$ 731,213
Changes for the year:		
Service cost	27,593	31,269
Interest	27,110	25,001
Assumption changes and difference between actual and expected experience	31,594	-
Benefit payments	(32,627)	(33,769)
OPEB liability end of year	<u>\$ 731,213</u>	<u>\$ 753,714</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The January 1, 2018 actuarial valuation was prepared using a discount rate of 3.50%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$687,811 or by (8.74%). If the discount rate were 1% lower than what was used the OPEB liability would increase to \$783,877 or by 4.00%.

	Discount Rate		
	1% Decrease	Baseline 3.50%	1% Increase
Total OPEB Liability	\$ 783,877	\$ 753,714	\$ 687,811

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2018 actuarial valuation was prepared using an initial trend rate of 19.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$847,520 or by 12.45%. If the trend rate were 1% lower than what was used the OPEB liability would increase to \$647,489 or by (14.09%).

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 19.00%	1% Increase
Total OPEB Liability	\$ 647,489	\$ 753,714	\$ 847,520

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2019, the Town recognized OPEB expense of \$68,766. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in assumptions	\$ 41,634
Differences between expected and actual experience	30,965
Total	\$ 72,599

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,	
2020	\$ 12,496
2021	12,496
2022	12,496
2023	12,496
2024	12,496
Thereafter	10,119
Totals	\$ 72,599

NOTE 16 – COMMITMENTS/ENCUMBRANCES

The Town has active construction projects as of December 31, 2019. At year-end the Town's commitments with contractors for specific projects are as follows:

Capital Project Program	Spent to Date	Remaining Commitment
Westville Road Bridge	\$ 945,679	\$ 29,901

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The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2019 and are as follows:

General fund:	
General government	\$ 16,792
Public safety	52,480
Highways and streets	34,652
Health	2,500
Capital outlay	85,251
Total encumbrances	<u>\$ 191,675</u>

NOTE 17 – NET POSITION

Net position reported on the Statement of Net Position and Statement of Fiduciary Net position at December 31, 2019 include the following:

	Government-wide Financial Statements	
	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 22,486,088	\$ -
Less:		
General obligation bond payable	(7,280,000)	-
Unamortized bond premiums	(297,426)	-
Capital leases payable	(25,543)	-
Amount of debt related to unspent proceeds	310,137	-
Total net investment in capital assets	<u>15,193,256</u>	<u>-</u>
Restricted net position:		
Permanent fund principal	129,616	-
Permanent fund income	33,941	-
Library	227,883	-
Capital Projects	444,653	-
Special revenue funds	101,567	-
Private purpose trust funds	-	334,426
Individuals, organizations and other governments	-	2,114,246
Total restricted net position	<u>937,660</u>	<u>2,448,672</u>
Unrestricted	(1,670,822)	-
Total net position	<u>\$ 14,460,094</u>	<u>\$ 2,448,672</u>

NOTE 18 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2019 include the following:

	General Fund	Westville Road Capital Project Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 256,023	\$ -	\$ -	\$ 256,023
Permanent fund - principal balance	-	-	129,616	129,616
Total nonspendable fund balance	<u>256,023</u>	<u>-</u>	<u>129,616</u>	<u>385,639</u>

(Continued)

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Governmental fund balances continued:

	General Fund	Westville Road Capital Project Fund	Nonmajor Funds	Total Governmental Funds
Restricted:				
Library	227,883	-	-	227,883
Capital projects	-	70,671	373,982	444,653
Police	-	-	37,880	37,880
Grants	-	-	3,100	3,100
Cable TV	-	-	60,587	60,587
Permanent fund - income balance	-	-	33,941	33,941
Total restricted fund balance	227,883	70,671	509,490	808,044
Committed:				
Expendable trust	1,656,358	-	-	1,656,358
Encumbrances	85,251	-	-	85,251
Water	-	-	621,720	621,720
Conservation commission	-	-	359,894	359,894
Impact fees	-	-	266,718	266,718
Outside details	-	-	199,545	199,545
Recreation revolving	-	-	38,031	38,031
Cemetery maintenance	-	-	4,675	4,675
Total committed fund balance	1,741,609	-	1,490,583	3,232,192
Assigned:				
Encumbrances	106,424	-	-	106,424
Other special revenue	-	-	1,635	1,635
Total assigned fund balance	106,424	-	1,635	108,059
Unassigned	2,472,312	-	-	2,472,312
Total governmental fund balances	\$ 4,804,251	\$ 70,671	\$ 2,131,324	\$ 7,006,246

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

Net position/fund balance at January 1, 2019 was restated to give retroactive effect to the following prior period adjustments:

	Government-wide Statements	Modified Accrual Exhibit C-3 General Fund	Budgetary Basis Schedule 3 (Unassigned) Major Fund	Fiduciary Funds
To restate for overstatement of tax credits	\$ 101,181	\$ 101,181	\$ 101,181	\$ -
To restate for the cumulative changes related to implementation of GASB Statement No. 84	-	-	-	180,999
Net position/fund balance, as previously reported	12,656,225	4,470,595	2,637,211	-
Net position/fund balance, as restated	\$ 12,757,406	\$ 4,571,776	\$ 2,738,392	\$ 180,999

NOTE 20 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2019, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

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The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2019 to December 31, 2019 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2019 the Town paid \$136,748 and \$65,721 respectively, to Primex for property, liability and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year. The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 21 – CONTINGENT LIABILITIES

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

NOTE 22 – 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 23 – 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 April 16, 2020, the date the December 31, 2019 financial statements were available to be issued, the following warrant articles were approved by the voters at the March 10, 2020 annual Town election:

Warrant Article P-20-04: Authorized the use of \$350,000 General Fund unassigned fund balance to construct a salt shed with solar panels.

Warrant Article P-20-05: Authorized the use of \$80,000 General Fund unassigned fund balance for unanticipated expenditures.

Warrant Article P-20-06: Authorized the use of \$90,000 General Fund unassigned fund balance for the repair of Pollard Road culvert.

Warrant Article P-20-16: Authorized the use of \$150,000 General Fund unassigned fund balance for the permitting, Design, and engineering process for the Plaistow Landfill closure.

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COVID-19: On March 11, 2020, the World Health Organization declared, the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact any investments held by the Town which are measured at fair value. Other financial impact could occur though such potential impact is unknown at this time.

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, 2019

	December 31,						
	2013	2014	2015	2016	2017	2018	2019
Town's:							
Proportion of the net pension liability	0.14158146%	0.13552761%	0.12818969%	0.13141651%	0.13609418%	0.13264919%	0.12707315%
Proportionate share of the net pension liability	\$ 6,093,361	\$ 5,087,146	\$ 5,078,269	\$ 7,176,738	\$ 6,693,102	\$ 6,387,327	\$ 6,114,322
Covered payroll	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419
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%
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%

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, 2019

	December 31,						
	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution	\$ 352,048	\$ 439,683	\$ 430,061	\$ 483,271	\$ 498,572	\$ 560,652	\$ 552,999
Contributions in relation to the contractually required contributions	352,048	439,683	430,061	483,271	498,572	560,652	552,999
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419
Contributions as a percentage of covered pay	13.11%	16.59%	16.68%	18.66%	17.48%	19.17%	19.47%

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2019. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	21 years beginning July 1, 2018 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.13% per year
Investment Rate of Return	7.25% per year, net of investment expenses, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

Other Information:

Notes	Contribution rates for fiscal year 2019 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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EXHIBIT H
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefit Plan Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2019

	December 31,			
	2016	2017	2018	2019
Town's proportion of the net OPEB liability	0.10166401%	0.10290014%	0.15293115%	0.14387780%
Town's proportionate share of the net OPEB liability (asset)	\$ 492,161	\$ 470,494	\$ 700,189	\$ 635,868
Town's covered payroll	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419
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%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%

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

EXHIBIT I
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Town Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2019

	December 31,			
	2016	2017	2018	2019
Contractually required contribution	\$ 59,073	\$ 60,989	\$ 67,646	\$ 66,190
Contributions in relation to the contractually required contribution	59,073	60,989	67,646	66,190
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419
Contributions as a percentage of covered payroll	2.28%	2.14%	2.31%	2.33%

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

EXHIBIT J
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2019

	December 31,	
	2018	2019
OPEB liability, beginning of year	\$ 677,543	\$ 731,213
Changes for the year:		
Service cost	27,593	31,269
Interest	27,110	25,001
Assumption changes and difference between actual and expected experience	31,594	-
Benefit payments	(32,627)	(33,769)
OPEB liability, end of year	\$ 731,213	\$ 753,714
Covered payroll	\$ 3,649,307	\$ 3,800,602
Total OPEB liability as a percentage of covered payroll	20.04%	19.83%

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, 2019

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

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2019. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.13% per year
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

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

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2019. 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, 2019

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 6,696,314	\$ 6,712,006	\$ 15,692
Yield	-	568	568
Interest and penalties on taxes	80,000	75,114	(4,886)
Total from taxes	6,776,314	6,787,688	11,374
Licenses, permits, and fees:			
Business licenses, permits, and fees	5,000	5,370	370
Motor vehicle permit fees	1,825,000	1,825,514	514
Building permits	185,000	198,397	13,397
Other	75,000	78,083	3,083
Total from licenses, permits, and fees	2,090,000	2,107,364	17,364
Intergovernmental:			
State:			
Meals and rooms distribution	393,416	393,416	-
Highway block grant	159,793	159,554	(239)
Other	122,052	123,531	1,479
Federal:			
Other	32,000	29,909	(2,091)
Other	133,500	132,323	(1,177)
Total from intergovernmental	840,761	838,733	(2,028)
Charges for services:			
Income from departments	115,000	108,782	(6,218)
Miscellaneous:			
Sale of municipal property	127,500	132,050	4,550
Interest on investments	115,000	127,264	12,264
Other	291,000	345,651	54,651
Total from miscellaneous	533,500	604,965	71,465
Other financing sources:			
Transfers in	12,500	12,500	-
Bond/Note proceeds	30,000	-	(30,000)
Total other financing sources	42,500	12,500	(30,000)
Total revenues and other financing sources	10,398,075	\$ 10,460,032	\$ 61,957
Amounts voted from fund balance	464,167		
Total revenues, other financing sources, and use of fund balance	\$ 10,862,242		

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, 2019

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 274,514	\$ 321,253	\$ -	\$ (46,739)
Election and registration	-	131,384	120,009	-	11,375
Financial administration	-	385,917	418,258	-	(32,341)
Legal	-	55,000	86,855	-	(31,855)
Personnel administration	-	2,156,282	1,845,702	-	310,580
Planning and zoning	23,780	101,244	116,218	7,250	1,556
General government buildings	-	281,178	315,044	9,542	(43,408)
Cemeteries	-	9,000	5,642	-	3,358
Insurance, not otherwise allocated	-	120,858	120,858	-	-
Advertising and regional associations	-	25,205	24,411	-	794
Other	-	261,277	204,332	-	56,945
Total general government	23,780	3,801,859	3,578,582	16,792	230,265
Public safety:					
Police	-	2,128,247	2,003,589	52,480	72,178
Fire	-	692,842	707,406	-	(14,564)
Building inspection	-	131,006	136,305	-	(5,299)
Emergency management	-	24,000	10,052	-	13,948
Total public safety	-	2,976,095	2,857,352	52,480	66,263
Highways and streets:					
Administration	-	318,308	330,432	-	(12,124)
Highways and streets	-	542,000	545,821	34,652	(38,473)
Street lighting	-	107,500	113,423	-	(5,923)
Total highways and streets	-	967,808	989,676	34,652	(56,520)
Sanitation:					
Solid waste collection	-	710,000	707,309	-	2,691
Solid waste disposal	-	53,000	37,374	-	15,626
Total sanitation	-	763,000	744,683	-	18,317
Health:					
Administration	-	86,029	85,325	2,500	(1,796)
Pest control	-	950	391	-	559
Health agencies	-	42,362	42,360	-	2
Total health	-	129,341	128,076	2,500	(1,235)
Welfare:					
Administration and direct assistance	-	43,385	20,024	-	23,361
Culture and recreation:					
Parks and recreation	-	221,890	208,044	-	13,846
Patriotic purposes	-	500	536	-	(36)
Other	6,000	16,500	21,887	-	613
Total culture and recreation	6,000	238,890	230,467	-	14,423
Conservation	-	9,650	4,165	-	5,485
Debt service:					
Principal of long-term debt	-	280,000	280,000	-	-
Interest on long-term debt	-	265,062	265,062	-	-
Interest on tax anticipation notes	-	2,500	-	-	2,500
Total debt service	-	547,562	545,062	-	2,500

(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, 2019

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	209,192	420,000	513,941	85,251	30,000
Other financing uses:					
Transfers out	-	964,652	964,652	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 238,972	\$ 10,862,242	\$ 10,576,680	\$ 191,675	\$ 332,859

SCHEDULE 3
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2019

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 19)		\$	2,738,392
Changes:			
Amounts voted from fund balance			(464,167)
2019 Budget summary:			
Revenue surplus (Schedule 1)	\$	61,957	
Unexpended balance of appropriations (Schedule 2)		<u>332,859</u>	
2019 Budget surplus			394,816
Increase in nonspendable fund balance			<u>(20,784)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)			2,648,257
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis			
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis			<u>(175,945)</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		\$	<u>2,472,312</u>

SCHEDULE 4
TOWN OF PLAISTOW, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2019

	Special Revenue Funds					Rescue Vehicle and Emergency Equipment
	Water	Conservation Commission	Police	Impact Fees	Outside Details	
ASSETS						
Cash and cash equivalents	\$ 481,743	\$ 359,518	\$ 37,880	\$ 273,063	\$ 166,283	\$ -
Investments	-	-	-	-	-	-
Accounts receivable	140,727	-	-	-	33,262	-
Intergovernmental receivable	-	-	-	-	-	-
Interfund receivable	-	376	-	-	-	-
Total assets	<u>\$ 622,470</u>	<u>\$ 359,894</u>	<u>\$ 37,880</u>	<u>\$ 273,063</u>	<u>\$ 199,545</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	6,345	-	-
Total liabilities	<u>750</u>	<u>-</u>	<u>-</u>	<u>6,345</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	37,880	-	-	-
Committed	621,720	359,894	-	266,718	199,545	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>621,720</u>	<u>359,894</u>	<u>37,880</u>	<u>266,718</u>	<u>199,545</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 622,470</u>	<u>\$ 359,894</u>	<u>\$ 37,880</u>	<u>\$ 273,063</u>	<u>\$ 199,545</u>	<u>\$ -</u>

Special Revenue Funds					Capital Project Fund		
Recreation Revolving	Grants	Cable	Other Special Revenue	Cemetery Maintenance	Public Safety Complex	Permanent	Total
\$ 38,031	\$ -	\$ 60,587	\$ 1,635	\$ 4,675	\$ 379,016	\$ 9,328	\$ 1,811,759
-	-	-	-	-	-	154,229	154,229
-	-	-	-	-	-	-	173,989
-	16,514	-	-	-	-	-	16,514
-	-	-	-	-	-	-	376
<u>\$ 38,031</u>	<u>\$ 16,514</u>	<u>\$ 60,587</u>	<u>\$ 1,635</u>	<u>\$ 4,675</u>	<u>\$ 379,016</u>	<u>\$ 163,557</u>	<u>\$ 2,156,867</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750
-	13,414	-	-	-	5,034	-	24,793
-	13,414	-	-	-	5,034	-	25,543
-	-	-	-	-	-	129,616	129,616
-	3,100	60,587	-	-	373,982	33,941	509,490
38,031	-	-	-	4,675	-	-	1,490,583
-	-	-	1,635	-	-	-	1,635
<u>38,031</u>	<u>3,100</u>	<u>60,587</u>	<u>1,635</u>	<u>4,675</u>	<u>373,982</u>	<u>163,557</u>	<u>2,131,324</u>
<u>\$ 38,031</u>	<u>\$ 16,514</u>	<u>\$ 60,587</u>	<u>\$ 1,635</u>	<u>\$ 4,675</u>	<u>\$ 379,016</u>	<u>\$ 163,557</u>	<u>\$ 2,156,867</u>

SCHEDULE 5
TOWN OF PLAISTOW, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2019

	Special Revenue Funds					Rescue Vehicle and Emergency Equipment
	Water	Conservation Commission	Police	Impact Fees	Outside Details	
REVENUES						
Taxes	\$ -	\$ 376	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivable	386,773	-	46	-	-	-
Charges for services	122,547	-	-	-	311,118	-
Miscellaneous	-	765	7,727	16,800	-	-
Total revenues	509,320	1,141	7,773	16,800	311,118	-
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	28,058	-	192,480	3
Water distribution and treatment	440,219	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Conservation	-	2,063	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	440,219	2,063	28,058	-	192,480	3
Excess (deficiency) of revenues over (under) expenditures	69,101	(922)	(20,285)	16,800	118,638	(3)
OTHER FINANCING SOURCES						
Transfers in	12,500	-	-	-	-	-
Net change in fund balances	81,601	(922)	(20,285)	16,800	118,638	(3)
Fund balances, beginning	540,119	360,816	58,165	249,918	80,907	3
Fund balances, ending	\$ 621,720	\$ 359,894	\$ 37,880	\$ 266,718	\$199,545	\$ -

Special Revenue Funds						Capital Project Fund	
Recreation Revolving	Grants	Cable	Other Special Revenue	Cemetery Maintenance	Public Safety Complex	Permanent	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376
-	16,514	-	-	-	-	-	403,333
8,764	-	-	-	-	-	-	442,429
-	-	20,000	4	4,675	6,844	14,037	70,852
8,764	16,514	20,000	4	4,675	6,844	14,037	916,990
-	-	15,268	-	-	-	-	15,268
-	-	-	-	-	-	-	220,541
-	-	-	-	-	-	-	440,219
10,158	-	-	-	-	-	-	10,158
-	-	-	-	-	-	-	2,063
-	21,781	-	-	-	27,446	-	49,227
10,158	21,781	15,268	-	-	27,446	-	737,476
(1,394)	(5,267)	4,732	4	4,675	(20,602)	14,037	179,514
-	-	-	-	-	-	-	12,500
(1,394)	(5,267)	4,732	4	4,675	(20,602)	14,037	192,014
39,425	8,367	55,855	1,631	-	394,584	149,520	1,939,310
\$ 38,031	\$ 3,100	\$ 60,587	\$ 1,635	\$ 4,675	\$ 373,982	\$ 163,557	\$ 2,131,324

SCHEDULE 6
TOWN OF PLAISTOW, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
December 31, 2019

	Custodial Funds				
	Taxes	Trust Funds	Impact Fees	Escrows	Total
ASSETS					
Cash and cash equivalents	\$ 2,675,386	\$ 17,575	\$ 6,333	\$ 337,567	\$ 3,036,861
Investments	5,829,778	1,752,771	-	-	7,582,549
Total assets	<u>\$ 8,505,164</u>	<u>\$ 1,770,346</u>	<u>\$ 6,333</u>	<u>\$ 337,567</u>	<u>\$ 10,619,410</u>
LIABILITIES					
Intergovernmental payables:					
School	\$ 8,505,164	\$ -	\$ -	\$ -	\$ 8,505,164
NET POSITION					
Restricted	-	1,770,346	6,333	337,567	2,114,246
Total liabilities and net position	<u>\$ 8,505,164</u>	<u>\$ 1,770,346</u>	<u>\$ 6,333</u>	<u>\$ 337,567</u>	<u>\$ 10,619,410</u>

SCHEDULE 7
TOWN OF PLAISTOW, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2019

	Custodial Funds				Total
	Taxes	Trust Funds	Impact Fees	Escrows	
ADDITIONS					
Contributions	\$ -	\$ -	\$ 17,496	\$ 184,423	\$ 201,919
Investment earnings	-	13,214	51	942	14,207
Change in fair market value	-	24,555	-	-	24,555
Tax collections for other governments	18,220,487	-	-	-	18,220,487
Intergovernmental sources	-	1,732,577	-	-	1,732,577
Total additions	18,220,487	1,770,346	17,547	185,365	20,193,745
DEDUCTIONS					
Payments of taxes to other governments	18,220,487	-	-	-	18,220,487
Payments to other governments	-	-	35,000	-	35,000
Payments for escrow purposes	-	-	-	5,011	5,011
Total deductions	18,220,487	-	35,000	5,011	18,260,498
Change in net position	-	1,770,346	(17,453)	180,354	1,933,247
Net position, beginning, as restated (see Note 19)	-	-	23,786	157,213	180,999
Net position, ending	\$ -	\$ 1,770,346	\$ 6,333	\$ 337,567	\$ 2,114,246