

**TOWN OF PLAINFIELD,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022**

TOWN OF PLAINFIELD, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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DECEMBER 31, 2022

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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, 2022, 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, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

December 1, 2023
Concord, New Hampshire

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,260,503
Investments	1,296,023
Taxes receivables (net)	258,296
Accounts receivable	11,605
Intergovernmental receivable	4,000
Capital assets:	
Land and construction in progress	2,509,263
Other capital assets, net of depreciation	2,056,995
Total assets	<u>10,396,685</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	414,758
Amounts related to other postemployment benefits	10,169
Total deferred outflows of resources	<u>424,927</u>
LIABILITIES	
Accounts payable	281,366
Intergovernmental payable	2,419,440
Long-term liabilities:	
Due in more than one year	1,884,955
Total liabilities	<u>4,585,761</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - grants and donations	223,401
Amounts related to pensions	68,829
Amounts related to other postemployment benefits	116,915
Total deferred inflows of resources	<u>409,145</u>
NET POSITION	
Net investment in capital assets	4,566,258
Restricted	778,339
Unrestricted	482,109
Total net position	<u>\$ 5,826,706</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, 2022

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 643,610	\$ 19,800	\$ -	\$ (623,810)
Public safety	788,133	3,550	182,626	(601,957)
Highways and streets	1,145,660	3,431	115,692	(1,026,537)
Sanitation	273,922	11,910	-	(262,012)
Health	11,742	-	-	(11,742)
Welfare	63,429	6,935	-	(56,494)
Culture and recreation	176,091	6,405	-	(169,686)
Conservation	250	-	-	(250)
Total governmental activities	<u>\$ 3,102,837</u>	<u>\$ 52,031</u>	<u>\$ 298,318</u>	<u>(2,752,488)</u>
General revenues:				
Taxes:				
Property				1,613,862
Other				54,418
Motor vehicle permit fees				653,755
Licenses and other fees				102,535
Grants and contributions not restricted to specific programs				311,586
Unrestricted investment earnings				(27,791)
Miscellaneous				67,630
Total general revenues				<u>2,775,995</u>
Change in net position				23,507
Net position, beginning				5,803,199
Net position, ending				<u>\$ 5,826,706</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, 2022

	General	Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,103,701	\$ 88,037	\$ 68,765	\$ 4,260,503
Investments	730,053	-	565,970	1,296,023
Receivables:				
Taxes	298,296	-	-	298,296
Accounts	11,605	-	-	11,605
Intergovernmental receivable	4,000	-	-	4,000
Total assets	<u>\$ 5,147,655</u>	<u>\$ 88,037</u>	<u>\$ 634,735</u>	<u>\$ 5,870,427</u>
LIABILITIES				
Accounts payable	\$ 281,366	\$ -	\$ -	\$ 281,366
Intergovernmental payable	2,419,440	-	-	2,419,440
Total liabilities	<u>2,700,806</u>	<u>-</u>	<u>-</u>	<u>2,700,806</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	48,078	-	-	48,078
Unavailable revenue - grants and donations	223,401	-	-	223,401
Total deferred inflows of resources	<u>271,479</u>	<u>-</u>	<u>-</u>	<u>271,479</u>
FUND BALANCES				
Nonspendable	-	-	458,064	458,064
Restricted	223,206	88,037	9,032	320,275
Committed	912,183	-	167,639	1,079,822
Unassigned	1,039,981	-	-	1,039,981
Total fund balances	<u>2,175,370</u>	<u>88,037</u>	<u>634,735</u>	<u>2,898,142</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,147,655</u>	<u>\$ 88,037</u>	<u>\$ 634,735</u>	<u>\$ 5,870,427</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, 2022

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 2,898,142
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 8,081,639	
Less accumulated depreciation	<u>(3,515,381)</u>	
		4,566,258
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	\$ 414,758	
Deferred inflows of resources related to pensions	(68,829)	
Deferred outflows of resources related to OPEB	10,169	
Deferred inflows of resources related to OPEB	<u>(116,915)</u>	
		239,183
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	\$ 48,078	
Allowance for uncollectible taxes	<u>(40,000)</u>	
		8,078
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Compensated absences	\$ 197,551	
Net pension liability	1,498,607	
Other postemployment benefits	<u>188,797</u>	
		<u>(1,884,955)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 5,826,706</u></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, 2022

	General	Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,644,618	\$ -	\$ 23,610	\$ 1,668,228
Licenses and permits	756,290	-	-	756,290
Intergovernmental	609,904	-	-	609,904
Charges for services	52,031	-	-	52,031
Change in fair market value	-	-	(118,799)	(118,799)
Miscellaneous	116,281	-	42,357	158,638
Total revenues	<u>3,179,124</u>	<u>-</u>	<u>(52,832)</u>	<u>3,126,292</u>
EXPENDITURES				
Current:				
General government	657,841	-	-	657,841
Public safety	767,272	-	-	767,272
Highways and streets	1,017,922	-	-	1,017,922
Sanitation	273,922	-	-	273,922
Health	11,742	-	-	11,742
Welfare	63,429	-	-	63,429
Culture and recreation	203,868	-	-	203,868
Conservation	250	-	-	250
Capital outlay	317,600	850,275	-	1,167,875
Total expenditures	<u>3,313,846</u>	<u>850,275</u>	<u>-</u>	<u>4,164,121</u>
Excess of revenues over expenditures	<u>(134,722)</u>	<u>(850,275)</u>	<u>(52,832)</u>	<u>(1,037,829)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,295	-	3,348	18,643
Transfers out	(3,348)	-	(15,295)	(18,643)
Total other financing sources (uses)	<u>11,947</u>	<u>-</u>	<u>(11,947)</u>	<u>-</u>
Net change in fund balances	(122,775)	(850,275)	(64,779)	(1,037,829)
Fund balances, beginning	2,298,145	938,312	699,514	3,935,971
Fund balances, ending	<u>\$ 2,175,370</u>	<u>\$ 88,037</u>	<u>\$ 634,735</u>	<u>\$ 2,898,142</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, 2022

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (1,037,829)
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	\$ 1,287,267	
Depreciation expense	<u>(174,941)</u>	
		1,112,326
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (18,643)	
Transfers out	<u>18,643</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		52
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.		
Increase in compensated absences payable	\$ (44,500)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(7,614)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>1,072</u>	
		<u>(51,042)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 23,507</u></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, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,649,256	\$ 1,649,256	\$ 1,644,670	\$ (4,586)
Licenses and permits	741,000	741,000	756,290	15,290
Intergovernmental	339,243	426,980	609,904	182,924
Charges for services	55,000	55,000	52,031	(2,969)
Miscellaneous	33,000	33,000	31,833	(1,167)
Total revenues	<u>2,817,499</u>	<u>2,905,236</u>	<u>3,094,728</u>	<u>189,492</u>
EXPENDITURES				
Current:				
General government	540,639	585,335	586,518	(1,183)
Public safety	678,611	768,036	727,271	40,765
Highways and streets	915,734	915,734	911,367	4,367
Sanitation	263,310	263,310	273,922	(10,612)
Health	13,801	13,801	11,742	2,059
Welfare	25,500	54,644	63,429	(8,785)
Culture and recreation	192,157	192,157	180,507	11,650
Conservation	500	500	250	250
Capital outlay	317,600	317,600	317,600	-
Total expenditures	<u>2,947,852</u>	<u>3,111,117</u>	<u>3,072,606</u>	<u>38,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(130,353)</u>	<u>(205,881)</u>	<u>22,122</u>	<u>228,003</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	327,600	403,128	394,968	(8,160)
Transfers out	<u>(257,500)</u>	<u>(257,500)</u>	<u>(260,848)</u>	<u>(3,348)</u>
Total other financing sources (uses)	<u>70,100</u>	<u>145,628</u>	<u>134,120</u>	<u>(11,508)</u>
Net change in fund balances	<u>\$ (60,253)</u>	<u>\$ (60,253)</u>	<u>156,242</u>	<u>\$ 216,495</u>
Decrease in nonspendable fund balance			14,190	
Increase in restricted fund balance			(182,626)	
Unassigned fund balance, beginning			1,060,253	
Unassigned fund balance, ending			<u>\$ 1,048,059</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, 2022

	Private Purpose Trust Funds	All Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 23,062	\$ 119,122	\$ 142,184
Investments	223,037	465,430	688,467
Intergovernmental receivable	-	2,419,440	2,419,440
Total assets	<u>246,099</u>	<u>3,003,992</u>	<u>3,250,091</u>
LIABILITIES			
Intergovernmental payables:			
School district	<u>-</u>	<u>2,419,440</u>	<u>2,419,440</u>
NET POSITION			
Restricted	<u>\$ 246,099</u>	<u>\$ 584,552</u>	<u>\$ 830,651</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, 2022

	Private Purpose Trust Funds	All Custodial Funds	Total
ADDITIONS			
Contributions	\$ -	\$ 35,000	35,000
Investment earnings	17,150	10,430	27,580
Change in fair market value	(51,597)	(39,738)	(91,335)
Tax collections for other governments	-	6,261,697	6,261,697
Total additions	<u>(34,447)</u>	<u>6,267,389</u>	<u>6,232,942</u>
DEDUCTIONS			
Administrative expenses	933	-	933
Payments of taxes to other governments	-	6,069,190	6,069,190
Payments of motor vehicle fees to State	-	192,507	192,507
Total deductions	<u>933</u>	<u>6,261,697</u>	<u>6,262,630</u>
Net increase (decrease) in fiduciary net position	(35,380)	5,692	(29,688)
Net position, beginning	281,479	578,860	860,339
Net position, ending	<u>\$ 246,099</u>	<u>\$ 584,552</u>	<u>\$ 830,651</u>

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, 2022

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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, 2022

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 accompanied by a total column. Fiduciary activities of the Town are not included in these statements.

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

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

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

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

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

The Town reports the following major governmental fund:

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.

Additionally, the Town reports the following fund types:

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

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

Permanent Fund – is used to record activity of legal trusts for which the interest on the corpus provides funds for the Town’s cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. 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 (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

The Town also reports the following fiduciary funds:

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

Custodial Fund – are custodial in nature and do not involve the measurement of operating results. 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.

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.

Level 3 – Inputs are significant unobservable inputs, using assumptions in determining the fair value of investments and derivative instruments.

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

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

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

1-E Receivables

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

1-F Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The nonspendable fund balance in the general 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 are reported in the applicable governmental activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The Town has established a threshold of \$5,000 or more and an estimate useful life in excess of one year for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 20, 2022 and October 25, 2022, and due on July 1, 2022 and December 1, 2022. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at December 31, 2022 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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, 2022 utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 311,584,776
Total assessment valuation without utilities	\$ 304,417,676

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The tax rates and amounts assessed for the year ended December 31, 2022 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$5.39	\$ 1,679,238
School portion:		
State of New Hampshire	\$1.40	425,791
Local	\$15.06	4,693,649
County portion	\$3.05	949,750
Total	<u>\$24.90</u>	<u>\$ 7,748,428</u>

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2022.

1-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

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. The Town has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

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

General leave for the Town includes vacation, sick, and retirement stipend pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the Town's personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as an expense when the related liabilities are incurred.

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1-N Defined Benefit Pension Plan

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

The schedules 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 (OPEB)

The Town maintains two separate other postemployment benefit plans, 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, inventory, or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

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

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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.

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general and capital project funds. Except as reconciled below, the budget was adopted on a basis consistent with US 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 2022, \$60,253 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 Balance – Budget and Actual is presented for the major governmental fund which had a budget.

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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)	\$ 3,489,696
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	84,448
To eliminate transfers between blended funds	(379,673)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(52)
Per Exhibit C-3 (GAAP basis)	<u>\$ 3,194,419</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 3,333,454
Adjustment:	
Basis differences:	
Encumbrances, beginning	151,599
Encumbrances, ending	-
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	89,641
To eliminate transfers between general and blended expendable trust fund	(257,500)
Per Exhibit C-3 (GAAP basis)	<u>\$ 3,317,194</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (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 \$4,402,687 and the bank balances totaled \$4,438,032. Petty cash totaled \$250.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 4,260,503
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	142,184
Total cash and cash equivalents	<u>\$ 4,402,687</u>

NOTE 4 – INVESTMENTS

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

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The Town has the following recurring fair value measurements and maturities as of December 31, 2022:

	Valuation Measurement Method	Reported Balance	Less Than 1 Year
Investments type:			
Common stock	Level 1	\$ 330,682	\$ 330,682
Fixed income exchange traded funds	Level 2	1,509,370	1,509,370
Total fair value		<u>1,840,052</u>	<u>\$ 1,840,052</u>
Investments carried at amortized cost:			
New Hampshire Public Deposit Investment Pool		144,438	
Total investments		<u>\$ 1,984,490</u>	

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The 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, 2022, The Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure	Ratings as of Year End Not Rated
Common stock	\$ 330,682	\$ -	\$ 330,682
Fixed income exchange traded funds	1,509,370	1,509,370	-
New Hampshire Public Deposit Investment Pool	144,438	144,438	-
Total	<u>\$ 1,984,490</u>	<u>\$ 1,653,808</u>	<u>\$ 330,682</u>

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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.

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.

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Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 1,296,023
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	688,467
Total investments	<u>\$ 1,984,490</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, 2022. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2022	\$ 159,195	\$ 159,195
Unredeemed (under tax lien):		
Levy of 2021	41,705	41,705
Levy of 2020	33,477	33,477
Levies of 2019 and prior	59,977	59,977
Yield	3,942	3,942
Less: allowance for estimated uncollectible taxes	(40,000) *	-
Net taxes receivable	<u>\$ 258,296</u>	<u>\$ 298,296</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 full accrual basis of accounting (Exhibits A and B).

NOTE 6 – OTHER RECEIVABLES

Receivables as of December 31, 2022 for the Town's and nonmajor funds and fiduciary funds are as follows:

	Governmental Fund General	Fiduciary Funds
Receivables:		
Accounts	\$ 11,605	\$ -
Intergovernmental	4,000	2,419,440 ¹
Net total receivables	<u>\$ 15,605</u>	<u>\$ 2,419,440</u>

¹ 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.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 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	1,144,667	-	1,401,561
Total capital assets not being depreciated	<u>1,364,596</u>	<u>1,144,667</u>	<u>-</u>	<u>2,509,263</u>

(Continued)

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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Buildings	806,058	-	-	806,058
Equipment and vehicles	3,564,429	142,600	(126,000)	3,581,029
Infrastructure	1,185,289	-	-	1,185,289
Total capital assets being depreciated	5,555,776	142,600	(126,000)	5,572,376
Total all capital assets	6,920,372	1,287,267	(126,000)	8,081,639
Less accumulated depreciation:				
Buildings	(238,523)	(7,217)	-	(245,740)
Equipment and vehicles	(2,506,801)	(136,639)	126,000	(2,517,440)
Infrastructure	(721,116)	(31,085)	-	(752,201)
Total accumulated depreciation	(3,466,440)	(174,941)	126,000	(3,515,381)
Net book value, capital assets being depreciated	2,089,336	(32,341)	-	2,056,995
Net book value, all governmental activities capital assets	\$ 3,453,932	\$ 1,112,326	\$ -	\$ 4,566,258

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	\$ 5,163
Public safety	79,995
Highways and streets	88,168
Culture and recreation	1,615
Total depreciation expense	<u>\$ 174,941</u>

NOTE 8 – INTERFUND TRANSFERS

Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2022 is as follows:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
General fund	\$ -	\$ 3,348	\$ 3,348
Nonmajor funds	15,295	-	15,295
Total	<u>\$ 15,295</u>	<u>\$ 3,348</u>	<u>\$ 18,643</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 \$2,419,440 at December 31, 2022 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.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of at December 31, 2022 consist of amounts related to pensions totaling \$414,758 and amounts related to OPEB totaling \$10,169. For further discussion on these amounts, see Note 12 and 13, respectively.

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Deferred inflows of resources are as follows:

	Government- wide	General Fund
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 48,078
Federal grant revenue collected in advance of eligible expenditures being made	223,401	223,401
Amounts related to pensions, see Note 12	68,829	-
Amounts related to OPEB, see Note 13	116,915	-
Total deferred inflows of resources	<u>\$ 409,145</u>	<u>\$ 271,479</u>

NOTE 11 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Compensated absences	\$ 153,051	\$ 44,500	\$ -	\$ 197,551	\$ -	\$ 197,551
Net pension liability	970,365	528,242	-	1,498,607	-	1,498,607
Net other postemployment benefits	300,484	19,562	(131,249)	188,797	-	188,797
Total long-term liabilities	<u>\$ 1,423,900</u>	<u>\$ 592,304</u>	<u>\$ (131,249)</u>	<u>\$ 1,884,955</u>	<u>\$ -</u>	<u>\$ 1,884,955</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 one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

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

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

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

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

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

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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 members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2022, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$151,272, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2022 the Town reported a liability of \$1,498,607 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the Town's proportion was 0.02% which was the same as its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized pension expense of \$160,984. At December 31, 2022 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	\$ 172,297	\$ 63,076
Changes in assumptions	79,714	-
Net difference between projected and actual investment earnings on pension plan investments	56,795	-
Differences between expected and actual experience	28,126	5,753
Contributions subsequent to the measurement date	77,826	-
Total	<u>\$ 414,758</u>	<u>\$ 68,829</u>

The \$77,826 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, 2023. 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,	
2023	\$ 72,522
2024	70,401
2025	9,010
2026	116,170
Thereafter	-
Totals	<u>\$ 268,103</u>

Actuarial Assumptions – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly, apply to 2022 measurements:

Inflation:	2.0%
Salary increases:	5.4% 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 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – 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 long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	100.00%	7.30%

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, 2022	\$ 2,010,752	\$ 1,498,607	\$ 1,072,805

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 (OPEB)

13-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2022 Comprehensive Annual 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 2022 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 2022, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2022, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$9,578 which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2022, the Town reported a liability of \$85,953 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town’s proportion was 0.02% which was the same as its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$28,012. At December 31, 2022, 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
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 235	\$ -
Contributions subsequent to the measurement date	4,889	-
Total	<u>\$ 5,124</u>	<u>\$ -</u>

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The \$4,889 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, 2023. 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,	
2023	\$ 39
2024	10
2025	(92)
2026	278
Thereafter	-
Totals	<u>\$ 235</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	
Inflation	0.00%	2.25%
Total	100.00%	7.30%

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. 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.

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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, 2022	\$ 93,317	\$ 85,953	\$ 79,540

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.

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, 2022, 12 active employees were covered by the benefit terms.

Total OPEB Liability – The Town's total OPEB liability of \$102,844 was measured as of December 31, 2022, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability of 102,844 in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.72%
Healthcare Cost Trend Rates:	
Current Year Trend	14.90%
Second Year Trend	7.50%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached	2090
Salary Increases:	3.00%

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, 2022.

Mortality rates: Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021.

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Changes in the Total OPEB Liability

	December 31,	
	2021	2022
OPEB liability, beginning of year	\$ 219,753	\$ 234,093
Changes for the year:		
Service cost	9,696	5,179
Interest	4,659	3,694
Assumption changes and difference between actual and expected experience	-	(139,838)
Benefit payments	(15)	(284)
OPEB liability, end of year	<u>\$ 234,093</u>	<u>\$ 102,844</u>

Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using the discount rate of 3.72%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	Baseline 3.72%	1% Increase
Total OPEB Liability	<u>\$ 109,066</u>	<u>\$ 102,844</u>	<u>\$ 96,844</u>

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using the trend rate starting at 14.90%, as well as what the total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 14.90%	1% Increase
Total OPEB Liability	<u>\$ 93,650</u>	<u>\$ 102,844</u>	<u>\$ 113,186</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Town recognized OPEB expense of (\$19,095).

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 116,915
Differences between expected and actual experience	5,045	-
Total	<u>\$ 5,045</u>	<u>\$ 116,915</u>

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,	
2023	\$ (27,968)
2024	(27,968)
2025	(27,968)
2026	(27,968)
2027	-
Thereafter	-
Totals	<u>\$ (111,872)</u>

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NOTE 14 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental and business-type activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2022 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 4,566,258	\$ -
Restricted net position:		
Capital project	88,037	-
Perpetual care - nonexpendable	458,064	-
Perpetual care - expendable	9,032	-
Library	40,580	-
Trust funds held for school district	-	830,651
Highway	182,626	-
Total restricted net position	778,339	830,651
Unrestricted	482,109	-
Total net position	\$ 5,826,706	\$ 830,651

NOTE 15 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	General Fund	Capital Project	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Permanent fund - principal balance	\$ -	\$ -	\$ 458,064	\$ 458,064
Restricted:				
Library	40,580	-	-	40,580
Permanent - income balance	-	-	9,032	9,032
Meriden Library project	-	88,037	-	88,037
Highway	182,626	-	-	182,626
Total restricted fund balance	223,206	88,037	9,032	320,275
Committed:				
Expendable trusts	912,183	-	-	912,183
Conservation/Land use	-	-	167,639	167,639
Total committed fund balance	912,183	-	167,639	1,079,822
Unassigned	1,039,981	-	-	1,039,981
Total governmental fund balances	\$ 2,175,370	\$ 88,037	\$ 634,735	\$ 2,898,142

NOTE 16 – 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 2022, 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, 2022 to December 31, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. 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

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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 fiscal year 2022 the Town paid \$36,984 and \$29,868 respectively, to Primex for property/liability, and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 17 – COVID-19

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

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the budget approved for 2022; and were incurred during the period that begins on March 1, 2020, and ends on December 31, 2020. The Town was awarded a portion of this federal funding totaling \$251,255. In addition to funding from the CARES Act, there are several other federal and state grants available.

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

NOTE 18 – 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 December 1, 2023, the date the December 31, 2022 financial statements were available to be issued, and no events were identified that 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, 2022
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	December 31, 2022
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	June 30, 2022
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%	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	\$ 1,498,607
Town's covered payroll	\$ 526,395	\$ 551,929	\$ 564,553	\$ 567,054	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831
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%	187.60%
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%	65.12%

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, 2022
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	December 31, 2022
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	June 30, 2022
Contractually required contribution	\$ 57,646	\$ 77,378	\$ 77,564	\$ 78,802	\$ 93,374	\$ 105,151	\$ 106,514	\$ 101,540	\$ 100,591	\$ 151,272
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)	(151,272)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 526,395	\$ 551,929	\$ 564,553	\$ 567,054	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831
Contributions as a percentage of covered payroll	10.95%	14.02%	13.74%	13.90%	13.75%	15.33%	15.16%	14.63%	14.37%	18.94%

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

***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 – Salary increases changed to 5.4% from 5.6% in 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, 2022. 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, 2022
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.01%	0.02%	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	\$ 85,953
Town's covered payroll	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831
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%	10.76%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

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, 2022
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 8,796	\$ 9,833	\$ 9,750	\$ 8,323	\$ 7,967	\$ 9,578
Contributions in relation to the contractually required contribution	(8,796)	(9,833)	(9,750)	(8,323)	(7,967)	(9,578)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831
Contributions as a percentage of covered payroll	1.30%	1.43%	1.39%	1.20%	1.14%	1.20%

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, 2022
Unaudited

	December 31,		
	2020	2021	2022
OPEB liability, beginning of year	\$ 205,908	\$ 219,753	\$ 234,093
Changes for the year:			
Service cost	9,495	9,696	5,179
Interest	4,365	4,659	3,694
Assumption changes and difference between actual and expected experience	-	-	(139,838)
Benefit payments	(15)	(15)	(284)
OPEB liability, end of year	<u>\$ 219,753</u>	<u>\$ 234,093</u>	<u>\$ 102,844</u>
Covered payroll	<u>\$ 701,139</u>	<u>\$ 715,162</u>	<u>\$ 812,707</u>
Total OPEB liability as a percentage of covered payroll	31.34%	32.73%	12.65%

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, 2022

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 – Salary increases changed to 5.4% from 5.6% in 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, 2022. 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

Significant Changes from the Previous Actuarial Valuation

- Increasing the discount rate from 2.12% to 3.72%.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through September 2021.
- The payroll growth rate was increased from 2.00% to 3.00%.
- The election rate was changed from 90% to 50% based on expected future enrollment.
- Mortality assumption changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2020 (Base Year 2006) to Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021.
- The morbidity assumptions were updated to use the Dale Yamamoto model published by the Society of Actuaries to give a better projection of anticipated costs as adjusted for age.

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, 2022. 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, 2022

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,607,256	\$ 1,613,862	\$ 6,606
Land use change	6,000	-	(6,000)
Yield	15,000	7,578	(7,422)
Payment in lieu of taxes	1,000	-	(1,000)
Interest and penalties on taxes	20,000	23,230	3,230
Total from taxes	<u>1,649,256</u>	<u>1,644,670</u>	<u>(4,586)</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	6,000	6,791	791
Motor vehicle permit fees	635,000	653,755	18,755
Other	100,000	95,744	(4,256)
Total from licenses, permits, and fees	<u>741,000</u>	<u>756,290</u>	<u>15,290</u>
Intergovernmental:			
State:			
Shared revenues	7,090	13,473	6,383
Meals and rooms distribution	217,393	217,393	-
Highway block grant	116,144	115,692	(452)
State and federal forest land reimbursement	73	73	-
Other	55,633	232,626	176,993
Federal:			
ARPA	30,647	30,647	-
Total from intergovernmental	<u>426,980</u>	<u>609,904</u>	<u>182,924</u>
Charges for services:			
Income from departments	<u>55,000</u>	<u>52,031</u>	<u>(2,969)</u>
Miscellaneous:			
Sale of municipal property	30,000	11,810	(18,190)
Interest on investments	3,000	1,672	(1,328)
Other	-	18,351	18,351
Total from miscellaneous	<u>33,000</u>	<u>31,833</u>	<u>(1,167)</u>
Other financing sources:			
Transfers in	<u>403,128</u>	<u>394,968</u>	<u>(8,160)</u>
Total revenues and other financing sources	<u>3,308,364</u>	<u>\$ 3,489,696</u>	<u>\$ 181,332</u>
Unassigned fund balance used to reduce tax rate	<u>60,253</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 3,368,617</u>		

See Independent Auditor's Report.

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, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
General government:				
Executive	\$ -	\$ 254,500	\$ 267,123	\$ (12,623)
Election and registration	-	20,430	19,104	1,326
Financial administration	5,043	109,100	105,396	8,747
Revaluation of property	-	16,000	19,160	(3,160)
Legal	-	5,000	3,973	1,027
Personnel administration	-	14,000	18,000	(4,000)
Planning and zoning	-	2,200	1,395	805
General government buildings	-	61,721	63,156	(1,435)
Cemeteries	-	33,250	32,993	257
Insurance, not otherwise allocated	-	63,034	55,374	7,660
Advertising and regional associations	-	6,100	5,887	213
Total general government	5,043	585,335	591,561	(1,183)
Public safety:				
Police	40,001	583,286	587,307	35,980
Ambulance	-	41,000	42,928	(1,928)
Fire	-	67,500	63,639	3,861
Building inspection	-	15,400	12,708	2,692
Emergency management	-	250	203	47
Other	-	60,600	60,487	113
Total public safety	40,001	768,036	767,272	40,765
Highways and streets:				
Administration	-	22,750	30,590	(7,840)
Highways and streets	-	769,000	773,219	(4,219)
Street lighting	-	10,000	9,266	734
Other	106,555	113,984	204,847	15,692
Total highways and streets	106,555	915,734	1,017,922	4,367
Sanitation:				
Solid waste collection	-	200,000	209,754	(9,754)
Solid waste disposal	-	63,310	64,168	(858)
Total sanitation	-	263,310	273,922	(10,612)
Health:				
Pest control	-	500	95	405
Health agencies	-	13,301	11,647	1,654
Total health	-	13,801	11,742	2,059
Welfare:				
Administration and direct assistance	-	29,144	29,144	-
Intergovernmental welfare payments	-	25,500	34,285	(8,785)
Total welfare	-	54,644	63,429	(8,785)
Culture and recreation:				
Parks and recreation	-	21,545	20,876	669
Library	-	169,112	158,197	10,915
Patriotic purposes	-	1,500	1,434	66
Total culture and recreation	-	192,157	180,507	11,650
Conservation	-	500	250	250

(Continued)

See Independent Auditor's Report.

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, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Capital outlay	-	317,600	317,600	-
Other financing uses:				
Transfers out	-	257,500	260,848	(3,348)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 151,599	\$ 3,368,617	\$ 3,485,053	\$ 35,163

SCHEDULE 3
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2022

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 1,060,253
Changes:		
Unassigned fund balance appropriated for use in 2022 tax rate		(60,253)
2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 181,332	
Unexpended balance of appropriations (Schedule 2)	<u>35,163</u>	
2022 Budget surplus		216,495
Decrease in nonspendable fund balance		14,190
Increase in restricted fund balance		<u>(182,626)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		1,048,059
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		(48,078)
Elimination of the allowance for uncollectible taxes		<u>40,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 1,039,981</u></u>

See Independent Auditor's Report.

SCHEDULE 4
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds				
	Conservation Commission		Land Use	Permanent	
	Operating	Forestry	Change	Fund	Total
ASSETS					
Cash and cash equivalents	\$ 13,479	\$ -	\$ 13,479	\$ 41,807	\$ 68,765
Investments	120,375	20,306	-	425,289	565,970
Total assets	<u>\$ 133,854</u>	<u>\$ 20,306</u>	<u>\$ 13,479</u>	<u>\$ 467,096</u>	<u>\$ 634,735</u>
FUND BALANCES					
Nonspendable	\$ -	\$ -	\$ -	\$ 458,064	\$ 458,064
Restricted	-	-	-	9,032	9,032
Committed	133,854	20,306	13,479	-	167,639
Total fund balances	<u>\$ 133,854</u>	<u>\$ 20,306</u>	<u>\$ 13,479</u>	<u>\$ 467,096</u>	<u>\$ 634,735</u>

See Independent Auditor's Report.

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, 2022

	Special Revenue Funds				
	Conservation Commission		Land Use	Permanent	
	Operating	Forestry	Change	Fund	Total
Revenues:					
Taxes	\$ 11,805	\$ -	\$ 11,805	\$ -	\$ 23,610
Change in fair market value	-	-	-	(118,799)	(118,799)
Miscellaneous	1,949	333	-	40,075	42,357
Total revenues	13,754	333	11,805	(78,724)	(52,832)
Other financing sources (uses):					
Transfers in	1,674	-	1,674	-	3,348
Transfers out	-	-	(5,845)	(9,450)	(15,295)
Total other financing sources (uses)	1,674	-	(4,171)	(9,450)	(11,947)
Net change in fund balances	15,428	333	7,634	(88,174)	(64,779)
Fund balances, beginning	118,426	19,973	5,845	555,270	699,514
Fund balances, ending	\$ 133,854	\$ 20,306	\$ 13,479	\$ 467,096	\$ 634,735

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Combining Schedule of Custodial Funds Fiduciary Net Position
December 31, 2022

	Custodial Funds			Total
	Taxes	Trust Funds	State MV Fees	
ASSETS				
Cash and cash equivalents	\$ -	\$ 119,122	\$ -	\$ 119,122
Investments	-	465,430	-	465,430
Intergovernmental receivables	2,419,440	-	-	2,419,440
Total assets	2,419,440	584,552	-	3,003,992
LIABILITIES				
Intergovernmental payables:				
School district	2,419,440	-	-	2,419,440
NET POSITION				
Restricted	\$ -	\$ 584,552	\$ -	\$ 584,552

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Combining Schedule of Custodial Funds Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022

	Custodial Funds			Total
	Taxes	Trust Funds	State MV Fees	
Additions:				
Contributions	\$ -	\$ 35,000	\$ -	\$ 35,000
Investment earnings	-	10,430	-	10,430
Change in fair market value	-	(39,738)	-	(39,738)
Tax collections for other governments	6,069,190	-	192,507	6,261,697
Total additions	6,069,190	5,692	192,507	6,267,389
Deductions:				
Payments of taxes to other governments	6,069,190	-	-	6,069,190
Payments of motor vehicle fees to State	-	-	192,507	192,507
Total deductions	6,069,190	-	192,507	6,261,697
Net decrease in fiduciary net position	-	5,692	-	5,692
Net position, beginning	-	578,860	-	578,860
Net position, ending	\$ -	\$ 584,552	\$ -	\$ 584,552

See Independent Auditor's Report.