

**TOWN OF PLAISTOW,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2020**

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**ANNUAL FINANCIAL REPORT**  
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**TABLE OF CONTENTS**

	<u>PAGES</u>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	1 - 2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS.....</b>	3 - 10
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements</b>	
A Statement of Net Position .....	11
B Statement of Activities .....	12
<b>Fund Financial Statements</b>	
<i>Governmental Funds</i>	
C-1 Balance Sheet .....	13
C-2 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	14
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances.....	15
C-4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	16
<i>Budgetary Comparison Information</i>	
D-1 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund .....	17
D-2 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP Basis) – Water Fund.....	18
<i>Fiduciary Funds</i>	
E-1 Statement of Fiduciary Net Position.....	19
E-2 Statement of Changes in Fiduciary Net Position .....	20
<b>NOTES TO THE BASIC FINANCIAL STATEMENTS .....</b>	21 - 46
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
F Schedule of the Town's Proportionate Share of Net Pension Liability .....	47
G Schedule of Town Contributions – Pensions .....	48
<b>NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY .....</b>	49
H Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability .....	50
I Schedule of Town Contributions – Other Postemployment Benefits .....	51
J Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios .....	52
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS LIABILITY .....</b>	53
<b>COMBINING AND INDIVIDUAL FUND SCHEDULES</b>	
<b>Governmental Funds</b>	
<i>Major General Fund</i>	
1 Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis).....	54
2 Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis).....	55 - 56
3 Schedule of Changes in Unassigned Fund Balance.....	57
<i>Nonmajor Governmental Funds</i>	
4 Combining Balance Sheet .....	58
5 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	59
<i>Custodial Funds</i>	
6 Combining Schedule of Fiduciary Net Position .....	60
7 Combining Schedule of Changes in Fiduciary Net Position .....	61



# PLODZIK & SANDERSON

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## ***INDEPENDENT AUDITOR'S REPORT***

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Plaistow as of and for the year ended December 31, 2020, 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, 2020, and the respective changes in financial position and, the respective budgetary comparison for the general and water funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability,

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

- 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.

May 18, 2021

*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, 2020. The responsibility for accuracy of the data, the completeness and fairness of this document (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This report and its content have been designed to fairly present the Town's financial position, including the result of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the Town's financial activities have been included.

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

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

#### **Government-wide Financial Statements**

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

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

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

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

# **Town of Plaistow, New Hampshire**

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

### **Fund Financial Statements**

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

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

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

The Town of Plaistow maintains 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 19-20 which include the private-purpose trust funds and custodial funds.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the basic financial statements begin on page 21.

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

## **Required Supplementary Information**

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

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

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

## **Other Supplementary Information**

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

# 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, 2020 and 2019 are as follows:

	2020	2019	Increase (Decrease)
Current assets	\$ 7,998,585	\$ 8,086,541	\$ (87,956)
Capital assets, net	25,691,038	22,486,088	3,204,950
Total assets	<u>33,689,623</u>	<u>30,572,629</u>	<u>3,116,994</u>
 Total deferred outflows of resources	 2,164,365	 714,669	 1,449,696
 Long-term liabilities outstanding	 16,372,275	 15,255,745	 1,116,530
Other liabilities	1,232,660	977,741	254,919
Total liabilities	<u>17,604,935</u>	<u>16,233,486</u>	<u>1,371,449</u>
 Total deferred inflows of resources	 938,528	 593,718	 344,810
 Net Position:			
Net investment in capital assets	18,610,113	15,193,256	3,416,857
Restricted	724,780	937,660	(212,880)
Unrestricted	<u>(2,024,368)</u>	<u>(1,670,822)</u>	<u>(353,546)</u>
Total net position	<u>\$ 17,310,525</u>	<u>\$ 14,460,094</u>	<u>\$ 2,850,431</u>



# Town of Plaistow, New Hampshire

## Management's Discussion and Analysis

### Statement of Activities

Changes in net position for the years ending December 31, 2020 and 2019 are as follows:

#### Statement of Activities

#### Summary of Changes in Net Position Governmental Activities

	2020	2019	Increase (Decrease)
Revenues:			
Program Revenues			
Charges for services	\$ 517,205	\$ 551,211	\$ (34,006)
Operating grants and contributions	816,622	766,819	49,803
Capital grants and contributions	2,917,031	929,421	1,987,610
General revenues:			
Property taxes	6,316,551	6,712,006	(395,455)
Other taxes	65,223	76,058	(10,835)
Motor vehicle permit fees	1,871,269	1,825,514	45,755
Licenses and other fees	229,341	281,850	(52,509)
Grants and contributions not restricted to specific programs	490,741	475,247	15,494
Miscellaneous	952,988	816,572	136,416
Total revenues	<u>\$ 14,176,971</u>	<u>\$ 12,434,698</u>	<u>\$ 1,742,273</u>
Expenses:			
General government	3,944,780	3,697,779	247,001
Public safety	3,895,127	3,570,363	324,764
Highways and streets	999,296	906,253	93,043
Sanitation	809,009	744,683	64,326
Water	282,803	472,252	(189,449)
Health and welfare	140,178	143,596	(3,418)
Culture and recreation	1,019,117	959,342	59,775
Conservation	15,512	6,228	9,284
Interest on long-term debt	220,718	231,514	(10,796)
Total expenses	<u>11,326,540</u>	<u>10,732,010</u>	<u>594,530</u>
Change in net position	2,850,431	1,702,688	1,147,743
Net position, beginning	<u>14,460,094</u>	<u>12,757,406</u>	<u>1,702,688</u>
Net position, ending	<u>\$ 17,310,525</u>	<u>\$ 14,460,094</u>	<u>\$ 2,850,431</u>

The Town's net position increased by \$2,850,431.

## **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 69.22% 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 \$4,945,038. This includes an unassigned amount of \$2,493,076. The total General Fund fund balance increased \$140,787 from the December 31, 2019 amount.

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

The Water fund accounts for all activity related to the Water Department. At the end of the current year, the Water fund fund balances totaled \$530,412. The fund balance decreased \$91,308 from the December 31, 2019 amount.

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

The total fund balance of \$1,224,617 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 Public Safety Complex Capital Project Fund (\$257,805) Conservation Fund (\$349,846), Permanent Fund (\$172,383) and the Impact Fees Fund (\$192,460).

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgetary information for the major governmental fund (the General Fund) can be found in the report at Exhibit D-1 on page 17.

The actual budgetary revenues exceeded the budget for estimated revenues by \$190,175. The Town received \$81,630 more in taxes, \$47,110 more in licenses and permits, \$14,324 more in intergovernmental, \$8,554 less in charges for services and \$55,665 more from miscellaneous sources.

The actual budgetary expenditures were less than the budgeted appropriations by \$362,747.

# 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, 2020 is \$34,309,317. Accumulated depreciation amounts to \$8,618,280, leaving a net book value of \$25,691,037. The capital assets include equipment, real property, infrastructure, and land. Infrastructure assets are items that are normally immovable and of value only to the Town. Additional information on the Town's capital assets can be found in Note 8 of the Notes to the Basic Financial Statements.

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

#### Capital Assets (net of depreciation)

	2020	2019	Increase (Decrease)
Land	\$ 3,779,365	\$ 3,815,932	\$ (36,567)
Buildings and building improvements	11,316,286	10,644,654	671,632
Vehicles and equipment	1,948,326	1,846,981	101,345
Infrastructure	5,402,151	3,811,276	1,590,875
Construction in progress	3,244,910	2,367,245	877,665
Total	<u>\$ 25,691,038</u>	<u>\$ 22,486,088</u>	<u>\$ 3,204,950</u>

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

## Long-Term Obligations

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

### Long-Term Liabilities

	2020	2019	Increase (Decrease)
General obligation bond	\$ 7,000,000	\$ 7,280,000	\$ (280,000)
Premium on bond	273,281	297,426	(24,145)
Capital leases	-	25,543	(25,543)
Compensated absences	182,101	148,872	33,229
Net other postemployment benefits	1,657,589	1,389,582	268,007
Net pension liability	7,259,304	6,114,322	1,144,982
Total	<u>\$ 16,372,275</u>	<u>\$ 15,255,745</u>	<u>\$ 1,116,530</u>

Additional information on the Town's long-term obligations can be found in Notes 12, 13 and 14 of the Notes to the Basic Financial Statements.

## ECONOMIC FACTORS

The Town of Plaistow continues to review and update our capital investment plan (CIP) to accommodate and anticipate the needs of the community and its continued operation based on continued growth. We are continuing to experience significant residential growth and commercial property development. In addition, the Town is moving forward with significant progress to bring potable water to Town which will lead to future development of commercial properties.

## REQUESTS FOR INFORMATION

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

## ***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
*Statement of Net Position*  
*December 31, 2020*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,792,477
Investments	2,249,221
Taxes receivables (net)	1,152,848
Account receivables	1,257,885
Intergovernmental receivable	466,399
Prepaid items	79,755
Capital assets:	
Land and construction in progress	7,024,276
Other capital assets, net of depreciation	18,666,762
Total assets	<u>33,689,623</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	1,672,846
Amounts related to other postemployment benefits	491,519
Total deferred outflows of resources	<u>2,164,365</u>
<b>LIABILITIES</b>	
Accounts payable	427,189
Accrued salaries and benefits	101,815
Retainage payable	224,433
Contracts payable	476,186
Intergovernmental payable	3,037
Long-term liabilities:	
Due within one year	302,793
Due in more than one year	16,069,482
Total liabilities	<u>17,604,935</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Amounts related to pensions	824,834
Amounts related to other postemployment benefits	113,694
Total deferred inflows of resources	<u>938,528</u>
<b>NET POSITION</b>	
Net investment in capital assets	18,610,113
Restricted	724,780
Unrestricted	<u>(2,024,368)</u>
Total net position	<u>\$ 17,310,525</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, 2020**

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
		for	Grants and	Grants and	Change In
	Expenses	Services	Contributions	Contributions	Net Position
General government	\$ 3,944,780	\$ 9,988	\$ -	\$ -	\$ (3,934,792)
Public safety	3,895,127	333,413	660,937	-	(2,900,777)
Highways and streets	999,296	-	155,685	22,660	(820,951)
Sanitation	809,009	-	-	-	(809,009)
Water	282,803	146,963	-	2,894,371	2,758,531
Health	132,107	-	-	-	(132,107)
Welfare	8,071	-	-	-	(8,071)
Culture and recreation	1,019,117	26,841	-	-	(992,276)
Conservation	15,512	-	-	-	(15,512)
Interest on long-term debt	220,718	-	-	-	(220,718)
Total governmental activities	<u>\$ 11,326,540</u>	<u>\$ 517,205</u>	<u>\$ 816,622</u>	<u>\$ 2,917,031</u>	<u>(7,075,682)</u>
General revenues:					
Taxes:					
Property					6,316,551
Other					65,223
Motor vehicle permit fees					1,871,269
Licenses and other fees					229,341
Grants and contributions not restricted to specific programs					490,741
Unrestricted investment earnings					82,738
Miscellaneous					870,250
Total general revenues					<u>9,926,113</u>
Change in net position					<u>2,850,431</u>
Net position, beginning					<u>14,460,094</u>
Net position, ending					<u>\$ 17,310,525</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, 2020**

	General	Water	Westville Road Capital Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,536,187	\$ 137,037	\$ -	\$ 1,119,253	\$ 2,792,477
Investments	2,078,255	-	-	170,966	2,249,221
Taxes receivable (net)	1,152,848	-	-	-	1,152,848
Accounts receivable	79,876	1,095,517	-	82,492	1,257,885
Intergovernmental receivable	-	-	425,570	40,829	466,399
Interfund receivable	608,918	-	-	-	608,918
Prepaid items	198,230	-	-	-	198,230
Total assets	<u>\$ 5,654,314</u>	<u>\$ 1,232,554</u>	<u>\$ 425,570</u>	<u>\$ 1,413,540</u>	<u>\$ 8,725,978</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 421,691	\$ 1,523	\$ -	\$ 3,975	\$ 427,189
Accrued salaries and benefits	101,815	-	-	-	101,815
Retainage payable	-	224,433	-	-	224,433
Contracts payable	-	476,186	-	-	476,186
Intergovernmental payable	3,037	-	-	-	3,037
Interfund payable	-	-	423,970	184,948	608,918
Total liabilities	<u>526,543</u>	<u>702,142</u>	<u>423,970</u>	<u>188,923</u>	<u>1,841,578</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - Property taxes	<u>182,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,733</u>
<b>FUND BALANCES</b>					
Nonspendable	198,230	-	-	132,792	331,022
Restricted	235,088	-	1,600	355,300	591,988
Committed	1,710,186	530,412	-	734,888	2,975,486
Assigned	308,458	-	-	1,637	310,095
Unassigned	2,493,076	-	-	-	2,493,076
Total fund balances	<u>4,945,038</u>	<u>530,412</u>	<u>1,600</u>	<u>1,224,617</u>	<u>6,701,667</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,654,314</u>	<u>\$ 1,232,554</u>	<u>\$ 425,570</u>	<u>\$ 1,413,540</u>	<u>\$ 8,725,978</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, 2020**

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 6,701,667
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 34,309,317	
Less accumulated depreciation	<u>(8,618,279)</u>	
		25,691,038
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	\$ 1,672,846	
Deferred inflows of resources related to pensions	(824,834)	
Deferred outflows of resources related to OPEB	491,519	
Deferred inflows of resources related to OPEB	<u>(113,694)</u>	
		1,225,837
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (608,918)	
Payables	<u>608,918</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		182,733
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		(118,475)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 7,000,000	
Unamortized bond premium	273,281	
Compensated absences	182,101	
Net pension liability	7,259,304	
Other postemployment benefits	<u>1,657,589</u>	
		(16,372,275)
Net position of governmental activities (Exhibit A)		<u>\$ 17,310,525</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, 2020**

	General	Water	Westville Road Capital Project	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 6,374,986	\$ -	\$ -	\$ -	\$ 6,374,986
Licenses and permits	2,100,610	-	-	-	2,100,610
Intergovernmental	799,171	2,894,371	22,660	508,192	4,224,394
Charges for services	41,446	146,963	-	328,796	517,205
Miscellaneous	898,948	-	-	90,607	989,555
Total revenues	10,215,161	3,041,334	22,660	927,595	14,206,750
<b>EXPENDITURES</b>					
Current:					
General government	3,584,095	-	-	54,969	3,639,064
Public safety	2,780,150	-	-	780,706	3,560,856
Highways and streets	914,964	-	-	-	914,964
Water	-	3,127,642	-	-	3,127,642
Sanitation	809,009	-	-	-	809,009
Health	131,622	-	-	-	131,622
Welfare	8,071	-	-	-	8,071
Culture and recreation	824,837	-	-	121,728	946,565
Conservation	4,787	-	-	10,725	15,512
Debt service:					
Principal	280,000	-	-	-	280,000
Interest	252,181	-	-	-	252,181
Capital outlay	562,964	-	28,425	234,454	825,843
Total expenditures	10,152,680	3,127,642	28,425	1,202,582	14,511,329
Excess (deficiency) of revenues over (under) expenditures	62,481	(86,308)	(5,765)	(274,987)	(304,579)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	78,306	-	-	-	78,306
Transfers out	-	(5,000)	(63,306)	(10,000)	(78,306)
Total other financing sources (uses)	78,306	(5,000)	(63,306)	(10,000)	-
Net change in fund balances	140,787	(91,308)	(69,071)	(284,987)	(304,579)
Fund balances, beginning	4,804,251	621,720	70,671	1,509,604	7,006,246
Fund balances, ending	\$ 4,945,038	\$ 530,412	\$ 1,600	\$ 1,224,617	\$ 6,701,667

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, 2020*

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (304,579)
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	\$4,257,513	
Depreciation expense	<u>(1,015,996)</u>	
		3,241,517
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(36,567)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (78,306)	
Transfers out	<u>78,306</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		6,788
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of bond principal	\$ 280,000	
Repayment of capital leases	25,543	
Amortization of bond premium	<u>24,145</u>	
		329,688
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	\$ 290	
Decrease in prepaid bond interest	7,028	
Increase in compensated absences payable	(33,229)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(376,396)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>15,891</u>	
		(386,416)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 2,850,431</u>

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

**EXHIBIT D-1**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended December 31, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 6,300,144	\$ 6,381,774	\$ 81,630
Licenses and permits	2,053,500	2,100,610	47,110
Intergovernmental	784,847	799,171	14,324
Charges for services	50,000	41,446	(8,554)
Miscellaneous	707,500	763,165	55,665
Total revenues	9,895,991	10,086,166	190,175
<b>EXPENDITURES</b>			
Current:			
General government	3,697,095	3,587,332	109,763
Public safety	2,874,322	2,735,957	138,365
Highways and streets	946,614	913,938	32,676
Sanitation	812,876	809,009	3,867
Health	129,052	129,122	(70)
Welfare	32,780	8,071	24,709
Culture and recreation	226,313	197,206	29,107
Conservation	10,259	4,787	5,472
Debt service:			
Principal	280,000	280,000	-
Interest	252,506	252,181	325
Capital outlay	665,000	646,467	18,533
Total expenditures	9,926,817	9,564,070	362,747
Excess (deficiency) of revenues over (under) expenditures	(30,826)	522,096	552,922
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	75,000	143,306	68,306
Transfers out	(714,174)	(695,643)	18,531
Total other financing sources (uses)	(639,174)	(552,337)	86,837
Net change in fund balances	\$ (670,000)	(30,241)	\$ 639,759
Decrease in nonspendable fund balance		57,793	
Unassigned fund balance, beginning		2,648,257	
Unassigned fund balance, ending		\$ 2,675,809	

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

**EXHIBIT D-2**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (GAAP Basis)**  
**Water Fund**  
**For the Fiscal Year Ended December 31, 2020**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,894,371	\$ 2,894,371	\$ -
Charges for services	157,444	157,444	146,963	(10,481)
Total revenues	157,444	3,051,815	3,041,334	(10,481)
<b>EXPENDITURES</b>				
Current:				
Water	152,444	3,046,815	3,127,642	(80,827)
Excess (deficiency) of revenues over (under) expenditures	5,000	5,000	(86,308)	(91,308)
<b>OTHER FINANCING USES</b>				
Transfers out	(5,000)	(5,000)	(5,000)	-
Net change in fund balances	\$ -	\$ -	(91,308)	\$ (91,308)
Committed fund balance, beginning			621,720	
Committed fund balance, ending			\$ 530,412	

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, 2020**

	Private Purpose Trust Funds	All Custodial Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,761	\$ 11,219,992	\$ 11,222,753
Investments	333,236	1,059,198	1,392,434
Total assets	335,997	12,279,190	12,615,187
<b>LIABILITIES</b>			
Intergovernmental payables:			
School	-	10,974,253	10,974,253
<b>NET POSITION</b>			
Restricted	\$ 335,997	\$ 1,304,937	\$ 1,640,934

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, 2020**

	Private Purpose Trust Funds	All Custodial Funds	Total
<b>ADDITIONS</b>			
Contributions	\$ 6,744	\$ 88,043	\$ 94,787
Investment earnings	9,318	27,775	37,093
Change in fair market value	7,290	90,046	97,336
Tax collections for other governments	-	20,023,964	20,023,964
Total additions	<u>23,352</u>	<u>20,229,828</u>	<u>20,253,180</u>
<b>DEDUCTIONS</b>			
Scholarships	21,781	-	21,781
Payments to other governments	-	20,846,988	20,846,988
Payments for escrow purposes	-	192,149	192,149
Total deductions	<u>21,781</u>	<u>21,039,137</u>	<u>21,060,918</u>
Change in net position	1,571	(809,309)	(807,738)
Net position, beginning	334,426	2,114,246	2,448,672
Net position, ending	<u>\$ 335,997</u>	<u>\$ 1,304,937</u>	<u>\$ 1,640,934</u>

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

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

	<b><u>NOTE</u></b>
<b>Summary of Significant Accounting Policies .....</b>	<b>1</b>
Reporting Entity .....	1-A
Basis of Accounting, and Measurement Focus.....	1-B
Cash and Cash Equivalents.....	1-C
Investments.....	1-D
Receivables.....	1-E
Prepaid Items.....	1-F
Capital Assets .....	1-G
Interfund Activities.....	1-H
Property Taxes.....	1-I
Accounts Payable .....	1-J
Deferred Outflows/Inflows of Resources .....	1-K
Long-term Obligations .....	1-L
Compensated Absences .....	1-M
Defined Benefit Pension Plan .....	1-N
Postemployment Benefits Other Than Pensions.....	1-O
Net Position/Fund Balances.....	1-P
Use of Estimates .....	1-Q
<b>Stewardship, Compliance, and Accountability.....</b>	<b>2</b>
Budgetary Information.....	2-A
Budgetary Reconciliation to GAAP Basis .....	2-B

**DETAILED NOTES ON ALL FUNDS**

<b>Cash and Cash Equivalents .....</b>	<b>3</b>
<b>Investments .....</b>	<b>4</b>
<b>Taxes Receivable .....</b>	<b>5</b>
<b>Other Receivables.....</b>	<b>6</b>
<b>Prepaid Items.....</b>	<b>7</b>
<b>Capital Assets.....</b>	<b>8</b>
<b>Interfund Balances and Transfers .....</b>	<b>9</b>
<b>Intergovernmental Payables.....</b>	<b>10</b>
<b>Deferred Outflows/Inflows of Resources .....</b>	<b>11</b>
<b>Long-term Liabilities .....</b>	<b>12</b>
<b>Defined Benefit Pension Plan .....</b>	<b>13</b>
<b>Postemployment Benefits Other Than Pensions.....</b>	<b>14</b>
New Hampshire Retirement System (NHRS).....	14-A
Town of Plaistow Retiree Health Benefit Program.....	14-B
<b>Encumbrances .....</b>	<b>15</b>
<b>Governmental Activities and Fiduciary Funds Net Position .....</b>	<b>16</b>
<b>Governmental Fund Balances .....</b>	<b>17</b>
<b>Risk Management.....</b>	<b>18</b>
<b>Contingent Liabilities.....</b>	<b>19</b>



**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

<b>COVID-19 .....</b>	<b>20</b>
<b>Tax Abatements .....</b>	<b>21</b>
<b>Subsequent Events .....</b>	<b>22</b>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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

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

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

***1-A Reporting Entity***

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

***1-B Basis of Accounting, and Measurement Focus***

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

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

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

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

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

The Town reports the following major governmental funds:

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

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

**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 of the fund financial statements.

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

The Town reports the following fiduciary funds:

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

**Custodial Fund** – are custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

### ***1-C Cash and Cash Equivalents***

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

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

### ***1-D Investments***

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

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

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

- 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**  
**DECEMBER 31, 2020**

**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:

<b>Capital Asset Classes:</b>	<u><b>Years</b></u>
Buildings and building improvements	15 - 40
Vehicles and equipment	5 - 20
Infrastructure	20 - 60

**1-H Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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

**1-I Property Taxes**

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 6, 2020 and November 17, 2020, and due on July 1, 2020 and December 30, 2020. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2019 on April 22, 2020.

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

The Town net assessed valuation as of April 1, 2020 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 1,160,716,020
For all other taxes	\$ 1,200,736,760

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

The tax rates and amounts assessed for the year ended December 31, 2020 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$ 5.41	\$ 6,498,416
School portion:		
State of New Hampshire	2.05	2,374,457
Local	13.33	16,010,880
County portion	0.86	1,030,156
Total	<u>\$ 21.65</u>	<u>\$25,913,909</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, 2020.

***1-K Deferred Outflows/Inflows of Resources***

*Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Town after the measurement date but before the end of the Town's reporting period.

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year-end.

***1-L Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the bond premium.

***1-M Compensated Absences***

The Town's policy allows certain employees to earn varying amounts of vacation 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**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**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 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



**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

collectability of accounts receivable, the useful lives capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

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

**2-A Budgetary Information**

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

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2020, none of the beginning general fund unassigned fund balance was applied for this purpose and \$670,000 was voted from unassigned fund balance to fund current year appropriations.

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

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

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 10,229,472
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record revenue of the blended funds	135,783
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	(6,788)
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,293,467</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 10,259,713
Adjustment:	
Basis differences:	
Encumbrances, beginning	191,675
Encumbrances, ending	(308,458)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	705,393
To eliminate and recognize transfers between blended funds	(695,643)
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,152,680</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**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 \$14,015,230 and the bank balances totaled \$14,762,103. Petty cash totaled \$100.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 2,792,477
Cash per Statement of Net Position - Fiduciary Fund (Exhibit E-1)	11,222,753
Total cash and cash equivalents	<u>\$ 14,015,230</u>

**NOTE 4 – INVESTMENTS**

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Since investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements and maturities as of December 31, 2020:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Equity exchange traded funds	Level 1	\$ 131,701	\$ 131,701
Equity mutual funds	Level 1	448,087	448,087
Fixed income exchange traded funds	Level 2	25,532	25,532
Fixed income mutual funds	Level 2	2,710,751	2,710,751
New Hampshire Public Deposit Investment Pool	Level 2	325,584	325,584
Total fair value		<u>\$ 3,641,655</u>	<u>\$ 3,641,655</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 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.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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

Investments Type	Reported Balance	Exempt from Disclosure
Equity exchange traded funds	\$ 131,701	\$ 131,701
Equity mutual funds	448,087	448,087
Fixed income exchange traded funds	25,532	25,532
Fixed income mutual funds	2,710,751	2,710,751
New Hampshire Public Deposit Investment Pool	325,584	325,584
Total	<u>\$ 3,641,655</u>	<u>\$ 3,641,655</u>

**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Treasurer shall insure that prior to acceptance of any money for deposit or investment including repurchase agreements, the federally insured bank shall, at the time of such deposit or investment, have such funds secured by collateral having a value at least equal to the amount of such funds in excess of the applicable Federal Deposit Insurance limits for such deposit or investment. The Trustee of Trust funds investment policies do not directly address 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)	\$ 2,249,221
Investments per Statement of Net Position - Fiduciary Funds (Exhibit E-1)	1,392,434
Total investments	<u>\$ 3,641,655</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, 2020. 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 2020	\$ 843,689
Unredeemed (under tax lien):	
Levy of 2019	159,816
Levy of 2018	97,340
Levies of 2017 and prior	528,456
Less: allowance for estimated uncollectible taxes	(476,453)
Net taxes receivable	<u>\$1,152,848</u>

**NOTE 6 – OTHER RECEIVABLES**

Receivables at December 31, 2020, 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.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**NOTE 7 – PREPAID ITEMS**

Prepaid items at December 31, 2020 consisted of the following:

	Governmental Activities (Exhibit A)	Governmental Funds (Exhibit C-1)
Annual dues and licenses	\$ 16,427	\$ 16,427
Insurance	59,207	59,207
Interest on bond	-	* 118,475
Miscellaneous	4,121	4,121
Total	<u>\$ 79,755</u>	<u>\$ 198,230</u>

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

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,815,932	\$ -	\$ (36,567)	\$ 3,779,365
Construction in progress	2,367,245	3,660,178	(2,782,513)	3,244,910
Total capital assets not being depreciated	<u>6,183,177</u>	<u>3,660,178</u>	<u>(2,819,080)</u>	<u>7,024,275</u>
Being depreciated:				
Buildings and building improvements	14,464,000	1,168,247	-	15,632,247
Vehicles and equipment	4,432,966	423,380	-	4,856,346
Infrastructure	5,008,228	1,788,221	-	6,796,449
Total capital assets being depreciated	<u>23,905,194</u>	<u>3,379,848</u>	<u>-</u>	<u>27,285,042</u>
Total all capital assets	<u>30,088,371</u>	<u>7,040,026</u>	<u>(2,819,080)</u>	<u>34,309,317</u>
Less accumulated depreciation:				
Buildings and building improvements	(3,819,346)	(496,615)	-	(4,315,961)
Vehicles and equipment	(2,585,985)	(322,035)	-	(2,908,020)
Infrastructure	(1,196,952)	(197,346)	-	(1,394,298)
Total accumulated depreciation	<u>(7,602,283)</u>	<u>(1,015,996)</u>	<u>-</u>	<u>(8,618,279)</u>
Net book value, capital assets being depreciated	<u>16,302,911</u>	<u>2,363,852</u>	<u>-</u>	<u>18,666,763</u>
Net book value, all governmental activities capital assets	<u>\$22,486,088</u>	<u>\$6,024,030</u>	<u>\$(2,819,080)</u>	<u>\$25,691,038</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	\$ 50,400
Public safety	607,680
Highways and streets	235,832
Water treatment and distribution	49,533
Culture and recreation	72,552
Total depreciation expense	<u>\$ 1,015,997</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**NOTE 9 – INTERFUND BALANCES AND TRANSFERS**

**Interfund Balances** - The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General	Westville Road Project	\$ 423,970
	Nonmajor	184,948
		<u>\$ 608,918</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, 2020 is as follows:

	Transfers In:
	General
	Fund
Transfers out:	
Water fund	\$ 5,000
Westville Road fund	63,306
Nonmajor fund	10,000
Total	<u>\$ 78,306</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 \$10,977,290 at December 31, 2020 consist of the following:

	Governmental	
	Fund	Fiduciary
	General	Funds
Miscellaneous withholdings due to State and Federal Governments	\$ 3,037	\$ -
Taxes due to the Timberlane Regional School District	-	10,974,253
Total intergovernmental payables due	<u>\$ 3,037</u>	<u>\$ 10,974,253</u>

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

Deferred outflows of resources at December 31, 2020 are as follows:

	Government-
	wide
Amounts related to pensions, see Note 13	\$ 1,672,846
Amounts related to OPEB, see Note 14	491,519
	<u>\$ 2,164,365</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

Deferred inflows of resources at December 31, 2020 are as follows:

	Government- wide	General Fund
Property taxes not collected within 60 days of the fiscal year-end	\$ -	\$182,733
Amounts related to pensions, see Note 13	824,834	-
Amounts related to OPEB, see Note 14	113,694	-
Total deferred inflows of resources	<u>\$ 938,528</u>	<u>\$182,733</u>

**NOTE 12 – LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Current
Bond payable:					
General obligation bond	\$ 7,280,000	\$ -	\$ (280,000)	\$ 7,000,000	\$280,000
Premium	297,426	-	(24,145)	273,281	22,793
Total bond payable	<u>7,577,426</u>	-	(304,145)	<u>7,273,281</u>	<u>302,793</u>
Capital leases	25,543	-	(25,543)	-	-
Compensated absences	148,872	33,229	-	182,101	-
Net pension liability	6,114,322	1,144,982	-	7,259,304	-
Net other postemployment benefits	1,389,582	399,584	(131,577)	1,657,589	-
Total long-term liabilities	<u>\$ 15,255,745</u>	<u>\$ 1,577,795</u>	<u>\$ (461,265)</u>	<u>\$ 16,372,275</u>	<u>\$ 302,793</u>

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2020
General obligation bond payable:					
Public safety complex	\$8,119,600	2016	2045	2.86	\$ 7,000,000
Bond premium					273,281
Total					<u>\$ 7,273,281</u>

The annual requirements to amortize the general obligation bond outstanding as of December 31, 2020, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
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	280,000	186,326	466,326
2026-2030	1,400,000	770,840	2,170,840
2031-2035	1,400,000	552,440	1,952,440
2036-2040	1,400,000	338,240	1,738,240
2041-2045	1,400,000	126,840	1,526,840
Totals	<u>\$ 7,000,000</u>	<u>\$ 2,840,950</u>	<u>\$ 9,840,950</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.

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**Bonds/Notes Authorized and Unissued** – Bonds and notes authorized and unissued as of December 31, 2020 were as follows:

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

**NOTE 13 – DEFINED BENEFIT PENSION PLAN**

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

**Benefits Provided** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

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

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

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

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

**Contributions** - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80% respectively. For fiscal year 2020, the Town contributed 24.77% for police, 26.43% for fire and 10.88% for other employees. The contribution requirement for the fiscal year 2020 was \$271,082, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2020 the Town reported a liability of \$7,259,304 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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, 2020, the Town's proportion was 0.11349489% which was a decrease of 0.01357826% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$907,109. At December 31, 2020 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	\$ 38,643	\$ 746,890
Changes in assumptions	718,089	-
Net difference between projected and actual investment earnings on pension plan investments	448,995	-
Differences between expected and actual experience	196,037	77,944
Contributions subsequent to the measurement date	271,082	-
Total	<u>\$ 1,672,846</u>	<u>\$ 824,834</u>

The \$271,082 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, 2021. 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,	
2021	\$ 45,054
2022	127,920
2023	189,835
2024	214,121
Totals	<u>\$ 576,930</u>

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

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

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

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

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



**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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
		2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

**Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$9,397,842	\$ 7,259,304	\$5,511,832

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

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**14-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](http://www.nhrs.org).

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**Benefits Provided** - 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 2020 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 2020, the Town contributed 3.66% for police and fire, and 0.29% for other employees. The contribution requirement for the fiscal year 2020 was \$29,060, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – At December 31, 2020, the Town reported a liability of \$504,291 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2020, the Town's proportion was 0.22590547% which was an increase of 0.08202767% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Town recognized OPEB expense of \$71,932. At December 31, 2020, 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	\$ -	\$ 16,276
Net difference between projected and actual investment earnings on OPEB plan investments	1,887	-
Changes in assumptions	3,242	-
Differences between expected and actual experience	-	1,461
Contributions subsequent to the measurement date	29,060	-
Total	<u>\$ 34,189</u>	<u>\$ 17,737</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

The \$29,060 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, 2021. 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,	
2021	\$ (14,351)
2022	558
2023	665
2024	520
Totals	<u>\$ (12,608)</u>

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

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

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

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

**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. 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 2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2020 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and 100-A:53. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the Town's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 547,607	\$ 504,291	\$ 466,684

**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.

**14-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, 2020, the following employees were covered by the benefit terms:

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

**Total OPEB Liability** – The Town's total OPEB liability of \$1,153,298 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$1,153,298 in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.12%
Healthcare Cost Trend Rates:	
Current Year Trend	6.03%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2030
Salary Increases:	3.00%

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2020.

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

**Changes in the Total OPEB Liability**

	December 31,	
	2019	2020
OPEB liability beginning of year	\$ 731,213	\$ 753,714
Changes for the year:		
Service cost	31,269	49,016
Interest	25,001	23,209
Assumption changes and difference between actual and expected experience	-	354,781
Benefit payments	(33,769)	(27,422)
OPEB liability end of year	<u>\$ 753,714</u>	<u>\$ 1,153,298</u>

**Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate** – The following presents the total OPEB Liability, calculated using the discount rate of 2.12%, as well as what the total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	Baseline 2.12%	1% Increase
Total OPEB Liability	<u>\$ 1,275,883</u>	<u>\$ 1,153,298</u>	<u>\$ 1,043,143</u>

**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB Liability, calculated using the trend rate of 6.03%, as well as what the total OPEB Liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 6.03%	1% Increase
Total OPEB Liability	<u>\$ 1,019,373</u>	<u>\$ 1,153,298</u>	<u>\$ 1,308,978</u>

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2020, the Town recognized OPEB expense of \$138,232. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 422,862	\$ -
Differences between expected and actual experience	34,468	95,957
Total	<u>\$ 457,330</u>	<u>\$ 95,957</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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,	
2021	\$ 66,007
2022	66,007
2023	66,007
2024	66,007
2025	63,630
Thereafter	33,715
Totals	<u>\$ 361,373</u>

**NOTE 15 – ENCUMBRANCES**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2020 and are as follows:

General fund:	
General government	\$ 71,779
Public safety	8,287
Highways and streets	59,638
Capital outlay	168,754
Total encumbrances	<u>\$ 308,458</u>

**NOTE 16 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION**

Net position reported on the government-wide and fiduciary funds Statements of Net Position at December 31, 2020 include the following:

	Government-wide Financial Statements	
	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 25,691,038	\$ -
Less:		
General obligation bond payable	(7,000,000)	-
Unamortized bond premiums	(273,281)	-
Amount of debt related to unspent proceeds	192,357	-
Total net investment in capital assets	<u>18,610,114</u>	<u>-</u>
Restricted net position:		
Permanent fund principal	132,792	-
Permanent fund income	39,591	-
Library	235,088	-
Capital Projects	259,405	-
Special revenue funds	57,904	-
Private purpose trust funds	-	335,997
Individuals, organizations, and other governments	-	1,304,937
Total restricted net position	<u>724,780</u>	<u>1,640,934</u>
Unrestricted	<u>(2,024,368)</u>	<u>-</u>
Total net position	<u>\$ 17,310,526</u>	<u>\$ 1,640,934</u>

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**NOTE 17 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2020 include the following:

	General Fund	Water Suppression Fund	Westville Road Capital Project	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Prepaid items	\$ 198,230	\$ -	\$ -	\$ -	\$ 198,230
Permanent fund - principal balance	-	-	-	132,792	132,792
Total nonspendable fund balance	198,230	-	-	132,792	331,022
<b>Restricted:</b>					
Library	235,088	-	-	-	235,088
Capital projects	-	-	1,600	257,805	259,405
Police	-	-	-	32,110	32,110
Grants	-	-	-	176	176
Cable TV	-	-	-	25,618	25,618
Permanent fund - income balance	-	-	-	39,591	39,591
Total restricted fund balance	235,088	-	1,600	355,300	591,988
<b>Committed:</b>					
Expendable trust	1,710,186	-	-	-	1,710,186
Water	-	530,412	-	-	530,412
Conservation commission	-	-	-	349,846	349,846
Impact fees	-	-	-	192,460	192,460
Outside details	-	-	-	148,450	148,450
Recreation revolving	-	-	-	34,892	34,892
Cemetery maintenance	-	-	-	9,240	9,240
Total committed fund balance	1,710,186	530,412	-	734,888	2,975,486
<b>Assigned:</b>					
Encumbrances	308,458	-	-	-	308,458
Other special revenue	-	-	-	1,637	1,637
Total assigned fund balance	308,458	-	-	1,637	310,095
<b>Unassigned</b>	2,493,076	-	-	-	2,493,076
Total governmental fund balances	\$ 4,945,038	\$ 530,412	\$ 1,600	\$ 1,224,617	\$ 6,701,667

**NOTE 18 – 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 2020, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2020 to December 31, 2020 by Primex<sup>3</sup>, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2020 the Town paid \$145,089 and \$68,440 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

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

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**NOTE 19 – 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 20 – COVID-19**

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

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the budget approved for 2020; and were incurred during the period that begins on March 1, 2020 and ends on December 31, 2020. The Town was awarded a portion of this federal funding totaling \$379,703. In addition to funding from the CARES Act, there are several other federal and state grants available.

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

**NOTE 21 – 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 22 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through May 18, 2021, the date the December 31, 2020 financial statements were available to be issued, the following warrant articles were approved by the voters at the March 9, 2021 annual Town election:

**Warrant Article P-21-05:** Authorized the use of \$80,000 General Fund unassigned fund balance for unanticipated expenditures.

**Warrant Article P-21-06:** Authorized the use of \$15,000 General Fund unassigned fund balance for Phase II of the Salt Shed Solar project.

**Warrant Article P-21-11:** Authorized the use of \$575,000 General Fund unassigned fund balance for repair and construction of the Plaistow landfill cap.

**Warrant Article P-21-12:** Authorized the use of \$22,122 General Fund unassigned fund balance to be deposited into the existing Fire Department SCBA Capital Reserve Fund.

**Warrant Article P-21-13:** Authorized the use of \$100,000 General Fund unassigned fund balance to be deposited into the existing Fire Department Radio Capital Reserve Fund.



***TOWN OF PLAISTOW, NEW HAMPSHIRE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2020***

**Warrant Article P-21-14:** Authorized the use of \$25,000 General Fund unassigned fund balance to be deposited into the existing Recreation Plan Capital Reserve Fund.

***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT F**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,							
	2013	2014	2015	2016	2017	2018	2019	2020
Town's:								
Proportion of the net pension liability	0.14158146%	0.13552761%	0.12818969%	0.13141651%	0.13609418%	0.13264919%	0.12707315%	0.11349489%
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	\$ 7,259,304
Covered payroll	\$ 2,686,031	\$ 2,649,750	\$ 2,578,181	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419	\$ 2,789,520
Proportionate share of the net pension liability as a percentage of its covered payroll	226.85%	191.99%	196.97%	277.07%	234.62%	218.34%	215.26%	260.23%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%

**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, 2020*

	December 31,							
	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 352,048	\$ 439,683	\$ 430,061	\$ 483,271	\$ 498,572	\$ 560,652	\$ 552,999	\$ 504,192
Contributions in relation to the contractually required contributions	352,048	439,683	430,061	483,271	498,572	560,652	552,999	504,192
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	\$ 2,789,520
Contributions as a percentage of covered pay	13.11%	16.59%	16.68%	18.66%	17.48%	19.17%	19.47%	18.07%

**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

***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, 2020. 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 2020:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	20 years beginning July 1, 2019 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year (3.00% for teachers) in the 2017 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% 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. Based on the 2010-215 experience study.
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 2010-2015 experience study.

**Other Information:**

Notes	The board has adopted new assumptions based on the 2015-2019 experience study effective for employer contributions in the 2022-23 biennium.
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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, 2020*

	December 31,				
	2016	2017	2018	2019	2020
Town's proportion of the net OPEB liability	0.10166401%	0.10290014%	0.15293115%	0.14387780%	0.22590547%
Town's proportionate share of the net OPEB liability (asset)	\$ 492,161	\$ 470,494	\$ 700,189	\$ 635,868	\$ 504,291
Town's covered payroll	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419	\$ 2,789,520
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	19.00%	16.49%	23.94%	22.39%	18.08%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%

**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, 2020*

	December 31,				
	2016	2017	2018	2019	2020
Contractually required contribution	\$ 59,073	\$ 60,989	\$ 67,646	\$ 66,190	\$ 53,478
Contributions in relation to the contractually required contribution	59,073	60,989	67,646	66,190	53,478
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,590,231	\$ 2,852,730	\$ 2,925,358	\$ 2,840,419	\$ 2,789,520
Contributions as a percentage of covered pay roll	2.28%	2.14%	2.31%	2.33%	1.92%

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, 2020**

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

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, 2020**

***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, 2020. 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.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2/0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

**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 (3.00% for teachers) in the 2017 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Funding Discount Rate	3.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2010-2015 experience study.
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 2010-2015 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, 2020. 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, 2020*

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 6,230,144	\$ 6,316,551	\$ 86,407
Land use change	-	48	48
Interest and penalties on taxes	70,000	65,175	(4,825)
Total from taxes	6,300,144	6,381,774	81,630
Licenses, permits, and fees:			
Business licenses, permits, and fees	3,500	4,935	1,435
Motor vehicle permit fees	1,875,000	1,871,269	(3,731)
Building permits	104,000	152,731	48,731
Other	71,000	71,675	675
Total from licenses, permits, and fees	2,053,500	2,100,610	47,110
Intergovernmental:			
State:			
Shared revenues	84,158	84,158	-
Meals and rooms distribution	392,120	392,120	-
Highway block grant	155,703	155,685	(18)
Other	30,866	33,553	2,687
Federal:			
Other	27,000	33,129	6,129
Other	95,000	100,526	5,526
Total from intergovernmental	784,847	799,171	14,324
Charges for services:			
Income from departments	50,000	41,446	(8,554)
Miscellaneous:			
Sale of municipal property	210,000	214,405	4,405
Interest on investments	45,000	42,809	(2,191)
Other	452,500	505,951	53,451
Total from miscellaneous	707,500	763,165	55,665
Other financing sources:			
Transfers in	75,000	143,306	68,306
Total revenues and other financing sources	9,970,991	\$ 10,229,472	\$ 258,481
Amounts voted from fund balance	670,000		
Total revenues, other financing sources, and use of fund balance	\$ 10,640,991		

**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, 2020**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 312,122	\$ 291,135	\$ -	\$ 20,987
Election and registration	-	152,743	193,865	-	(41,122)
Financial administration	-	534,288	506,365	45,000	(17,077)
Legal	-	75,000	63,697	-	11,303
Personnel administration	-	1,818,421	1,696,917	-	121,504
Planning and zoning	7,250	96,057	95,250	-	8,057
General government buildings	9,542	292,185	270,272	-	31,455
Cemeteries	-	8,005	7,887	-	118
Insurance, not otherwise allocated	-	128,230	119,730	-	8,500
Advertising and regional associations	-	25,500	25,327	-	173
Other	-	254,544	261,900	26,779	(34,135)
Total general government	16,792	3,697,095	3,532,345	71,779	109,763
Public safety:					
Police	52,480	2,010,225	1,871,159	8,287	183,259
Fire	-	718,791	695,876	-	22,915
Building inspection	-	127,706	147,877	-	(20,171)
Emergency management	-	17,600	65,238	-	(47,638)
Total public safety	52,480	2,874,322	2,780,150	8,287	138,365
Highways and streets:					
Administration	-	317,614	304,122	-	13,492
Highways and streets	34,652	514,000	423,913	59,638	65,101
Street lighting	-	115,000	160,917	-	(45,917)
Total highways and streets	34,652	946,614	888,952	59,638	32,676
Sanitation:					
Solid waste collection	-	741,376	757,201	-	(15,825)
Solid waste disposal	-	71,500	51,808	-	19,692
Total sanitation	-	812,876	809,009	-	3,867
Health:					
Administration	2,500	86,379	89,886	-	(1,007)
Pest control	-	950	103	-	847
Health agencies	-	41,723	41,633	-	90
Total health	2,500	129,052	131,622	-	(70)
Welfare:					
Administration and direct assistance	-	32,780	8,071	-	24,709
Culture and recreation:					
Parks and recreation	-	203,313	196,347	-	6,966
Patriotic purposes	-	500	532	-	(32)
Other	-	22,500	327	-	22,173
Total culture and recreation	-	226,313	197,206	-	29,107
Conservation	-	10,259	4,787	-	5,472
Debt service:					
Principal of long-term debt	-	280,000	280,000	-	-
Interest on long-term debt	-	251,006	251,006	-	-
Interest on tax anticipation notes	-	1,500	1,175	-	325
Total debt service	-	532,506	532,181	-	325

(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, 2020**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	85,251	665,000	562,964	168,754	18,533
Other financing uses:					
Transfers out	-	714,174	695,643	-	18,531
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 191,675	\$ 10,640,991	\$ 10,142,930	\$ 308,458	\$ 381,278

**SCHEDULE 3**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Major General Fund**  
**Schedule of Changes in Unassigned Fund Balance**  
**For the Fiscal Year Ended December 31, 2020**

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 2,648,257
Changes:		
Amounts voted from fund balance		(670,000)
2020 Budget summary:		
Revenue surplus (Schedule 1)	\$ 258,481	
Unexpended balance of appropriations (Schedule 2)	381,278	
2020 Budget surplus		639,759
Decrease in nonspendable fund balance		57,793
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,675,809
<b>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</b>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(182,733)
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		\$ 2,493,076

**SCHEDULE 4**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**December 31, 2020**

	Special Revenue Funds			
	Conservation Commission	Police	Impact Fees	Outside Details
<b>ASSETS</b>				
Cash and cash equivalents	\$ 354,485	\$ 36,941	\$ 327,179	\$ 66,433
Investments	-	-	-	-
Accounts receivable	-	-	-	82,492
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 354,485</u>	<u>\$ 36,941</u>	<u>\$ 327,179</u>	<u>\$ 148,925</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 475
Interfund payable	4,639	4,831	134,719	-
Total liabilities	<u>4,639</u>	<u>4,831</u>	<u>134,719</u>	<u>475</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	32,110	-	-
Committed	349,846	-	192,460	148,450
Assigned	-	-	-	-
Total fund balances	<u>349,846</u>	<u>32,110</u>	<u>192,460</u>	<u>148,450</u>
Total liabilities and fund balances	<u>\$ 354,485</u>	<u>\$ 36,941</u>	<u>\$ 327,179</u>	<u>\$ 148,925</u>

Special Revenue Funds					Capital Project Fund		
Recreation Revolving	Grants	Cable	Other Special Revenue	Cemetery Maintenance	Public Safety Complex	Permanent	Total
\$ 34,892	\$ -	\$ 29,118	\$ 1,637	\$ 9,240	\$ 257,911	\$ 1,417	\$ 1,119,253
-	-	-	-	-	-	170,966	170,966
-	-	-	-	-	-	-	82,492
-	40,829	-	-	-	-	-	40,829
<u>\$ 34,892</u>	<u>\$ 40,829</u>	<u>\$ 29,118</u>	<u>\$ 1,637</u>	<u>\$ 9,240</u>	<u>\$ 257,911</u>	<u>\$ 172,383</u>	<u>\$ 1,413,540</u>
\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ 3,975
-	40,653	-	-	-	106	-	184,948
-	40,653	3,500	-	-	106	-	188,923
-	-	-	-	-	-	132,792	132,792
-	176	25,618	-	-	257,805	39,591	355,300
34,892	-	-	-	9,240	-	-	734,888
-	-	-	1,637	-	-	-	1,637
<u>34,892</u>	<u>176</u>	<u>25,618</u>	<u>1,637</u>	<u>9,240</u>	<u>257,805</u>	<u>172,383</u>	<u>1,224,617</u>
<u>\$ 34,892</u>	<u>\$ 40,829</u>	<u>\$ 29,118</u>	<u>\$ 1,637</u>	<u>\$ 9,240</u>	<u>\$ 257,911</u>	<u>\$ 172,383</u>	<u>\$ 1,413,540</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, 2020**

	Special Revenue Fund			
	Conservation Commission	Police	Impact Fees	Outside Details
<b>REVENUES</b>				
Intergovernmental receivable	\$ -	\$ 15,489	\$ -	\$ -
Charges for services	-	-	-	328,580
Miscellaneous	677	70	54,115	-
Total revenues	677	15,559	54,115	328,580
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	21,329	-	379,675
Culture and recreation	-	-	118,373	-
Conservation	10,725	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,725	21,329	118,373	379,675
Excess (deficiency) of revenues over (under) expenditures	(10,048)	(5,770)	(64,258)	(51,095)
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(10,000)	-
Net change in fund balances	(10,048)	(5,770)	(74,258)	(51,095)
Fund balances, beginning	359,894	37,880	266,718	199,545
Fund balances, ending	\$ 349,846	\$ 32,110	\$ 192,460	\$ 148,450

Recreation Revolving	Special Revenue Funds				Capital Project Fund	Permanent	Total
	Grants	Cable	Other Special Revenue	Cemetery Maintenance	Public Safety Complex		
\$ -	\$ 492,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 508,192
216	-	-	-	-	-	-	328,796
-	749	20,000	2	4,565	1,603	8,826	90,607
216	493,452	20,000	2	4,565	1,603	8,826	927,595
-	-	54,969	-	-	-	-	54,969
-	379,702	-	-	-	-	-	780,706
3,355	-	-	-	-	-	-	121,728
-	-	-	-	-	-	-	10,725
-	116,674	-	-	-	117,780	-	234,454
3,355	496,376	54,969	-	-	117,780	-	1,202,582
(3,139)	(2,924)	(34,969)	2	4,565	(116,177)	8,826	(274,987)
-	-	-	-	-	-	-	(10,000)
(3,139)	(2,924)	(34,969)	2	4,565	(116,177)	8,826	(284,987)
38,031	3,100	60,587	1,635	4,675	373,982	163,557	1,509,604
\$ 34,892	\$ 176	\$ 25,618	\$ 1,637	\$ 9,240	\$ 257,805	\$ 172,383	\$ 1,224,617

**SCHEDULE 6**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Fiduciary Net Position**  
**December 31, 2020**

	Custodial Funds				Total
	Taxes/Fees	Trust Funds	Impact Fees	Escrows	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,974,253	\$ 5,315	\$ 42,783	\$ 197,641	\$ 11,219,992
Investments	-	1,059,198	-	-	1,059,198
Total assets	10,974,253	1,064,513	42,783	197,641	12,279,190
<b>LIABILITIES</b>					
Intergovernmental payables:					
School	10,974,253	-	-	-	10,974,253
<b>NET POSITION</b>					
Restricted	\$ -	\$ 1,064,513	\$ 42,783	\$ 197,641	\$ 1,304,937

**SCHEDULE 7**  
**TOWN OF PLAISTOW, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2020**

	Custodial Funds				
	Taxes/Fees	Trust Funds	Impact Fees	Escrows	Total
<b>ADDITIONS</b>					
Contributions	\$ -	\$ -	\$ 36,413	\$ 51,630	\$ 88,043
Investment earnings	-	27,145	37	593	27,775
Change in fair market value	-	90,046	-	-	90,046
Collections for other governments	20,023,964	-	-	-	20,023,964
Total additions	20,023,964	117,191	36,450	52,223	20,229,828
<b>DEDUCTIONS</b>					
Payments to other governments	20,023,964	823,024	-	-	20,846,988
Payments for escrow purposes	-	-	-	192,149	192,149
Total deductions	20,023,964	823,024	-	192,149	21,039,137
Change in net position	-	(705,833)	36,450	(139,926)	(809,309)
Net position, beginning	-	1,770,346	6,333	337,567	2,114,246
Net position, ending	\$ -	\$ 1,064,513	\$ 42,783	\$ 197,641	\$ 1,304,937