

**TOWN OF PLAINFIELD,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

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

TOWN OF PLAINFIELD, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town of Plainfield's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Supplementary Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Plainfield'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 27, 2022

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,537,958
Investments	1,501,254
Taxes receivables (net)	251,766
Accounts receivable	12,249
Intergovernmental receivable	26,471
Prepaid items	14,190
Capital assets:	
Land and construction in progress	1,364,596
Other capital assets, net of depreciation	2,089,336
Total assets	<u>10,797,820</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	204,249
Amounts related to other postemployment benefits	4,762
Total deferred outflows of resources	<u>209,011</u>
LIABILITIES	
Accounts payable	41,608
Intergovernmental payable	3,229,862
Long-term liabilities:	
Due in more than one year	1,423,900
Total liabilities	<u>4,695,370</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - grants and donations	128,421
Amounts related to pensions	378,948
Amounts related to other postemployment benefits	893
Total deferred inflows of resources	<u>508,262</u>
NET POSITION	
Net investment in capital assets	3,453,932
Restricted	1,516,176
Unrestricted	833,091
Total net position	<u>\$ 5,803,199</u>

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

EXHIBIT B
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2021

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
		for	Grants and	Grants and	Change In
	Expenses	Services	Contributions	Contributions	Net Position
General government	\$ 518,932	\$ 22,465	\$ -	\$ -	\$ (496,467)
Public safety	678,233	5,011	-	-	(673,222)
Highways and streets	881,425	190	114,126	-	(767,109)
Sanitation	262,932	13,752	-	-	(249,180)
Health	16,161	-	-	-	(16,161)
Welfare	38,772	15,736	-	-	(23,036)
Culture and recreation	196,727	6,119	-	907,925	717,317
Conservation	250	2,144	-	-	1,894
Total governmental activities	<u>\$ 2,593,432</u>	<u>\$ 65,417</u>	<u>\$ 114,126</u>	<u>\$ 907,925</u>	<u>(1,505,964)</u>
General revenues:					
Taxes:					
Property					1,580,593
Other					46,938
Motor vehicle permit fees					642,541
Licenses and other fees					107,664
Grants and contributions not restricted to specific programs					208,121
Unrestricted investment earnings					88,090
Miscellaneous					30,660
Total general revenues					<u>2,704,607</u>
Change in net position					1,198,643
Net position, beginning					4,604,556
Net position, ending					<u>\$ 5,803,199</u>

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

EXHIBIT C-1
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2021

	General	Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,575,992	\$ 938,312	\$ 23,654	\$ 5,537,958
Investments	825,394	-	675,860	1,501,254
Receivables:				
Taxes	291,766	-	-	291,766
Accounts	12,249	-	-	12,249
Intergovernmental receivable	26,471	-	-	26,471
Prepaid items	14,190	-	-	14,190
Total assets	<u>\$ 5,746,062</u>	<u>\$ 938,312</u>	<u>\$ 699,514</u>	<u>\$ 7,383,888</u>
LIABILITIES				
Accounts payable	\$ 41,608	\$ -	\$ -	\$ 41,608
Intergovernmental payable	3,229,862	-	-	3,229,862
Total liabilities	<u>3,271,470</u>	<u>-</u>	<u>-</u>	<u>3,271,470</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	48,026	-	-	48,026
Unavailable revenue - grants and donations	128,421	-	-	128,421
Total deferred inflows of resources	<u>176,447</u>	<u>-</u>	<u>-</u>	<u>176,447</u>
FUND BALANCES				
Nonspendable	14,190	-	548,891	563,081
Restricted	22,594	938,312	6,379	967,285
Committed	1,057,535	-	144,244	1,201,779
Assigned	151,599	-	-	151,599
Unassigned	1,052,227	-	-	1,052,227
Total fund balances	<u>2,298,145</u>	<u>938,312</u>	<u>699,514</u>	<u>3,935,971</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,746,062</u>	<u>\$ 938,312</u>	<u>\$ 699,514</u>	<u>\$ 7,383,888</u>

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

EXHIBIT C-2
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2021

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

Total fund balances of governmental funds (Exhibit C-1)		\$3,935,971
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$6,920,372	
Less accumulated depreciation	<u>(3,466,440)</u>	
		3,453,932
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 204,249	
Deferred inflows of resources related to pensions	(378,948)	
Deferred outflows of resources related to OPEB	4,762	
Deferred inflows of resources related to OPEB	<u>(893)</u>	
		(170,830)
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.		
Deferred property taxes	\$ 48,026	
Allowance for uncollectible taxes	<u>(40,000)</u>	
		8,026
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Compensated absences	\$ 153,051	
Net pension liability	970,365	
Other postemployment benefits	<u>300,484</u>	
		(1,423,900)
Net position of governmental activities (Exhibit A)		<u>\$5,803,199</u>

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

EXHIBIT C-3
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2021

	General	Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,623,235	\$ -	\$ 8,540	\$ 1,631,775
Licenses and permits	750,205	-	-	750,205
Intergovernmental	322,247	-	-	322,247
Charges for services	65,417	-	-	65,417
Miscellaneous	50,968	907,925	67,782	1,026,675
Total revenues	<u>2,812,072</u>	<u>907,925</u>	<u>76,322</u>	<u>3,796,319</u>
EXPENDITURES				
Current:				
General government	526,688	-	-	526,688
Public safety	651,853	-	-	651,853
Highways and streets	782,865	-	-	782,865
Sanitation	262,932	-	-	262,932
Health	16,161	-	-	16,161
Welfare	38,772	-	-	38,772
Culture and recreation	190,144	-	-	190,144
Conservation	250	-	-	250
Capital outlay	-	256,894	-	256,894
Total expenditures	<u>2,469,665</u>	<u>256,894</u>	<u>-</u>	<u>2,726,559</u>
Excess of revenues over expenditures	<u>342,407</u>	<u>651,031</u>	<u>76,322</u>	<u>1,069,760</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,700	287,281	3,150	313,131
Transfers out	(290,431)	-	(22,700)	(313,131)
Total other financing sources (uses)	<u>(267,731)</u>	<u>287,281</u>	<u>(19,550)</u>	<u>-</u>
Net change in fund balances	74,676	938,312	56,772	1,069,760
Fund balances, beginning	2,223,469	-	642,742	2,866,211
Fund balances, ending	<u>\$ 2,298,145</u>	<u>\$ 938,312</u>	<u>\$ 699,514</u>	<u>\$ 3,935,971</u>

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

EXHIBIT C-4
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2021

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 1,069,760
Governmental funds report capital outlays as expenditures, while governmental activities		
report depreciation expense to allocate those expenditures over the life of the assets. Capital		
outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 286,155	
Depreciation expense	<u>(197,961)</u>	
		88,194
The net effect of various miscellaneous transactions involving capital assets		
(i.e., sales and donations) is to increase net position.		(4,917)
Transfers in and out between governmental funds are eliminated on		
the Statement of Activities.		
Transfers in	\$ (313,131)	
Transfers out	<u>313,131</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources		
are not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(4,244)
Repayment of debt principal is an expenditure in the governmental funds, but		
repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of capital lease		14,781
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	\$ 193	
Increase in compensated absences payable	(24,738)	
Net change in net pension liability, and deferred		
outflows and inflows of resources related to pensions	60,510	
Net change in net other postemployment benefits liability and deferred		
outflows and inflows of resources related to other postemployment benefits	<u>(896)</u>	
		35,069
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,198,643</u>

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

EXHIBIT D
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,637,344	\$ 1,637,344	\$ 1,618,991	\$ (18,353)
Licenses and permits	702,000	702,000	750,205	48,205
Intergovernmental	294,815	321,286	322,247	961
Charges for services	45,000	45,000	65,417	20,417
Miscellaneous	11,000	23,207	19,598	(3,609)
Total revenues	<u>2,690,159</u>	<u>2,728,837</u>	<u>2,776,458</u>	<u>47,621</u>
EXPENDITURES				
Current:				
General government	492,971	531,060	521,784	9,276
Public safety	589,019	618,581	632,453	(13,872)
Highways and streets	882,307	882,307	887,220	(4,913)
Sanitation	279,310	279,310	262,932	16,378
Health	17,910	17,910	13,621	4,289
Welfare	25,500	33,788	38,772	(4,984)
Culture and recreation	187,645	187,645	173,147	14,498
Conservation	500	500	250	250
Total expenditures	<u>2,475,162</u>	<u>2,551,101</u>	<u>2,530,179</u>	<u>20,922</u>
Excess of revenues over expenditures	<u>214,997</u>	<u>177,736</u>	<u>246,279</u>	<u>68,543</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	47,261	56,311	9,050
Transfers out	<u>(257,500)</u>	<u>(257,500)</u>	<u>(260,650)</u>	<u>(3,150)</u>
Total other financing sources (uses)	<u>(247,500)</u>	<u>(210,239)</u>	<u>(204,339)</u>	<u>5,900</u>
Net change in fund balances	<u>\$ (32,503)</u>	<u>\$ (32,503)</u>	41,940	<u>\$ 74,443</u>
Increase in nonspendable fund balance			(14,190)	
Unassigned fund balance, beginning			1,032,503	
Unassigned fund balance, ending			<u>\$ 1,060,253</u>	

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

EXHIBIT E-1
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2021

	Private Purpose Trust Funds	All Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 9,717	\$ 127,844
Investments	271,762	451,016
Intergovernmental receivable	-	3,229,862
Total assets	<u>281,479</u>	<u>3,808,722</u>
LIABILITIES		
Intergovernmental payables:		
School district	<u>-</u>	<u>3,229,862</u>
NET POSITION		
Restricted	<u>\$ 281,479</u>	<u>\$ 578,860</u>

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

EXHIBIT E-2
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2021

	Private Purpose Trust Funds	All Custodial Funds
ADDITIONS		
Contributions	\$ 5,000	\$ 50,000
Investment earnings	11,466	9,608
Change in fair market value	10,487	(25,083)
Tax collections for other governments	-	6,728,081
Total additions	26,953	6,762,606
DEDUCTIONS		
Administrative expenses	1,732	-
Payments of funds as agents to expend	-	175,000
Payments of taxes to other governments	-	6,538,014
Payments of motor vehicle fees to State	-	190,067
Total deductions	1,732	6,903,081
Net increase (decrease) in fiduciary net position	25,221	(140,475)
Net position, beginning	256,258	719,335
Net position, ending	\$ 281,479	\$ 578,860

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1-A Reporting Entity

The Town of Plainfield is a municipal corporation governed by an elected 3-member Board of Selectmen. 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. Fiduciary activities of the Town are not included in these statements.

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

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

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

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

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

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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, and culture and recreation. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the library and expendable trust funds are consolidated in the general fund.

Capital Project Fund – the capital project fund accounts for the activity pertaining to the construction of the new Meriden Library.

Additionally, the Town reports the following fund types:

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

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

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

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports four nonmajor governmental funds.

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

The Town reports the following fiduciary funds:

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

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

1-C Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts.

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

1-D Investments

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

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

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

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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. All of the Town's holdings in New Hampshire Public Deposit Investment Pool (NHPDIP), U.S. government obligations, and corporate bonds would be examples of Level 2 investments.

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

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

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

1-E Receivables

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

1-F Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The nonspendable fund balance in the general fund is equal to the amount of prepaid items at year-end to indicate the portion of fund balance that is nonspendable.

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1-G Capital Assets

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

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

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

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

Capital Asset Classes:	<u>Years</u>
Buildings	150
Equipment and vehicles	5 - 25
Infrastructure	12 - 30

1-H Interfund Activities

Interfund activities are reported as follows:

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

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

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 25, 2021 and October 20, 2021, and were due on July 1, 2021 and December 1, 2021, respectively. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2020 on May 10, 2021.

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

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

Total assessment valuation with utilities	\$301,289,373
Total assessment valuation without utilities	\$308,868,373

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

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$5.34	\$1,648,268
School portion:		
State of New Hampshire	\$1.87	563,816
Local	\$16.40	5,066,046
County portion	\$2.94	908,152
Total	\$26.55	\$8,186,282

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2021.

1-K Deferred Outflows/Inflows of Resources

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

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

1-L Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

1-M Compensated Absences

Vacation – The Town's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by the Town's personnel policy. The liability for such leave is reported as incurred in the government-wide fund 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.

Sick Leave – The Town's policy allows certain employees to earn varying amounts of sick time as set forth by the Town's personnel policy. A liability for those amounts is recorded in the government-wide fund financial statements.

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

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inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

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

1-O Postemployment Benefits Other Than Pensions

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

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

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

1-P Net Position/Fund Balances

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

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation.

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

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

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

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

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

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

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

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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.

In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 5-10% of the total property tax commitment.

1-Q Use of Estimates

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

1-R Material Change in Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the permanent fund, which accounts for resources held in trust for use by the Town, did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2021, \$32,503 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund

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Balance – Budget and Actual is presented for the major general fund. There are no differences between the budgetary basis of accounting for the major capital project fund. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 2,832,769
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	31,370
To eliminate transfers between blended funds	(33,611)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	4,244
Per Exhibit C-3 (GAAP basis)	<u><u>\$ 2,834,772</u></u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 2,790,829
Adjustment:	
Basis differences:	
Encumbrances, beginning	74,088
Encumbrances, ending	(151,599)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	16,997
To eliminate transfers between general and blended expendable trust fund	(257,500)
To recognize transfer between blended library fund and capital project fund	214,520
To recognize transfer between blended expendable trust and capital project fund	72,761
Per Exhibit C-3 (GAAP basis)	<u><u>\$ 2,760,096</u></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 \$5,675,519 and the bank balances totaled \$5,587,061. Petty cash totaled \$250.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$5,537,958
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	137,561
Total cash and cash equivalents	<u><u>\$5,675,519</u></u>

NOTE 4 – INVESTMENTS

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

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The Town has the following recurring fair value measurements and maturities as of December 31, 2021:

	Valuation Measurement Method	Reported Balance	Less Than 1 Year	1-5 Years	6-10 Years
Investments type:					
Common stock	Level 1	\$ 402,378	\$ 402,378	\$ -	\$ -
Corporate bonds	Level 2	84,050	-	73,022	11,028
Equity exchange traded funds	Level 1	49,916	49,916	-	-
Fixed income exchange traded funds	Level 2	200,046	200,046	-	-
Preferred Stock	Level 1	27,880	27,880	-	-
U.S. Government agency bonds	Level 2	561,131	-	372,769	188,361
U.S. Treasury bonds	Level 2	762,381	-	566,791	195,591
Total fair value		2,087,783	\$ 680,220	\$ 1,012,582	\$ 394,980
Investments carried at amortized cost:					
New Hampshire Public Deposit Investment Pool		136,249			
Total investments		\$ 2,224,032			

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 Town does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - The Town has formal policy on managing credit risk; in addition, state law limits investments as explained in Note 1-D. As of December 31, 2021, The Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure	Rating as of Year End*							
			Aaa	A1	A2	A3	Baa1	Baa2	Baa3	Not Rated
Certificates of deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial paper	-	-	-	-	-	-	-	-	-	-
Common stock	402,378	-	-	-	-	-	-	-	-	402,378
Corporate bonds	84,050	-	10,576	\$10,738	\$41,509	\$11,028	\$ -	\$10,199	\$ -	-
Equity exchange traded funds	49,916	49,916	-	-	-	-	-	-	-	-
Fixed income exchange traded funds	200,046	200,046	-	-	-	-	-	-	-	-
New Hampshire Public Deposit Investment Pool	136,249	136,249	-	-	-	-	-	-	-	-
Preferred Stock	27,880	-	-	-	-	7,560	10,084	-	10,236	-
U.S. Government agency bonds	561,131	-	561,131	-	-	-	-	-	-	-
U.S. Treasury bonds	762,381	-	762,381	-	-	-	-	-	-	-
Total	\$ 2,224,032	\$ 386,211	\$ 1,334,088	\$10,738	\$41,509	\$18,588	\$10,084	\$10,199	\$10,236	\$ 402,378

*Per Moody's

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 Town does not have custodial credit risk policies for investments.

Concentration of Credit Risk – Trust Funds: The equity portfolio shall at all times be well diversified across industry groups as defined by Standard & Poor's. No single equity should exceed 10% of the total market value of the equity portion of the portfolio. The total value of a single company (equity or fixed income) should not exceed 10% of the market value of the entire portfolio. The percentage of the portfolio in common or convertible preferred stock shall not exceed 65% nor fall below 35% of the total market value of the portfolio. The percentage of the portfolio held in fixed income investments and cash equivalents shall not exceed 65% nor fall below 35% of the target market value of the portfolio. Convertible bonds and preferred stock shall not exceed 15% of the total market value of the portfolio. Corporate bonds shall at the time of purchase be restricted to investment-grade (Baa3 or better). The investment goal for the Town is 50% in equities, 45% in fixed income investments, and 5% in cash equivalents.

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Capital Reserve Funds - The percentage held in cash and cash-equivalent investments shall not be less than 10% of each fund. There is no maximum allocation to cash and cash equivalents. The percentage held in fixed income securities shall not exceed 90% of the fund and there is no minimum allocation. The current investment allocation target is 85% invested in fixed income securities and 15% in cash and cash-equivalent investments.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$1,501,254
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	722,778
Total investments	<u>\$2,224,032</u>

NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2021. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2021	\$ 142,219	\$ 142,219
Unredeemed (under tax lien):		
Levy of 2020	48,180	48,180
Levy of 2019	44,686	44,686
Levies of 2018 and prior	49,392	49,392
Yield	7,290	7,290
Less: allowance for estimated uncollectible taxes	(40,000) *	-
Net taxes receivable	<u>\$ 251,766</u>	<u>\$ 291,766</u>

*The allowance for uncollectible property taxes is not 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-B. However, the allowance is recognized under the accrual basis of accounting (Exhibits A and B).

NOTE 6 – OTHER RECEIVABLES

Receivables as of December 31, 2021 for the Town's major general fund and fiduciary funds are as follows:

	Governmental Activities	Governmental	Fiduciary Funds
		Fund General	
Receivables:			
Accounts	\$ 12,249	\$ 12,249	\$ -
Intergovernmental	26,471	26,471	3,229,862
Net total receivables	<u>\$ 38,720</u>	<u>\$ 38,720</u>	<u>\$ 3,229,862</u>

Fiduciary Funds – Intergovernmental receivables represent property taxes collected on behalf of the Plainfield School District. These amounts are collected and are part of the Town's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 9.

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NOTE 7 – CAPITAL ASSETS

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

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 1,107,702	-	\$ -	\$ 1,107,702
Construction in progress	-	256,894	-	256,894
Total capital assets not being depreciated	1,107,702	256,894	-	1,364,596
Being depreciated:				
Buildings	793,639	20,264	(7,845)	806,058
Equipment and vehicles	3,555,432	8,997	-	3,564,429
Infrastructure	1,185,289	-	-	1,185,289
Total capital assets being depreciated	5,534,360	29,261	(7,845)	5,555,776
Total all capital assets	6,642,062	286,155	(7,845)	6,920,372
Less accumulated depreciation:				
Buildings	(236,207)	(5,244)	2,928	(238,523)
Equipment and vehicles	(2,354,154)	(152,647)	-	(2,506,801)
Infrastructure	(681,046)	(40,070)	-	(721,116)
Total accumulated depreciation	(3,271,407)	(197,961)	2,928	(3,466,440)
Net book value, capital assets being depreciated	2,262,953	(168,700)	(4,917)	2,089,336
Net book value, all governmental activities capital assets	\$3,370,655	\$ 88,194	\$ (4,917)	\$3,453,932

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	\$ 3,138
Public safety	93,778
Highways and streets	99,379
Culture and recreation	1,666
Total depreciation expense	<u>\$ 197,961</u>

NOTE 8 – INTERFUND TRANSFERS

The composition of interfund transfers for the year ended December 31, 2021 is as follows:

	Transfers In:			
	General Fund	Capital Project	Nonmajor Funds	Total
Transfers out:				
General fund	\$ -	\$ 287,281	\$ 3,150	\$ 290,431
Nonmajor funds	22,700	-	-	22,700
Total	<u>\$ 22,700</u>	<u>\$ 287,281</u>	<u>\$ 3,150</u>	<u>\$ 313,131</u>

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

NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$3,229,862 at December 31, 2021 represents amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

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NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of at December 31, 2021 consist of amounts related to pensions totaling \$204,249 and amounts related to OPEB totaling \$4,762. For further discussion on these amounts, see Note 12 and 13, respectively.

Deferred inflows of resources are as follows:

	Government- wide	General Fund
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 48,026
Federal grant revenue collected in advance of eligible expenditures being made	128,421	128,421
Amounts related to pensions, see Note 12	378,948	-
Amounts related to OPEB, see Note 13	893	-
Total deferred inflows of resources	<u>\$ 508,262</u>	<u>\$ 176,447</u>

NOTE 11 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year	Due In More Than One Year
Capital lease	\$ 14,781	\$ -	\$ (14,781)	\$ -	\$ -	\$ -
Compensated absences	128,313	24,738	-	153,051	-	153,051
Net pension liability	1,461,962	-	(491,597)	970,365	-	970,365
Net other postemployment benefits	298,238	14,340	(12,094)	300,484	-	300,484
Total long-term liabilities	<u>\$ 1,903,294</u>	<u>\$ 39,078</u>	<u>\$ (518,472)</u>	<u>\$ 1,423,900</u>	<u>\$ -</u>	<u>\$ 1,423,900</u>

NOTE 12 – DEFINED BENEFIT PENSION PLAN

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

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of January 1, 2012	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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

Contributions - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80%, respectively. For the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43% for fire, and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 30.67% for police, 29.78% for fire, and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$125,893, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2021 the Town reported a liability of \$970,365 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the Town's proportion was 0.02%, which was the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$65,328. At December 31, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 97,400
Changes in assumptions	101,349	-
Net difference between projected and actual investment earnings on pension plan investments	-	271,389
Differences between expected and actual experience	27,172	10,159
Contributions subsequent to the measurement date	75,728	-
Total	<u>\$ 204,249</u>	<u>\$ 378,948</u>

The \$75,728 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2022	\$ (57,534)
2023	(47,270)
2024	(48,381)
2025	(97,242)
Thereafter	-
Totals	<u>\$ (250,427)</u>

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

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

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

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

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

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 1,387,733	\$ 970,365	\$ 622,212

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

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NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

13-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2021 Annual Comprehensive Financial Report, which can be found on the System’s website at www.nhrs.org.

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

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

Maximum medical subsidy rates paid during fiscal year 2021 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$8,917, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2021, the Town reported a liability of \$66,391 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the Town’s proportion was 0.02%, which was the same as its proportion measured as of June 30, 2020.

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For the year ended December 31, 2021, the Town recognized OPEB expense of \$4,537. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 50
Net difference between projected and actual investment earnings on OPEB plan investments	-	829
Differences between expected and actual experience	-	14
Contributions subsequent to the measurement date	4,762	-
Total	<u>\$ 4,762</u>	<u>\$ 893</u>

The \$4,762 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2022	\$ (254)
2023	(174)
2024	(195)
2025	(270)
Thereafter	-
Totals	<u>\$ (893)</u>

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

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

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

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

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

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

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

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and 100-A:53. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 72,173	\$ 66,391	\$ 61,361

Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption – GASB Statement No. 75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

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

13-B Town of Plainfield Retiree Health Benefit Program

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

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Benefits Provided – The Town provides postemployment healthcare benefits for certain eligible retirees. The benefits are provided through fully insured plans that are sponsored by a state-wide health insurance consortium. Retirees are required to pay 100% of the cost of the premium for coverage elected. This valuation does not account for the cost of benefits to retirees or their spouses after age 65.

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

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	11
Total participants covered by OPEB plan	<u>13</u>

Total OPEB Liability – The Town's total OPEB liability of \$234,093 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$234,093 in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.12%
Healthcare Cost Trend Rates:	
Current Year Trend	9.50%
Second Year Trend	9.00%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2030
Salary Increases:	2.00%

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

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

Changes in the Total OPEB Liability

	December 31,	
	2020	2021
OPEB liability, beginning of year	\$ 205,908	\$ 219,753
Changes for the year:		
Service cost	9,495	9,696
Interest	4,365	4,659
Benefit payments	(15)	(15)
OPEB liability, end of year	<u>\$ 219,753</u>	<u>\$ 234,093</u>

Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The January 1, 2020 actuarial valuation was prepared using a discount rate of 9.50%. If the discount rate were 1% higher than what was used, the OPEB liability would decrease to \$219,337, or by 6.30%. If the discount rate were 1% lower than what was used, the OPEB liability would increase to \$248,939, or by 6.34%.

	Discount Rate		
	1% Decrease	Baseline 2.12%	1% Increase
Total OPEB Liability	<u>\$ 248,939</u>	<u>\$ 234,093</u>	<u>\$ 219,337</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2020 actuarial valuation was prepared using an initial trend rate of 9.50%. If the trend rate were 1% higher than what was used, the OPEB liability would increase to \$260,877, or by 11.44%. If the trend rate were 1% lower than what was used, the OPEB liability would decrease to \$210,001, or by 10.29%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 9.50%	1% Increase
Total OPEB Liability	\$ 210,001	\$ 234,093	\$ 260,877

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2021, the Town recognized OPEB expense of \$14,355. At December 31, 2021, the Town reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

NOTE 14 – ENCUMBRANCES

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

General fund:	
General government	\$ 5,043
Public safety	40,001
Highways and streets	106,555
Total encumbrances	<u>\$ 151,599</u>

NOTE 15 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

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

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 3,453,932	\$ -
Restricted net position:		
Capital project	938,312	-
Perpetual care - nonexpendable	548,891	-
Perpetual care - expendable	6,379	-
Library	22,594	-
Trust funds held for school district	-	860,339
Total restricted net position	<u>1,516,176</u>	<u>860,339</u>
Unrestricted	833,091	-
Total net position	<u>\$ 5,803,199</u>	<u>\$ 860,339</u>

NOTE 16 – GOVERNMENTAL FUND BALANCES

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

	General Fund	Capital Project	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 14,190	\$ -	\$ -	\$ 14,190
Permanent fund - principal balance	-	-	548,891	548,891
Total nonspendable fund balance	<u>14,190</u>	<u>-</u>	<u>548,891</u>	<u>563,081</u>

(Continued)

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Governmental fund balances continued:

	General Fund	Capital Project	Nonmajor Funds	Total Governmental Funds
Restricted:				
Library	22,594	-	-	22,594
Permanent - income balance	-	-	6,379	6,379
Meriden Library project	-	938,312	-	938,312
Total restricted fund balance	22,594	938,312	6,379	967,285
Committed:				
Expendable trusts	1,057,535	-	-	1,057,535
Conservation/Land use	-	-	144,244	144,244
Total committed fund balance	1,057,535	-	144,244	1,201,779
Assigned:				
Encumbrances	151,599	-	-	151,599
Unassigned	1,052,227	-	-	1,052,227
Total governmental fund balances	\$ 2,298,145	\$ 938,312	\$ 699,514	\$ 3,935,971

NOTE 17 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2021, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2021 the Town paid \$27,063 and \$32,352, respectively, to Primex³ for Workers' Compensation and Property/Liability. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 18 – DONATIONS

The Town has received donations totaling \$1,099,900 that are to be used for the replacement of the Meriden Library building, as approved at the March 9, 2021 annual town meeting, warrant article 2. The construction of the Meriden Library is recorded in the major capital project fund.

NOTE 19 – COVID-19

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

The Town was allotted a total of \$251,255 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$125,628, or 50%, of the funding was received in 2021. The remainder is expected to be received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue and necessary water, sewer, and broadband investment. For the year ended December 31, 2021, the Town did not spend any funds received. The remaining funds are included in deferred inflows of resources until eligible expenditures have been made.

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

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

NOTE 20 – 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 27, 2022, the date the December 31, 2021 financial statements were available to be issued, and no events occurred that would require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2021
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net pension liability	0.02%	0.02%	0.02%	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%
Town's proportionate share of the net pension liability	\$ 997,757	\$ 895,268	\$ 915,894	\$ 1,170,236	\$ 1,253,503	\$ 1,197,951	\$ 1,177,689	\$ 1,461,962	\$ 970,365
Town's covered payroll	\$ 526,395	\$ 551,929	\$ 564,553	\$ 567,054	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794
Town's proportionate share of the net pension liability as a percentage of its covered payroll	189.55%	162.21%	162.23%	206.37%	184.59%	174.67%	167.60%	210.59%	138.66%
Plan fiduciary net position as a percentage of the of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.69%	58.72%	72.22%

EXHIBIT G
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Schedule of Town Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2021
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 57,646	\$ 77,378	\$ 77,564	\$ 78,802	\$ 93,374	\$ 105,151	\$ 106,514	\$ 101,540	\$ 100,591
Contributions in relation to the contractually required contributions	(57,646)	(77,378)	(77,564)	(78,802)	(93,374)	(105,151)	(106,514)	(101,540)	(100,591)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 526,395	\$ 551,929	\$ 564,553	\$ 567,054	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 742,659
Contributions as a percentage of covered payroll	10.95%	14.02%	13.74%	13.90%	13.75%	15.33%	15.16%	14.63%	13.54%

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

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

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

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

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT H
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2021
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net OPEB liability	0.01%	0.02%	0.02%	0.02%	0.02%
Town's proportionate share of the net OPEB liability (asset)	\$ 67,856	\$ 101,779	\$ 93,665	\$ 78,485	\$ 66,391
Town's covered payroll	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.99%	14.84%	13.33%	11.31%	9.49%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%

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

EXHIBIT I
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Schedule of Town Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2021
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 8,796	\$ 9,833	\$ 9,750	\$ 8,323	\$ 7,967
Contributions in relation to the contractually required contribution	(8,796)	(9,833)	(9,750)	(8,323)	(7,967)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 742,659
Contributions as a percentage of covered payroll	1.30%	1.43%	1.39%	1.20%	1.07%

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

EXHIBIT J
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2021
Unaudited

	December 31,	
	2020	2021
OPEB liability, beginning of year	\$ 205,908	\$ 219,753
Changes for the year:		
Service cost	9,495	9,696
Interest	4,365	4,659
Benefit payments	(15)	(15)
OPEB liability, end of year	<u>\$ 219,753</u>	<u>\$ 234,093</u>
Covered payroll	<u>\$ 701,139</u>	<u>\$ 715,162</u>
Total OPEB liability as a percentage of covered payroll	31.34%	32.73%

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

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

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

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

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

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

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2021. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,572,994	\$ 1,580,593	\$ 7,599
Land use change	13,350	-	(13,350)
Yield	15,000	17,740	2,740
Excavation	-	50	50
Payment in lieu of taxes	1,000	345	(655)
Interest and penalties on taxes	35,000	20,263	(14,737)
Total from taxes	<u>1,637,344</u>	<u>1,618,991</u>	<u>(18,353)</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	7,000	6,274	(726)
Motor vehicle permit fees	600,000	642,541	42,541
Other	95,000	101,390	6,390
Total from licenses, permits, and fees	<u>702,000</u>	<u>750,205</u>	<u>48,205</u>
Intergovernmental:			
State:			
Shared revenues	-	990	990
Meals and rooms distribution	180,582	180,582	-
Highway block grant	114,155	114,126	(29)
State and federal forest land reimbursement	78	78	-
Other	26,471	26,471	-
Total from intergovernmental	<u>321,286</u>	<u>322,247</u>	<u>961</u>
Charges for services:			
Income from departments	<u>45,000</u>	<u>65,417</u>	<u>20,417</u>
Miscellaneous:			
Sale of municipal property	6,000	3,875	(2,125)
Interest on investments	5,000	1,859	(3,141)
Other	12,207	13,864	1,657
Total from miscellaneous	<u>23,207</u>	<u>19,598</u>	<u>(3,609)</u>
Other financing sources:			
Transfers in	<u>47,261</u>	<u>56,311</u>	<u>9,050</u>
Total revenues and other financing sources	<u>2,776,098</u>	<u>\$ 2,832,769</u>	<u>\$ 56,671</u>
Unassigned fund balance used to reduce tax rate	32,503		
Total revenues, other financing sources, and use of fund balance	<u>\$ 2,808,601</u>		

SCHEDULE 2
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 228,086	\$ 224,454	\$ -	\$ 3,632
Election and registration	-	17,430	17,129	-	301
Financial administration	7,000	88,100	88,767	5,043	1,290
Revaluation of property	-	16,000	16,731	-	(731)
Legal	-	5,000	2,993	-	2,007
Personnel administration	-	17,000	15,506	-	1,494
Planning and zoning	-	2,200	1,628	-	572
General government buildings	-	55,114	57,229	-	(2,115)
Cemeteries	2,947	27,600	37,493	-	(6,946)
Insurance, not otherwise allocated	-	68,430	58,978	-	9,452
Advertising and regional associations	-	6,100	5,780	-	320
Total general government	9,947	531,060	526,688	5,043	9,276
Public safety:					
Police	40,001	425,976	424,026	40,001	1,950
Ambulance	-	38,000	40,928	-	(2,928)
Fire	19,400	84,855	106,860	-	(2,605)
Building inspection	-	15,400	15,176	-	224
Emergency management	-	250	11,210	-	(10,960)
Other	-	54,100	53,653	-	447
Total public safety	59,401	618,581	651,853	40,001	(13,872)
Highways and streets:					
Administration	-	23,750	23,591	-	159
Highways and streets	2,200	734,145	746,717	-	(10,372)
Street lighting	-	10,000	8,007	-	1,993
Other	-	114,412	4,550	106,555	3,307
Total highways and streets	2,200	882,307	782,865	106,555	(4,913)
Sanitation:					
Solid waste collection	-	216,000	200,296	-	15,704
Solid waste disposal	-	63,310	62,636	-	674
Total sanitation	-	279,310	262,932	-	16,378
Health:					
Pest control	-	500	95	-	405
Health agencies	2,540	17,410	16,066	-	3,884
Total health	2,540	17,910	16,161	-	4,289
Welfare:					
Administration and direct assistance	-	8,288	8,288	-	-
Intergovernmental welfare payments	-	25,500	30,484	-	(4,984)
Total welfare	-	33,788	38,772	-	(4,984)
Culture and recreation:					
Parks and recreation	-	20,971	18,619	-	2,352
Library	-	165,174	153,936	-	11,238
Patriotic purposes	-	1,500	592	-	908
Total culture and recreation	-	187,645	173,147	-	14,498
Conservation	-	500	250	-	250

(Continued)

SCHEDULE 2 (Continued)
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Other financing uses:					
Transfers out	-	257,500	260,650	-	(3,150)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 74,088	\$ 2,808,601	\$ 2,713,318	\$ 151,599	\$ 17,772

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

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 1,032,503
Changes:		
Unassigned fund balance appropriated for use in 2021 tax rate		(32,503)
2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 56,671	
Unexpended balance of appropriations (Schedule 2)	<u>17,772</u>	
2021 Budget surplus		74,443
Increase in nonspendable fund balance		<u>(14,190)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		1,060,253
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(48,026)
Elimination of the allowance for uncollectible taxes		<u>40,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 1,052,227</u></u>

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

	Special Revenue Funds				
	Conservation Commission		Land Use	Permanent	
	Operating	Forestry	Change	Fund	Total
ASSETS					
Cash and cash equivalents	\$ 5,845	\$ -	\$ 5,845	\$ 11,964	\$ 23,654
Investments	112,581	19,973	-	543,306	675,860
Total assets	\$ 118,426	\$ 19,973	\$ 5,845	\$ 555,270	\$ 699,514
FUND BALANCES					
Nonspendable	\$ -	\$ -	\$ -	\$ 548,891	\$ 548,891
Restricted	-	-	-	6,379	6,379
Committed	118,426	19,973	5,845	-	144,244
Total fund balances	\$ 118,426	\$ 19,973	\$ 5,845	\$ 555,270	\$ 699,514

SCHEDULE 5
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2021

	Special Revenue Funds				Total
	Conservation	Commission	Land Use	Permanent	
	Operating	Forestry	Change	Fund	
Revenues:					
Taxes	\$ 4,270	\$ -	\$ 4,270	\$ -	\$ 8,540
Miscellaneous	24	4	-	67,754	67,782
Total revenues	4,294	4	4,270	67,754	76,322
Other financing sources (uses):					
Transfers in	1,575	-	1,575	-	3,150
Transfers out	-	-	(13,350)	(9,350)	(22,700)
Total other financing sources (uses)	1,575	-	(11,775)	(9,350)	(19,550)
Net change in fund balances	5,869	4	(7,505)	58,404	56,772
Fund balances, beginning	112,557	19,969	13,350	496,866	642,742
Fund balances, ending	\$ 118,426	\$ 19,973	\$ 5,845	\$ 555,270	\$ 699,514

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

	Custodial Funds			Total
	Taxes	Trust Funds	State MV Fees	
ASSETS				
Cash and cash equivalents	\$ -	\$ 127,844	\$ -	\$ 127,844
Investments	-	451,016	-	451,016
Intergovernmental receivables	3,229,862	-	-	3,229,862
Total assets	3,229,862	578,860	-	3,808,722
LIABILITIES				
Intergovernmental payables:				
School district	3,229,862	-	-	3,229,862
NET POSITION				
Restricted	\$ -	\$ 578,860	\$ -	\$ 578,860

SCHEDULE 7
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Combining Schedule of Custodial Funds Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2021

	Custodial Funds			Total
	Taxes	Trust Funds	State MV Fees	
Additions:				
Contributions	\$ -	\$ 50,000	\$ -	\$ 50,000
Investment earnings	-	9,608	-	9,608
Change in fair market value	-	(25,083)	-	(25,083)
Tax collections for other governments	6,538,014	-	190,067	6,728,081
Total additions	6,538,014	34,525	190,067	6,762,606
Deductions:				
Payments of funds as agents to expend	-	175,000	-	175,000
Payments of taxes to other governments	6,538,014	-	-	6,538,014
Payments of motor vehicle fees to State	-	-	190,067	190,067
Total deductions	6,538,014	175,000	190,067	6,903,081
Net decrease in fiduciary net position	-	(140,475)	-	(140,475)
Net position, beginning	-	719,335	-	719,335
Net position, ending	\$ -	\$ 578,860	\$ -	\$ 578,860