

**TOWN OF PLAISTOW,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

TOWN OF PLAISTOW, NEW HAMPSHIRE
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PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

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, 2017, 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, 2017, and the respective changes in financial position and, the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information – Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress for Other Postemployment Benefit Plan, the Schedule of Town's Proportionate Share of Net Pension Liability, and the Schedule of Town Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers them 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

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

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.

*Plodzik & Sanderson
Professional Association*

May 31, 2018

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, 2017. The responsibility for accuracy of the data, the completeness and fairness of this document (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This report and its content have been designed to fairly present the Town's financial position, including the result of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the Town's financial activities have been included.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 10-11 of this report.

Town of Plaistow, New Hampshire

Management's Discussion and Analysis

Fund Financial Statements

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

Governmental Funds: Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 12-15.

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

The Town of Plaistow maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and Public Safety Complex 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 17-18 which include the private-purpose trust funds and agency funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the basic financial statements begin on page 19.

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes this management's discussion and analysis and a Schedule of Funding Progress for Other Postemployment Benefit Plan, a Schedule of the Town's Proportionate Share of Net Position Liability and a Schedule of Town Contributions. These schedules are Exhibits F, G and H after the note section in the report.

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, 2017 and 2016 are as follows:

	2017	2016 (As restated)	Increase (Decrease)
Current assets	\$ 17,476,937	\$ 21,998,458	\$ (4,521,521)
Capital assets, net	20,411,519	14,087,040	6,324,479
Total assets	<u>37,888,456</u>	<u>36,085,498</u>	<u>1,802,958</u>
 Total deferred outflows of resources	 1,169,322	 1,836,223	 (666,901)
 Long-term liabilities outstanding	 15,402,732	 16,280,493	 (877,761)
Other liabilities	9,693,050	8,683,628	1,009,422
Total liabilities	<u>25,095,782</u>	<u>24,964,121</u>	<u>131,661</u>
 Total deferred inflows of resources	 736,812	 435,671	 301,141
 Net Position:			
Net investment in capital assets	12,884,052	12,193,323	690,729
Restricted	1,551,351	520,333	1,031,018
Unrestricted	<u>(1,210,219)</u>	<u>(191,727)</u>	<u>(1,018,492)</u>
Total net position	<u>\$ 13,225,184</u>	<u>\$ 12,521,929</u>	<u>\$ 703,255</u>

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

Statement of Activities

Changes in net position for the years ending December 31, 2017 and 2016 are as follows:

	2017	2016 (As restated)	Increase (Decrease)
Revenues:			
Program Revenues			
Charges for services	\$ 300,605	\$ 382,045	\$ (81,440)
Operating grants and contributions	599,638	374,266	225,372
General revenues:			
Property taxes	5,607,747	5,145,001	462,746
Other taxes	205,932	156,630	49,302
Motor vehicle permit fees	1,821,547	1,656,516	165,031
Licenses and other fees	207,510	249,903	(42,393)
Grants and contributions not restricted to specific programs	406,593	398,717	7,876
Miscellaneous	782,278	634,940	147,338
Total revenues	<u>\$ 9,931,850</u>	<u>\$ 8,998,018</u>	<u>\$ 933,832</u>
Expenses:			
General government	3,300,515	3,174,706	125,809
Public safety	2,877,092	2,996,452	(119,360)
Highways and streets	881,480	769,128	112,352
Sanitation	653,689	671,867	(18,178)
Water distribution and treatment	161,916	100,394	61,522
Health and welfare	153,905	164,272	(10,367)
Culture and recreation	900,950	874,456	26,494
Conservation	8,750	13,877	(5,127)
Interest on long-term debt	290,298	139,314	150,984
Total expenses	<u>9,228,595</u>	<u>8,904,466</u>	<u>324,129</u>
Change in net position	703,255	93,552	609,703
Net effect of prior year restatement	-	(117,349)	117,349
Net position, beginning	12,521,929	12,545,726	(23,797)
Net position, ending	<u>\$ 13,225,184</u>	<u>\$ 12,521,929</u>	<u>\$ 703,255</u>

The Town's net position increased by \$703,255.

The Town's expenses cover a range of services. The largest expenses were for general government and public safety, which accounted for 66.94% of total expenses.

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

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

General Fund

The general fund is the main operating fund of the Town. At the end of the current year, the general fund fund balances totaled \$4,974,837. This includes an unassigned amount of \$2,785,957. The total General Fund fund balance decreased \$594,604 from the restated December 31, 2016 amount.

Other Governmental Funds

The total fund balance of \$1,588,449 in the other governmental funds is restricted for the purposes of the individually established fund. The largest portion of this total represents the balance in the Water Suppression Fund (\$458,763), Conservation Fund (\$367,291), Permanent Fund (\$154,484) and the Impact Fees Fund (\$230,717).

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The actual budgetary revenues exceeded the budget for estimated revenues by \$397,298. The Town received \$15,659 less in taxes, \$155,057 more in licenses and permits, \$53,242 more in intergovernmental and \$204,705 more from miscellaneous sources.

The actual budgetary expenditures were less than the budgeted appropriations by \$153,096.

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, 2017 is \$26,347,971. Accumulated depreciation amounts to \$5,936,452, leaving a net book value of \$20,411,519. 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.

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

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

Capital Assets (net of depreciation)	2017	2016	Increase (Decrease)
Land	\$ 3,798,432	\$ 3,983,963	\$ (185,531)
Buildings and building improvements	3,044,298	3,191,537	(147,239)
Vehicles and equipment	1,853,710	1,816,215	37,495
Infrastructure	3,266,763	3,178,515	88,248
Construction in progress	8,448,316	1,916,810	6,531,506
Total	\$ 20,411,519	\$ 14,087,040	\$ 6,324,479

Long-Term Obligations

At December 31, 2017, the Town had several outstanding capital leases used to finance Public Safety vehicles, as well as Highway and Town office equipment. Outstanding balances of all leases at December 31, 2017 totals \$175,581. The leases will all mature by the end of 2020.

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

Long-Term Liabilities	2017	2016 (Restated)	Increase (Decrease)
General obligation bond	\$ 7,840,000	\$ 8,119,600	\$ (279,600)
Premium on bond	349,772	380,400	(30,628)
Capital leases	175,581	138,897	36,684
Compensated absences	130,149	303,500	(173,351)
Net other postemployment benefits	214,128	161,358	52,770
Net pension liability	6,693,102	7,176,738	(483,636)
Total	\$ 15,402,732	\$ 16,280,493	\$ (877,761)

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

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

ECONOMIC FACTORS

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,547,959
Investments	2,133,396
Account receivables	382,947
Taxes receivables (net)	1,095,401
Intergovernmental receivable	264,564
Prepaid items	52,670
Capital assets:	
Land and construction in progress	12,246,748
Other capital assets, net of depreciation	8,164,771
Total assets	37,888,456
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	1,169,322
LIABILITIES	
Accounts payable	404,186
Accrued salaries and benefits	125,109
Contracts payable	699,401
Retainage payable	100,000
Accrued interest payable	2,930
Intergovernmental payable	8,361,424
Long-term liabilities:	
Due within one year	384,181
Due in more than one year	15,018,551
Total liabilities	25,095,782
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	404,612
Unavailable revenue - Property taxes	198,890
Unavailable revenue - Bridge aid	133,310
Total deferred inflows of resources	736,812
NET POSITION	
Net investment in capital assets	12,884,052
Restricted	1,551,351
Unrestricted	(1,210,219)
Total net position	\$ 13,225,184

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, 2017

	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
General government	\$ 3,300,515	\$ 9,694	\$ -	\$ (3,290,821)
Public safety	2,877,092	75,556	303,110	(2,498,426)
Highways and streets	881,480	-	286,217	(595,263)
Sanitation	653,689	-	10,311	(643,378)
Water distribution and treatment	161,916	120,323	-	(41,593)
Health	132,726	-	-	(132,726)
Welfare	21,179	-	-	(21,179)
Culture and recreation	900,950	95,032	-	(805,918)
Conservation	8,750	-	-	(8,750)
Interest on long-term debt	290,298	-	-	(290,298)
Total governmental activities	<u>\$ 9,228,595</u>	<u>\$ 300,605</u>	<u>\$ 599,638</u>	<u>(8,328,352)</u>
General revenues:				
Taxes:				
Property				5,607,747
Other				205,932
Motor vehicle permit fees				1,821,547
Licenses and other fees				207,510
Grants and contributions not restricted to specific programs				406,593
Miscellaneous				782,278
Total general revenues				<u>9,031,607</u>
Change in net position				703,255
Net position, beginning, as restated (see Note 19)				12,521,929
Net position, ending				<u>\$ 13,225,184</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, 2017

	General	Public Safety Complex	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,584,891	\$ 1,741,915	\$ 1,221,153	\$ 13,547,959
Investments	1,989,415	-	143,981	2,133,396
Accounts receivable	255,672	-	127,275	382,947
Taxes receivable	1,138,415	-	-	1,138,415
Intergovernmental receivable	-	-	264,564	264,564
Interfund receivable	96,938	-	92,338	189,276
Voluntary tax liens	32,979	-	-	32,979
Voluntary tax liens reserved until collected	(32,979)	-	-	(32,979)
Prepaid items	192,229	-	-	192,229
Total assets	<u>\$ 14,257,560</u>	<u>\$ 1,741,915</u>	<u>\$ 1,849,311</u>	<u>\$ 17,848,786</u>
LIABILITIES				
Accounts payable	\$ 358,116	\$ 46,070	\$ -	\$ 404,186
Accrued salaries and benefits	125,109	-	-	125,109
Contracts payable	-	699,401	-	699,401
Retainage payable	-	100,000	-	100,000
Intergovernmental payable	8,361,424	-	-	8,361,424
Interfund payable	52,338	9,386	127,552	189,276
Total liabilities	<u>8,896,987</u>	<u>854,857</u>	<u>127,552</u>	<u>9,879,396</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	385,736	-	-	385,736
Unavailable revenue - Bridge aid	-	-	133,310	133,310
Total deferred inflows of resources	<u>385,736</u>	<u>-</u>	<u>133,310</u>	<u>519,046</u>
FUND BALANCES				
Nonspendable	192,229	-	130,250	322,479
Restricted	248,378	887,058	285,665	1,421,101
Committed	1,686,633	-	1,170,906	2,857,539
Assigned	61,640	-	1,628	63,268
Unassigned	2,785,957	-	-	2,785,957
Total fund balances	<u>4,974,837</u>	<u>887,058</u>	<u>1,588,449</u>	<u>7,450,344</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,257,560</u>	<u>\$ 1,741,915</u>	<u>\$ 1,849,311</u>	<u>\$ 17,848,786</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 of Governmental Funds to the Statement of Net Position
December 31, 2017

Total fund balances of governmental funds (Exhibit C-1)		\$ 7,450,344
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 26,347,971	
Less accumulated depreciation	<u>(5,936,452)</u>	
		20,411,519
Certain items are not current financial resources in the governmental funds, but instead are reported in the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 1,169,322	
Deferred inflows of resources related to pensions	<u>(404,612)</u>	
		764,710
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (189,276)	
Payables	<u>189,276</u>	
		-
Long term revenue (taxes) is not available to pay current-period expenditures and therefore, is deferred in the governmental funds.		186,846
Allowance for uncollectible property taxes that is recognized on a full accrual basis but partially recognized on the modified accrual basis.		(43,014)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(2,930)
Repayment of long-term liabilities and related interest not due until subsequent year are recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements		
Prepaid bond interest		(139,559)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Bond	\$ 7,840,000	
Unamortized bond premium	349,772	
Capital leases	175,581	
Compensated absences	130,149	
Other postemployment benefits	214,128	
Net pension liability	<u>6,693,102</u>	
		<u>(15,402,732)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 13,225,184</u></u>

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

EXHIBIT C-3
TOWN OF PLAISTOW, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2017

	General	Public Safety Complex	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 5,357,741	\$ -	\$ 52,338	\$ 5,410,079
Licenses and permits	2,029,057	-	-	2,029,057
Intergovernmental	747,670	-	263,259	1,010,929
Charges for services	99,953	-	200,653	300,606
Miscellaneous	753,595	28,426	181,089	963,110
Total revenues	<u>8,988,016</u>	<u>28,426</u>	<u>697,339</u>	<u>9,713,781</u>
EXPENDITURES				
Current:				
General government	3,158,073	-	-	3,158,073
Public safety	2,832,871	-	72,431	2,905,302
Highways and streets	979,251	-	-	979,251
Water distribution and treatment	108,878	-	3,505	112,383
Sanitation	653,689	-	-	653,689
Health	134,690	-	-	134,690
Welfare	21,179	-	-	21,179
Culture and recreation	837,857	-	19,347	857,204
Conservation	8,750	-	-	8,750
Debt service:				
Principal	279,600	-	-	279,600
Interest	318,398	-	-	318,398
Capital outlay	480,931	5,926,788	255,863	6,663,582
Total expenditures	<u>9,814,167</u>	<u>5,926,788</u>	<u>351,146</u>	<u>16,092,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(826,151)</u>	<u>(5,898,362)</u>	<u>346,193</u>	<u>(6,378,320)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	127,442	-	10,000	137,442
Transfers out	(10,000)	-	(127,442)	(137,442)
Capital leases inception	114,105	-	-	114,105
Total other financing sources (uses)	<u>231,547</u>	<u>-</u>	<u>(117,442)</u>	<u>114,105</u>
Net change in fund balances	(594,604)	(5,898,362)	228,751	(6,264,215)
Fund balances, beginning, as restated (see Note 19)	5,569,441	6,785,420	1,359,698	13,714,559
Fund balances, ending	<u>\$ 4,974,837</u>	<u>\$ 887,058</u>	<u>\$ 1,588,449</u>	<u>\$ 7,450,344</u>

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

EXHIBIT C-4
TOWN OF PLAISTOW, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2017

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (6,264,215)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 7,030,242	
Depreciation expense	<u>(520,232)</u>	
		6,510,010
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) is to decrease net position.		
		(185,531)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (137,442)	
Transfers out	<u>137,442</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	\$ (91,386)	
Change in allowance for uncollectible property taxes portion not recognized on full accrual	<u>494,986</u>	
		403,600
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Capital leases inception	\$ (114,105)	
Repayment of bond principal	279,600	
Repayment of capital leases	77,421	
Amortization of bond premium	<u>30,628</u>	
		273,544
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	\$ 137,031	
Decrease in compensated absences payable	173,351	
Increase in other postemployment benefits payable	(52,770)	
Increase in prepaid bond interest	(139,559)	
Change in GASB Statement No. 68 related balances	<u>(152,206)</u>	
		<u>(34,153)</u>
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ 703,255</u></u>

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

EXHIBIT D
TOWN OF PLAISTOW, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,777,000	\$ 5,777,000	\$ 5,761,341	\$ (15,659)
Licenses and permits	1,874,000	1,874,000	2,029,057	155,057
Intergovernmental	694,428	694,428	747,670	53,242
Charges for services	100,000	100,000	99,953	(47)
Miscellaneous	471,000	471,000	675,705	204,705
Total revenues	<u>8,916,428</u>	<u>8,916,428</u>	<u>9,313,726</u>	<u>397,298</u>
EXPENDITURES				
Current:				
General government	3,186,942	3,186,942	3,104,324	82,618
Public safety	2,814,081	2,813,131	2,774,805	38,326
Highways and streets	955,644	955,644	943,821	11,823
Water distribution and treatment	34,860	34,860	98,978	(64,118)
Sanitation	662,000	662,000	653,689	8,311
Health	142,126	143,076	134,690	8,386
Welfare	22,090	22,090	21,179	911
Culture and recreation	771,322	216,890	204,774	12,116
Conservation	10,825	10,825	8,750	2,075
Debt service:				
Principal	279,600	279,600	279,600	-
Interest	318,398	318,398	318,398	-
Capital outlay	498,613	498,613	445,965	52,648
Total expenditures	<u>9,696,501</u>	<u>9,142,069</u>	<u>8,988,973</u>	<u>153,096</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(780,073)</u>	<u>(225,641)</u>	<u>324,753</u>	<u>550,394</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	533,473	533,473	612,055	78,582
Transfers out	(478,400)	(1,032,832)	(1,032,832)	-
Total other financing sources (uses)	<u>55,073</u>	<u>(499,359)</u>	<u>(420,777)</u>	<u>78,582</u>
Net change in fund balances	<u>\$ (725,000)</u>	<u>\$ (725,000)</u>	(96,024)	<u>\$ 628,976</u>
Increase in nonspendable fund balance			(143,091)	
Unassigned fund balance, beginning, as restated (see Note 19)			3,168,904	
Unassigned fund balance, ending			<u>\$ 2,929,789</u>	

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

EXHIBIT E-1
TOWN OF PLAISTOW, NEW HAMPSHIRE
Fiduciary Funds
Statement of Net Position
December 31, 2017

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 410	\$ 144,486
Investments	5,621	-
Total assets	<u>6,031</u>	<u>144,486</u>
LIABILITIES		
Intergovernmental payables	-	21,173
Due to others	-	123,313
Total liabilities	<u>-</u>	<u>144,486</u>
NET POSITION		
Held in trust for specific purposes	<u>\$ 6,031</u>	<u>\$ -</u>

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

EXHIBIT E-2
TOWN OF PLAISTOW, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended December 31, 2017

	Private Purpose Trust
ADDITIONS	
Interest	\$ 432
DEDUCTIONS	186
Change in net position	246
Net position, beginning	5,785
Net position, ending	\$ 6,031

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, 2017

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TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

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 accounting principles generally accepted in the United States of America 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 two categories: 1) charges for services, 2) operating grants and contributions.

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

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

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

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

Public Safety Complex Capital Project Fund – accounts for the activities related to the construction of the new public safety complex.

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 - is used to record activity of 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 Net Position and a Statement of Changes in Net Position. The Town’s fiduciary funds are Private Purpose Trust and Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town also reports the following fiduciary funds:

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

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

1-C Cash and Cash Equivalents

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

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

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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1-D Investments

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

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

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

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

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

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

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

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

1-E Receivables

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

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

1-F Prepaid Items

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

1-G Capital Assets

Capital assets include property, plant, and equipment, infrastructure assets (e.g. roads, bridges, sidewalks and similar items), 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 governmental activities column of 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:

	<u>Years</u>
Buildings and improvements	15 - 40
Vehicles and equipment	5 - 20
Infrastructure	20 - 60

1-H Interfund Activities

Interfund activities are reported as follows:

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

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

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 15, 2017 and November 6, 2017, and due on July 1, 2017 and December 15, 2017. Interest accrues at a rate of 12% on bills outstanding after the due date and 18% on tax liens outstanding.

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

The Town net assessed valuation as of April 1, 2017 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 969,202,008
For all other taxes	\$ 997,770,708

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

The tax rates and amounts assessed for the year ended December 31, 2017 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$5.91	\$ 5,893,447
School portion:		
State of New Hampshire	\$2.17	2,100,365
Local	\$14.86	14,829,694
County portion	\$1.02	1,021,086
Total		\$ 23,844,592

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, 2017.

1-K Deferred Outflows/Inflows of Resources

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

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

1-L Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

1-M Compensated Absences

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

1-N Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No.73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules are prepared by New Hampshire Retirement System, and are audited by the plan's independent auditors.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

1-O Net Position/Fund Balances

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

- a) *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b) *Restricted net position* – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

Unassigned – This classification includes the 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 this policy.
- **TARGET BALANCE:** The Town shall strive to achieve and maintain an unassigned fund balance of at least 9% of the town’s annual budget as defined by this policy.
- **PLAN FOR TARGET FUND BALANCE:** The unassigned fund balance target shall be maintained by conservatively estimating revenues and giving consideration when analyzing use of fund balance to mitigating variations related to larger one time revenues anticipated that are related to general operations (such as an unusually high receipts for land use change tax, income from sale of town assets or some other similar source) which is not anticipated to be maintained at the same level in future years. In addition, assets made available by reductions in liabilities related to resolution of legal matters, abatement litigation or other similar circumstances shall be directed toward efforts to reach or maintain the target balance or capital purposes.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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- **UNASSIGNED FUND BALANCE USES:** When preparing initial revenue estimates for the upcoming budget year (early winter near close of current fiscal year), the Board of Selectmen shall make estimates of unassigned fund balance available to reduce property taxes conservatively based on preliminary assessment of the town's financial condition. When preparing for the setting of the tax rate in the fall, use of unassigned fund balance shall be reassessed by the Town Manager to determine conformance with this policy. This review shall consider financial statements and reports issued for the previous fiscal cycle, the town's annual budget based on budgets and appropriations to be assessed (for the town, state and local education and county purposes for that tax year) to confirm and if necessary, modify, the Selectmen's initial estimates.
- **EMERGENCY USE OF UNASSIGNED FUNDS:** Unassigned fund balance may be appropriated for emergency purposes, as deemed necessary by the Board of Selectmen, even if such use decreases the fund balance below the targeted percentage. Emergency purposes do not include the offsetting of property taxes related to increasing continuing appropriations (operations) of the town, school or county or mismanagement of funds. The Budget Committee must be informed and concur in the usage for emergency purposes.
- Use of additional unassigned fund balance may be considered by the Board of Selectmen and/or the Budget Committee during the budget setting process, when an annual budget includes an unusually large capital expenditure not financed from other reserves, long term borrowing or leasing if deemed prudent by the governing body to mitigate the capital expenditures impact 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-P Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, and the useful lives and impairment of capital assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2017, \$625,000 of the beginning general fund unassigned fund balance was applied for this purpose. Additionally, \$100,000 was voted to offset current year appropriations.

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2-B Budgetary Reconciliation to GAAP Basis

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

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

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 9,925,781
Adjustment:	
Basis difference:	
Inception of capital leases	114,105
GASB Statement No. 54:	
To record revenue of the blended funds	77,890
To eliminate transfers between blended funds	(484,613)
Change in deferred inflows of resources relating to 60-day revenue recognition	91,386
Change in allowance for uncollectible property taxes	(494,986)
Per Exhibit C-3 (GAAP basis)	<u>\$ 9,229,563</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 10,021,805
Adjustment:	
Basis differences:	
Encumbrances, beginning	139,646
Encumbrances, ending	(61,640)
Inception of capital leases	114,105
GASB Statement No. 54:	
To record expenditures of the blended funds	633,083
To eliminate transfers between blended funds	(1,022,832)
Per Exhibit C-3 (GAAP basis)	<u>\$ 9,824,167</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$13,692,855 and the bank balances totaled \$14,011,280. Petty cash totaled \$100.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 13,547,959
Cash per Statement of Net Position - Fiduciary Fund (Exhibit E-1)	144,896
Total cash and cash equivalents	<u>\$ 13,692,855</u>

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NOTE 4 – INVESTMENTS

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements and maturities as of December 31, 2017:

	Valuation Measurement Method	Fair Value
Investments type:		
New Hampshire Public Deposit Investment Pool	Level 2	\$ 305,484
Equity exchange traded funds	Level 1	54,324
Equity mutual funds	Level 1	256,081
Fixed income mutual funds	Level 1	1,523,128
Total fair value		\$ 2,139,017

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Board of Selectmen seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations and state laws that restrict the placement of public funds. Capital reserve and expendable trust funds, which may be expensed in the near-term, have a 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 funds investments are not restricted by any specified bond rating.

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

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 2,133,396
Investments per Statement of Net Position - Fiduciary Funds (Exhibit E-1)	5,621
Total investments	\$ 2,139,017

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NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2017. The amount has been reduced by an allowance for an estimated uncollectible amount of \$43,014. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2017	\$ 866,936	\$ 866,936
Unredeemed (under tax lien):		
Levy of 2016	128,453	128,453
Levy of 2015	77,015	77,015
Levies of 2014 and prior	492,722	492,722
Yield	8,275	8,275
Land use change	40,000	40,000
Less: allowance for estimated uncollectible taxes	(518,000) *	(474,986)
Net taxes receivable	\$ 1,095,401	\$ 1,138,415

*The allowance for uncollectible property taxes is partially recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-C. However, the complete allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2017, consisted of accounts (billings for police details, water, and other user charges) and intergovernmental amounts arising primarily from grants and reimbursements. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 7 – PREPAID ITEMS

Prepaid items at December 31, 2017 consisted of the following:

	Exhibit A	Exhibit C-1
Annual dues and licenses	\$ 22,424	\$ 22,424
Insurance	30,246	30,246
Interest on bond	-	* 139,559
Total	\$ 52,670	\$ 192,229

*Recognized as expense on full accrual basis of accounting.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 is as follows:

	Balance, beginning	Additions	Disposals	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,983,963	\$ -	\$ (185,531)	\$ 3,798,432
Construction in progress	1,916,810	6,531,506	-	8,448,316
Total capital assets not being depreciated	5,900,773	6,531,506	(185,531)	12,246,748

(Continued)

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Capital assets continued:

	Balance, beginning	Additions	Disposals	Balance, ending
Being depreciated:				
Buildings and building improvements	6,068,381	-	-	6,068,381
Vehicles and equipment	3,544,330	294,934	-	3,839,264
Infrastructure	3,989,776	203,802	-	4,193,578
Total capital assets being depreciated	<u>13,602,487</u>	<u>498,736</u>	<u>-</u>	<u>14,101,223</u>
Total all capital assets	<u>19,503,260</u>	<u>7,030,242</u>	<u>(185,531)</u>	<u>26,347,971</u>
Less accumulated depreciation:				
Buildings and building improvements	(2,876,844)	(147,239)	-	(3,024,083)
Vehicles and equipment	(1,728,115)	(257,439)	-	(1,985,554)
Infrastructure	(811,261)	(115,554)	-	(926,815)
Total accumulated depreciation	<u>(5,416,220)</u>	<u>(520,232)</u>	<u>-</u>	<u>(5,936,452)</u>
Net book value, capital assets being depreciated	<u>8,186,267</u>	<u>(21,496)</u>	<u>-</u>	<u>8,164,771</u>
Net book value, all capital assets	<u>\$ 14,087,040</u>	<u>\$ 6,510,010</u>	<u>\$ (185,531)</u>	<u>\$ 20,411,519</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	\$ 42,536
Public safety	226,650
Highways and streets	136,022
Water distribution and treatment	49,533
Culture and recreation	65,491
Total depreciation expense	<u>\$ 520,232</u>

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General	Public safety complex	\$ 9,386
	Nonmajor	87,552
Nonmajor	General	52,338
	Nonmajor	40,000
		<u>\$ 189,276</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, 2017 is as follows:

	Transfers In:		
	General Fund	Nonmajor Fund	Total
Transfers out:			
General fund	\$ -	\$ 10,000	\$ 10,000
Nonmajor funds	127,442	-	127,442
Total	<u>\$ 127,442</u>	<u>\$ 10,000</u>	<u>\$ 137,442</u>

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

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NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$8,382,597 at December 31, 2017 consist of the following:

General fund:	
Balance due to the Timberlane Regional School District	\$ 8,357,975
Miscellaneous fees due to the State of New Hampshire	3,449
Total general fund	<u>8,361,424</u>
Agency fund:	
Balance of expendable trusts due to the Timberlane Regional School District	<u>21,173</u>
Total intergovernmental payables due	<u><u>\$ 8,382,597</u></u>

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of \$1,169,322 in the governmental activities at December 31, 2017 consists of amounts related to pensions, see Note 14.

Deferred inflows of resources are as follows:

	Governmental Activities	General Fund	Other Governmental Funds
Property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 186,846	\$ -
Property taxes collected in advance of warrant	198,890	198,890	-
State bridge aid receivable, not received within 60 days of fiscal year-end	133,310	-	133,310
Amounts related to pensions, see Note 14	404,612	-	-
Total deferred inflows of resources	<u>\$ 736,812</u>	<u>\$ 385,736</u>	<u>\$ 133,310</u>

NOTE 12 – CAPITAL LEASES

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

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2017
Capital lease obligations:		
Highway chipper	2.50%	\$ 7,799
Police cruisers	3.30%	36,158
Tractor loader	3.55%	15,792
Ford F150 truck	6.20%	16,436
2 Police interceptors	2.90%	46,224
Town hall server	7.33%	53,172
Total capital lease obligations		<u>\$ 175,581</u>

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

	<u>Governmental Activities</u>
Equipment:	
Highway chipper	\$ 38,995
Police cruisers	54,986
Tractor loader	20,694
Ford F150 truck	27,458
2 Police interceptors	68,363
Town hall server	59,119
Total equipment	<u>269,615</u>
Less: accumulated depreciation	<u>(37,699)</u>
Total capital lease equipment	<u>\$ 231,916</u>

The annual requirements to amortize the capital leases payable as of December 31, 2017, including interest payments, are as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Governmental Activities</u>
2018	\$ 84,836
2019	76,844
2020	26,405
Total requirements	<u>188,085</u>
Less: interest	<u>12,504</u>
Present value of remaining payments	<u>\$ 175,581</u>

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

NOTE 13 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2017:

	<u>Balance January 1, 2017 (as restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>	<u>Current</u>
Bonds payable:					
General obligation bond	\$ 8,119,600	\$ -	\$ (279,600)	\$ 7,840,000	\$ 280,000
Premium	380,400	-	(30,628)	349,772	26,849
Total bonds payable	<u>8,500,000</u>	<u>-</u>	<u>(310,228)</u>	<u>8,189,772</u>	<u>306,849</u>
Capital leases	138,897	114,105	(77,421)	175,581	77,332
Compensated absences	303,500	-	(173,351)	130,149	-
Net other postemployment benefits	161,358	52,770	-	214,128	-
Net pension liability	7,176,738	-	(483,636)	6,693,102	-
Total long-term liabilities	<u>\$ 16,280,493</u>	<u>\$ 166,875</u>	<u>\$ (1,044,636)</u>	<u>\$ 15,402,732</u>	<u>\$ 384,181</u>

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The long-term bond is comprised of the following:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at December 31, 2017</u>
General obligation bond payable:				
Public safety complex	2016	2045	2.86	\$ 7,840,000
Bond premium				349,772
Total				<u>\$ 8,189,772</u>

The annual requirements to amortize the general obligation bond outstanding as of December 31, 2017, including interest payments, are as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 280,000	\$ 279,118	\$ 559,118
2019	280,000	265,062	545,062
2020	280,000	251,006	531,006
2021	280,000	236,950	516,950
2022	280,000	222,894	502,894
2023-2027	1,400,000	923,230	2,323,230
2028-2032	1,400,000	688,380	2,088,380
2033-2037	1,400,000	465,080	1,865,080
2038-2042	1,400,000	253,680	1,653,680
2043-2045	840,000	50,736	890,736
Totals	<u>\$ 7,840,000</u>	<u>\$ 3,636,136</u>	<u>\$ 11,476,136</u>

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

NOTE 14 – DEFINED BENEFIT PENSION PLAN

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

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

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

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Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the member attains 52.5 years of age by ¼ of 1% or age 60.

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

Contributions: The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. All employees except police officers and firefighters are required to contribute 7% of earnable compensation. The contribution rates were 11.55% for police officers and 11.80% for firefighters. For fiscal year 2017, the Town contributed the following amounts:

<u>Period</u>	<u>Police</u>	<u>Fire</u>	<u>All Other Employees</u>
January 1, 2017 thru June 30, 2017	26.38%	29.16%	11.17%
July 1, 2017 thru December 31, 2017	29.43%	31.89%	11.38%

The contribution requirements for the fiscal years 2015, 2016, and 2017 were \$489,494, \$532,699, and \$607,634, respectively, which were paid in full in each year.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: At December 31, 2017 the Town reported a liability of \$6,693,102 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2017, the Town's proportion was 0.13609418% which was an increase of 0.00113208% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Town recognized pension expense of \$671,381. At December 31, 2017 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion	\$ 231,744	\$ 234,188
Changes in assumption	672,076	-
Differences between expected and actual experiences	15,176	85,184
Net difference between projected and actual investment earnings on pension plan investments	-	85,240
Contributions subsequent to the measurement date	250,326	-
Total	<u>\$ 1,169,322</u>	<u>\$ 404,612</u>

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The \$250,326 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 June 30, 2018. 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,	
2018	\$ 84,604
2019	266,243
2020	259,148
2021	<u>(95,611)</u>
Totals	<u>\$ 514,384</u>

Actuarial Assumptions: The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2016, using the following actuarial assumptions which, accordingly apply to 2017 measurements:

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Long-term Rates of Return: The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2017:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return <u>2017</u>
Large Cap Equities	22.50%	4.25%
Small/Mid Cap Equities	7.50%	4.50%
Total domestic equity	<u>30.00%</u>	
Int'l Equities (unhedged)	13.00%	4.50%
Emerging Int'l Equities	7.00%	6.25%
Total international equity	<u>20.00%</u>	
Core Bonds	5.00%	0.75%
Short Duration	2.00%	(0.25%)
Global Multi-Sector Fixed Income	11.00%	2.11%
Absolute Return Fixed Income	7.00%	1.26%
Total fixed income	<u>25.00%</u>	
Private equity	5.00%	6.25%
Private debt	5.00%	4.75%
Opportunistic	5.00%	2.84%
Total alternative investments	<u>15.00%</u>	
Real estate	10.00%	3.25%
Total	<u>100.00%</u>	

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

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

Actuarial Valuation Date	1% Decrease 6.25%	Current Single Rate Assumption 7.25%	1% Increase 8.25%
June 30, 2017	\$ 8,817,826	\$ 6,693,102	\$ 4,951,975

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

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Annual OPEB Cost - The Town provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the City’s contractual agreements.

The Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 requires that the long-term cost of retirement health care and obligations for other postemployment benefits (OPEB) be determined on an actuarial basis and reported similar to pension plans. GASB Statement No. 45 does not mandate the pre-funding of postemployment benefit liabilities. However, any pre-funding of these benefits will help minimize or eliminate the postemployment benefit obligation that will be required to be reported on the financial statements.

The Town has only partially funded (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2016:

Annual required contribution	\$ 82,109
Interest on net OPEB obligation	6,454
Adjustment to annual required contribution	<u>(5,994)</u>
Annual OPEB cost (expense)	82,569
Contributions made	<u>(29,799)</u>
Increase in net OPEB obligation	52,770
Net OPEB obligation - beginning of year	<u>161,358</u>
Net OPEB obligation - end of year	<u><u>\$ 214,128</u></u>

TOWN OF PLAISTOW, NEW HAMPSHIRE
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The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Contribution Cost	Actual Contributions (pay-as-you-go)	Percentage Contributed	Net OPEB Obligation
December 31, 2017	\$ 82,109	\$ 29,799	36.29%	\$ 214,128
December 31, 2016	\$ 101,516	\$ 47,181	46.48%	\$ 161,358
December 31, 2015	\$ 97,285	\$ 43,498	44.71%	\$ 106,717
December 31, 2014	\$ 92,685	\$ 39,906	43.10%	\$ 52,779

As of January 1, 2017, the date of the most recent actuarial valuation, the actuarial accrued liability (AAL) for benefits was \$690,626, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$690,626. The covered payroll (annual payroll of active employees covered by the plan) was \$2,255,621 during fiscal year 2017, and the ratio of the UAAL to the covered payroll was 30.6%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefits Plan, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return per annum. The projected annual healthcare cost trend is 9% initially, reduced by decrements to an ultimate rate of 5.0% for years 2026 and later. The UAAL is being amortized as a level dollar amount over an open basis. The remaining amortization period at December 31, 2017 was 29 years.

NOTE 16 – COMMITMENTS/ENCUMBRANCES

The Town has active construction projects for a new public safety complex. As of December 31, 2017, the Town had outstanding construction contracts totaling \$230,009 that will be funded through bonds proceeds issued during the 2016 fiscal year.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2017 and are as follows:

General government	\$ 19,520
Public safety	16,138
Highways and streets	1,400
Conservation	6,900
Capital outlay	17,682
Total encumbrances	<u>\$ 61,640</u>

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NOTE 17 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2017 include the following:

Net investment in capital assets:	
Net property, buildings, and equipment	\$ 20,411,519
Less:	
General obligation bond payable	(7,840,000)
Unamortized bond premium	(349,772)
Capital leases payable	(175,581)
Add:	
Unspent bond proceeds	837,886
Total net investment in capital assets	<u>12,884,052</u>
Restricted net position:	
Perpetual care - nonexpendable	130,250
Perpetual care - expendable	24,234
Capital projects	1,009,426
Library	248,378
Grants	11,089
Other special revenue funds	127,974
Total restricted net position	<u>1,551,351</u>
Unrestricted	<u>(1,210,219)</u>
Total net position	<u>\$ 13,225,184</u>

NOTE 18 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2017 include the following:

	General Fund	Public Safety Complex	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 192,229	\$ -	\$ -	\$ 192,229
Permanent fund - principal balance	-	-	130,250	130,250
Total nonspendable fund balance	<u>192,229</u>	<u>-</u>	<u>130,250</u>	<u>322,479</u>
Restricted:				
Library	248,378	-	-	248,378
Capital projects	-	887,058	122,368	1,009,426
Police	-	-	87,974	87,974
Grants	-	-	11,089	11,089
Cable	-	-	40,000	40,000
Permanent - income balance	-	-	24,234	24,234
Total restricted fund balance	<u>248,378</u>	<u>887,058</u>	<u>285,665</u>	<u>1,421,101</u>
Committed:				
Expendable trust	1,686,633	-	-	1,686,633
Water suppression	-	-	458,763	458,763
Conservation commission	-	-	367,291	367,291
Impact fees	-	-	230,717	230,717
Outside details	-	-	60,952	60,952
Rescue vehicle and emergency equipment	-	-	12,428	12,428
Recreation revolving	-	-	40,755	40,755
Total committed fund balance	<u>1,686,633</u>	<u>-</u>	<u>1,170,906</u>	<u>2,857,539</u>

(continued)

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Governmental fund balances continued:

	General Fund	Public Safety Complex	Other Governmental Funds	Total Governmental Funds
Assigned:				
Encumbrances	61,640	-	-	61,640
Other special revenue	-	-	1,628	1,628
Total assigned fund balance	<u>61,640</u>	<u>-</u>	<u>1,628</u>	<u>63,268</u>
Unassigned	<u>2,785,957</u>	<u>-</u>	<u>-</u>	<u>2,785,957</u>
Total governmental fund balances	<u>\$ 4,974,837</u>	<u>\$ 887,058</u>	<u>\$ 1,588,449</u>	<u>\$ 7,450,344</u>

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

Net position/fund balance at January 1, 2017 was restated to give retroactive effect to the following prior period adjustments:

	Government-wide Statements	General Fund	Public Safety Complex	General Fund (Budgetary Unassigned)	Other Governmental Funds
Reclassify cable revenue to separately reported fund	\$ -	\$ (20,000)	\$ -	\$ (20,000)	\$ 20,000
Reclassify waterline fund expenditures previously reported in general fund	-	44,008	-	44,008	(44,008)
Remove deposit in transit, recorded twice in prior year	(10,957)	(10,957)	-	(10,957)	-
Reclassify Westville Road Bridge activity to separately reported fund	-	(69,648)	-	(69,648)	69,648
Record prepaid items, not previously reported	14,568	14,568	-	14,568	-
Record receivables, not previously reported	24,594	24,594	-	24,594	-
Restore interfund with expendable trusts, incorrectly removed	-	-	-	14,826	-
Remove interfund balance determined to be invalid	-	(19,495)	19,495	(19,495)	-
Record GASB #68 balances relating to Plaistow Public Library	(145,554)	-	-	-	-
Net position/fund balance, as previously reported	<u>12,639,278</u>	<u>5,606,371</u>	<u>6,765,925</u>	<u>3,191,008</u>	<u>1,314,058</u>
Net position/fund balance, as restated	<u>\$ 12,521,929</u>	<u>\$ 5,569,441</u>	<u>\$ 6,785,420</u>	<u>\$ 3,168,904</u>	<u>\$ 1,359,698</u>

NOTE 20 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2017, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs. This entity is considered a public entity risk pool, currently operating as common risk management and insurance programs for member Towns and cities.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs is a are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2017 to December 31, 2017 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The estimated net contribution from the Town of Plaistow billed and paid for the year ended December 31, 2017 was \$60,856 for workers' compensation and \$126,420 for property/liability.

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through May 31, 2018, the date the December 31, 2017 financial statements were available to be issued, and at the 2018 Annual Town Meeting, four separate warrant articles were approved authorizing use of unassigned fund balance totaling \$783,655 to fund fiscal year 2018 appropriations.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Funding Progress for Other Postemployment Benefit Plan
For the Fiscal Year Ended December 31, 2017

Fiscal Year End	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
December 31, 2017	\$ -	\$ 690,626	\$ 690,626	0.00%	\$ 2,255,621	30.62%
December 31, 2016	\$ -	\$ 1,234,336	\$ 1,234,336	0.00%	\$ 2,372,030	52.04%
December 31, 2015	\$ -	\$ 1,178,046	\$ 1,178,046	0.00%	\$ 2,291,816	51.40%
December 31, 2014	\$ -	\$ 1,122,850	\$ 1,122,850	0.00%	\$ 1,981,132	56.70%

The notes to the required supplementary information is an integral part of this schedule.

EXHIBIT G
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, 2017

Fiscal Year End	Valuation Date	Town's Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Town Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2017	June 30, 2017	0.13609418%	\$ 6,693,102	\$ 2,852,730	234.62%	62.66%
December 31, 2016	June 30, 2016	0.13141651%	\$ 7,176,738	\$ 2,590,231	277.07%	58.30%
December 31, 2015	June 30, 2015	0.12818969%	\$ 5,078,269	\$ 2,578,181	196.97%	65.47%
December 31, 2014	June 30, 2014	0.13552761%	\$ 5,087,146	\$ 2,649,750	191.99%	66.32%
December 31, 2013	June 30, 2013	0.14158146%	\$ 6,093,361	\$ 2,686,031	226.85%	59.81%

The notes to the required supplementary information is an integral part of this schedule.

EXHIBIT H
TOWN OF PLAISTOW, NEW HAMPSHIRE
Schedule of Town Contributions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2017

Fiscal Year End	Valuation Date	Contractually Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2017	June 30, 2017	\$ 498,572	\$ 498,572	\$ -	\$ 2,852,730	17.48%
December 31, 2016	June 30, 2016	\$ 483,271	\$ 483,271	\$ -	\$ 2,590,231	18.66%
December 31, 2015	June 30, 2015	\$ 430,061	\$ 430,061	\$ -	\$ 2,578,181	16.68%
December 31, 2014	June 30, 2014	\$ 439,683	\$ 439,683	\$ -	\$ 2,649,750	16.59%
December 31, 2013	June 30, 2013	\$ 352,048	\$ 352,048	\$ -	\$ 2,686,031	13.11%

The notes to the required supplementary information is an integral part of this schedule.

TOWN OF PLAISTOW, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

Schedule of Funding Progress for Other Postemployment Benefits (OPEB)

This schedule is presented to show information for 10 years. However, information is only presented for years which information is available.

Schedule of the Town's Proportionate Share of Net Pension Liability & Schedule of Town Contributions

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the Town's pension plan at December 31, 2017, and preceding four years.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2017:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	22 Years beginning July 1, 2017 (30 years beginning July 1, 2009)
Asset Valuation Method	5-Year smooth market for funding purposes
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	3.56% per year
Investment Rate of Return	7.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2015.
Mortality	RP-2014 Employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

Other Information:

Notes	Contribution rates for Fiscal Year 2014 were determined based on the benefit changes adopted under House Bill No. 2 as amended by 011-2513-CofC.
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These schedules are presented to show information for 10 years. However, information is only presented for years 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, 2017

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 5,627,000	\$ 5,607,747	\$ (19,253)
Yield	-	8,767	8,767
Interest and penalties on taxes	150,000	144,827	(5,173)
Total from taxes	<u>5,777,000</u>	<u>5,761,341</u>	<u>(15,659)</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	4,000	3,525	(475)
Motor vehicle permit fees	1,680,000	1,821,547	141,547
Building permits	110,000	123,641	13,641
Other	80,000	80,344	344
Total from licenses, permits, and fees	<u>1,874,000</u>	<u>2,029,057</u>	<u>155,057</u>
Intergovernmental:			
State:			
Meals and rooms distribution	395,213	395,213	-
Highway block grant	154,215	154,212	(3)
Other	30,000	55,872	25,872
Federal:			
Other	15,000	26,428	11,428
Other governments	100,000	115,945	15,945
Total from intergovernmental	<u>694,428</u>	<u>747,670</u>	<u>53,242</u>
Charges for services:			
Income from departments	100,000	99,953	(47)
Miscellaneous:			
Cable franchise fees	200,000	188,425	(11,575)
Sale of municipal property	144,500	337,038	192,538
Interest on investments	10,000	21,838	11,838
Fines and forfeits	-	975	975
Insurance dividends and reimbursements	25,000	28,158	3,158
Other	91,500	99,271	7,771
Total from miscellaneous	<u>471,000</u>	<u>675,705</u>	<u>204,705</u>
Other financing sources:			
Transfers in	533,473	612,055	78,582
Total revenues and other financing sources	9,449,901	<u>\$ 9,925,781</u>	<u>\$ 475,880</u>
Unassigned fund balance used to reduce tax rate	625,000		
Unassigned fund balance used to fund appropriations	100,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 10,174,901</u>		

SCHEDULE 2
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2017

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 305,550	\$ 320,302	\$ -	\$ (14,752)
Election and registration	-	121,003	116,729	-	4,274
Financial administration	-	336,754	349,175	-	(12,421)
Legal	-	35,000	38,889	-	(3,889)
Personnel administration	-	1,910,152	1,765,874	-	144,278
Planning and zoning	10,000	85,925	86,038	16,520	(6,633)
General government buildings	4,150	211,818	243,886	3,000	(30,918)
Insurance, not otherwise allocated	-	125,260	125,187	-	73
Advertising and regional associations	-	26,800	25,470	-	1,330
Other	-	28,680	27,404	-	1,276
Total general government	<u>14,150</u>	<u>3,186,942</u>	<u>3,098,954</u>	<u>19,520</u>	<u>82,618</u>
Public safety:					
Police	-	2,010,516	2,031,753	-	(21,237)
Fire	9,212	642,327	601,449	15,740	34,350
Building inspection	5,206	140,038	127,611	-	17,633
Emergency management	4,800	20,250	17,072	398	7,580
Total public safety	<u>19,218</u>	<u>2,813,131</u>	<u>2,777,885</u>	<u>16,138</u>	<u>38,326</u>
Highways and streets:					
Public works garage	-	291,829	302,136	-	(10,307)
Highways and streets	36,830	566,815	583,753	1,400	18,492
Street lighting	-	97,000	93,362	-	3,638
Total highways and streets	<u>36,830</u>	<u>955,644</u>	<u>979,251</u>	<u>1,400</u>	<u>11,823</u>
Water distribution and treatment	9,900	34,860	108,878	-	(64,118)
Sanitation:					
Solid waste collection	-	615,000	616,879	-	(1,879)
Solid waste clean-up	-	47,000	36,810	-	10,190
Total sanitation	<u>-</u>	<u>662,000</u>	<u>653,689</u>	<u>-</u>	<u>8,311</u>
Health:					
Administration	-	88,044	82,157	-	5,887
Pest control	-	950	741	-	209
Health agencies	-	54,082	51,792	-	2,290
Total health	<u>-</u>	<u>143,076</u>	<u>134,690</u>	<u>-</u>	<u>8,386</u>
Welfare:					
Administration	-	740	242	-	498
Direct assistance	-	21,350	20,937	-	413
Total welfare	<u>-</u>	<u>22,090</u>	<u>21,179</u>	<u>-</u>	<u>911</u>
Culture and recreation:					
Parks and recreation	-	187,790	179,562	-	8,228
Patriotic purposes	-	1,000	800	-	200
Other	-	28,100	24,412	-	3,688
Total culture and recreation	<u>-</u>	<u>216,890</u>	<u>204,774</u>	<u>-</u>	<u>12,116</u>
Conservation	6,900	10,825	8,750	6,900	2,075

(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, 2017

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	279,600	279,600	-	-
Interest on long-term debt	-	318,398	318,398	-	-
Total debt service	-	597,998	597,998	-	-
Capital outlay	52,648	498,613	480,931	17,682	52,648
Other financing uses:					
Transfers out	-	1,032,832	1,032,832	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 139,646	\$ 10,174,901	\$ 10,099,811	\$ 61,640	\$ 153,096

SCHEDULE 3
TOWN OF PLAISTOW, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2017

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 19)		\$ 3,168,904
Changes:		
Unassigned fund balance used to reduce tax rate		(625,000)
Unassigned fund balance used to fund appropriations		(100,000)
2017 Budget summary:		
Revenue surplus (Schedule 1)	\$ 475,880	
Unexpended balance of appropriations (Schedule 2)	<u>153,096</u>	
2017 Budget surplus		628,976
Increase in nonspendable fund balance		<u>(143,091)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,929,789
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To comply with generally accepted accounting principles by deferring property taxes not collected within 60 days of fiscal year-end		(186,846)
Partial elimination of the allowance for uncollectible taxes		<u>43,014</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 2,785,957</u></u>

SCHEDULE 4
TOWN OF PLAISTOW, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Special Revenue Funds					
	Water Supression	Conservation Commission	Police	Impact Fees	Outside Details	Rescue Vehicle and Emergency Equipment
ASSETS						
Cash and cash equivalents	\$ 338,723	\$ 314,953	\$ 87,974	\$ 238,104	\$ 53,717	\$ 12,428
Investments	-	-	-	-	-	-
Accounts receivable	120,040	-	-	-	7,235	-
Intergovernmental receivable	-	-	-	-	-	-
Interfund receivable	-	52,338	-	-	-	-
Total assets	<u>\$ 458,763</u>	<u>\$ 367,291</u>	<u>\$ 87,974</u>	<u>\$ 238,104</u>	<u>\$ 60,952</u>	<u>\$ 12,428</u>
LIABILITIES						
Interfund payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,387</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - Bridge aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	87,974	-	-	-
Committed	458,763	367,291	-	230,717	60,952	12,428
Assigned	-	-	-	-	-	-
Total fund balances	<u>458,763</u>	<u>367,291</u>	<u>87,974</u>	<u>230,717</u>	<u>60,952</u>	<u>12,428</u>
Total liabilities and fund balances	<u>\$ 458,763</u>	<u>\$ 367,291</u>	<u>\$ 87,974</u>	<u>\$ 238,104</u>	<u>\$ 60,952</u>	<u>\$ 12,428</u>

Recreation Revolving	Special Revenue Funds			Capital Project	Permanent Fund	Total
	Grants	Cable	Other Special Revenue	Westville Road Bridge		
\$ 40,755	\$ -	\$ -	\$ 1,628	\$ 122,368	\$ 10,503	\$ 1,221,153
-	-	-	-	-	143,981	143,981
-	-	-	-	-	-	127,275
-	131,254	-	-	133,310	-	264,564
-	-	40,000	-	-	-	92,338
<u>\$ 40,755</u>	<u>\$ 131,254</u>	<u>\$ 40,000</u>	<u>\$ 1,628</u>	<u>\$ 255,678</u>	<u>\$ 154,484</u>	<u>\$ 1,849,311</u>
\$ -	\$ 120,165	\$ -	\$ -	\$ -	\$ -	\$ 127,552
-	-	-	-	133,310	-	133,310
-	-	-	-	-	130,250	130,250
-	11,089	40,000	-	122,368	24,234	285,665
40,755	-	-	-	-	-	1,170,906
-	-	-	1,628	-	-	1,628
<u>40,755</u>	<u>11,089</u>	<u>40,000</u>	<u>1,628</u>	<u>122,368</u>	<u>154,484</u>	<u>1,588,449</u>
<u>\$ 40,755</u>	<u>\$ 131,254</u>	<u>\$ 40,000</u>	<u>\$ 1,628</u>	<u>\$ 255,678</u>	<u>\$ 154,484</u>	<u>\$ 1,849,311</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, 2017

	Special Revenue Funds					Rescue Vehicle and Emergency Equipment
	Water Suppression	Conservation Commission	Police	Impact Fees	Outside Details	
REVENUES						
Taxes	\$ -	\$ 52,338	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	120,323	-	-	-	64,228	-
Miscellaneous	-	372	4,316	90,330	-	16
Total revenues	<u>120,323</u>	<u>52,710</u>	<u>4,316</u>	<u>90,330</u>	<u>64,228</u>	<u>16</u>
EXPENDITURES						
Current:						
Public safety	-	-	3,873	629	67,929	-
Water distribution and treatment	1,800	-	-	1,705	-	-
Culture and recreation	-	-	-	7,387	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,800</u>	<u>-</u>	<u>3,873</u>	<u>9,721</u>	<u>67,929</u>	<u>-</u>
Excess of revenues over expenditures	<u>118,523</u>	<u>52,710</u>	<u>443</u>	<u>80,609</u>	<u>(3,701)</u>	<u>16</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	10,000	-	-	-	-
Transfers out	(108,877)	-	-	(14,000)	-	-
Total other financing sources (uses)	<u>(108,877)</u>	<u>10,000</u>	<u>-</u>	<u>(14,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,646	62,710	443	66,609	(3,701)	16
Fund balances, beginning, as restated (see Note 19)	449,117	304,581	87,531	164,108	64,653	12,412
Fund balances, ending	<u>\$ 458,763</u>	<u>\$ 367,291</u>	<u>\$ 87,974</u>	<u>\$ 230,717</u>	<u>\$ 60,952</u>	<u>\$ 12,428</u>

Recreation Revolving	Special Revenue Funds			Capital Project	Permanent Fund	Total
	Grants	Cable	Other Special Revenue	Westville Road Bridge		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,338
-	131,254	-	-	132,005	-	263,259
16,102	-	-	-	-	-	200,653
-	52,024	20,000	2	-	14,029	181,089
16,102	183,278	20,000	2	132,005	14,029	697,339
-	-	-	-	-	-	72,431
-	-	-	-	-	-	3,505
11,960	-	-	-	-	-	19,347
-	176,578	-	-	79,285	-	255,863
11,960	176,578	-	-	79,285	-	351,146
4,142	6,700	20,000	2	52,720	14,029	346,193
-	-	-	-	-	-	10,000
-	-	-	-	-	(4,565)	(127,442)
-	-	-	-	-	(4,565)	(117,442)
4,142	6,700	20,000	2	52,720	9,464	228,751
36,613	4,389	20,000	1,626	69,648	145,020	1,359,698
\$ 40,755	\$ 11,089	\$ 40,000	\$ 1,628	\$ 122,368	\$ 154,484	\$ 1,588,449