

**TOWN OF PLAINFIELD,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023**

TOWN OF PLAINFIELD, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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DECEMBER 31, 2023

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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 financial statements of the governmental activities, major governmental fund, and the aggregate remaining fund information of the Town of Plainfield, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Plainfield's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, major governmental fund, and the aggregate remaining fund information of the Town of Plainfield, as of December 31, 2023, the respective changes in financial position, and the budgetary comparison for the major 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 (GAAS). 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the year ending December 31, 2023, the Town adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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.

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

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 GAAS 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.

In performing an audit in accordance with GAAS, 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 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 the 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 opinions on the basic financial statements are not affected by this 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.

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

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.

July 9, 2024
Concord, New Hampshire

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Net Position
December 31, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,843,031
Investments	1,331,150
Taxes receivables (net)	317,849
Accounts receivable	12,950
Capital assets:	
Land and construction in progress	1,107,702
Other capital assets, net of depreciation	3,455,568
Total assets	<u>11,068,250</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	300,054
Amounts related to other postemployment benefits	9,623
Total deferred outflows of resources	<u>309,677</u>
LIABILITIES	
Accounts payable	75,350
Intergovernmental payable	3,318,778
Long-term liabilities:	
Due within one year	13,770
Due in more than one year	1,835,561
Total liabilities	<u>5,243,459</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - grants	95,369
Amounts related to pensions	82,828
Amounts related to other postemployment benefits	87,688
Total deferred inflows of resources	<u>265,885</u>
NET POSITION	
Net investment in capital assets	4,503,270
Restricted	742,627
Unrestricted	622,686
Total net position	<u>\$ 5,868,583</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, 2023

		Program Revenues			Net (Expense)
		Charges	Operating	Capital	Revenue and
		for	Grants and	Grants and	Change In
	Expenses	Services	Contributions	Contributions	Net Position
General government	\$ 590,963	\$ 38,326	\$ -	\$ -	\$ (552,637)
Public safety	784,984	10,438	-	-	(774,546)
Highways and streets	1,315,246	4,929	174,102	-	(1,136,215)
Sanitation	294,692	11,274	-	-	(283,418)
Health	5,935	-	-	-	(5,935)
Welfare	60,755	7,425	-	-	(53,330)
Culture and recreation	436,584	5,950	-	9,000	(421,634)
Conservation	250	2,445	-	-	2,195
Total governmental activities	<u>\$ 3,489,409</u>	<u>\$ 80,787</u>	<u>\$ 174,102</u>	<u>\$ 9,000</u>	<u>(3,225,520)</u>
General revenues:					
Taxes:					
Property					1,799,177
Other					29,471
Motor vehicle permit fees					674,025
Licenses and other fees					110,809
Grants and contributions not restricted to specific programs					362,024
Unrestricted investment earnings					143,305
Miscellaneous					148,586
Total general revenues					<u>3,267,397</u>
Change in net position					41,877
Net position, beginning					5,826,706
Net position, ending					<u>\$ 5,868,583</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, 2023

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,817,950	\$ 25,081	\$ 4,843,031
Investments	678,510	652,640	1,331,150
Receivables:			
Taxes	357,849	-	357,849
Accounts	12,950	-	12,950
Total assets	<u>\$ 5,867,259</u>	<u>\$ 677,721</u>	<u>\$ 6,544,980</u>
LIABILITIES			
Accounts payable	\$ 75,350	\$ -	\$ 75,350
Intergovernmental payable	3,318,778	-	3,318,778
Total liabilities	<u>3,394,128</u>	<u>-</u>	<u>3,394,128</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	55,304	-	55,304
Unavailable revenue - grants	95,369	-	95,369
Total deferred inflows of resources	<u>150,673</u>	<u>-</u>	<u>150,673</u>
FUND BALANCES			
Nonspendable	-	501,954	501,954
Restricted	229,896	10,777	240,673
Committed	949,898	164,990	1,114,888
Assigned	7,690	-	7,690
Unassigned	1,134,974	-	1,134,974
Total fund balances	<u>2,322,458</u>	<u>677,721</u>	<u>3,000,179</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,867,259</u>	<u>\$ 677,721</u>	<u>\$ 6,544,980</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, 2023

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 3,000,179
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 8,205,946	
Less accumulated depreciation	<u>(3,642,676)</u>	
		4,563,270
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	\$ 300,054	
Deferred inflows of resources related to pensions	(82,828)	
Deferred outflows of resources related to OPEB	9,623	
Deferred inflows of resources related to OPEB	<u>(87,688)</u>	
		139,161
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	\$ 55,304	
Allowance for uncollectible taxes	<u>(40,000)</u>	
		15,304
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Note	\$ 60,000	
Compensated absences	205,687	
Net pension liability	1,395,741	
Other postemployment benefits	<u>187,903</u>	
		(1,849,331)
Net position of governmental activities (Exhibit A)		<u><u>\$ 5,868,583</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, 2023

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 1,818,172	\$ 3,250	\$ 1,821,422
Licenses and permits	784,834	-	784,834
Intergovernmental	536,126	-	536,126
Charges for services	80,787	-	80,787
Miscellaneous	226,976	73,915	300,891
Total revenues	<u>3,446,895</u>	<u>77,165</u>	<u>3,524,060</u>
EXPENDITURES			
Current:			
General government	603,342	-	603,342
Public safety	739,511	-	739,511
Highways and streets	1,253,675	-	1,253,675
Sanitation	294,692	-	294,692
Health	5,935	-	5,935
Welfare	60,755	-	60,755
Culture and recreation	253,787	-	253,787
Conservation	250	-	250
Capital outlay	173,039	97,037	270,076
Total expenditures	<u>3,384,986</u>	<u>97,037</u>	<u>3,482,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,909</u>	<u>(19,872)</u>	<u>42,037</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	25,179	-	25,179
Transfers out	-	(25,179)	(25,179)
Inception of note payable	60,000	-	60,000
Total other financing sources (uses)	<u>85,179</u>	<u>(25,179)</u>	<u>60,000</u>
Net change in fund balances	147,088	(45,051)	102,037
Fund balances, beginning	2,175,370	722,772	2,898,142
Fund balances, ending	<u>\$ 2,322,458</u>	<u>\$ 677,721</u>	<u>\$ 3,000,179</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, 2023

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 102,037
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 224,289	
Depreciation expense	<u>(227,277)</u>	(2,988)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (25,179)	
Transfers out	<u>25,179</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		7,226
Issuing long-term liabilities provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.		
Inception of note payable		(60,000)
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	\$ (8,136)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(25,837)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>29,575</u>	(4,398)
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 41,877</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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,839,317	\$ 1,839,317	\$ 1,825,398	\$ (13,919)
Licenses and permits	776,000	776,000	784,834	8,834
Intergovernmental	352,548	534,915	536,126	1,211
Charges for services	60,000	60,000	80,787	20,787
Miscellaneous	24,000	24,000	57,408	33,408
Total revenues	<u>3,051,865</u>	<u>3,234,232</u>	<u>3,284,553</u>	<u>50,321</u>
EXPENDITURES				
Current:				
General government	541,605	608,775	603,342	5,433
Public safety	675,254	675,254	679,511	(4,257)
Highways and streets	991,250	1,296,422	1,253,675	42,747
Sanitation	284,610	284,610	294,692	(10,082)
Health	16,110	16,110	13,625	2,485
Welfare	30,000	54,576	60,755	(6,179)
Culture and recreation	208,095	208,895	199,814	9,081
Conservation	500	500	250	250
Capital outlay	50,000	175,239	173,039	2,200
Total expenditures	<u>2,797,424</u>	<u>3,320,381</u>	<u>3,278,703</u>	<u>41,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>254,441</u>	<u>(86,149)</u>	<u>5,850</u>	<u>91,999</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	312,868	371,147	58,279
Transfers out	(312,500)	(312,500)	(312,500)	-
Total other financing sources (uses)	<u>(302,500)</u>	<u>368</u>	<u>58,647</u>	<u>58,279</u>
Net change in fund balances	<u>\$ (48,059)</u>	<u>\$ (85,781)</u>	64,497	<u>\$ 150,278</u>
Decrease in restricted fund balance			37,722	
Unassigned fund balance, beginning			1,048,059	
Unassigned fund balance, ending			<u>\$ 1,150,278</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, 2023

	Private Purpose Trust Funds	All Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 21,345	\$ 186,542	\$ 207,887
Investments	249,645	457,010	706,655
Intergovernmental receivables	-	3,318,778	3,318,778
Total assets	<u>270,990</u>	<u>3,962,330</u>	<u>4,233,320</u>
LIABILITIES			
Intergovernmental payables:			
School district	-	3,318,778	3,318,778
NET POSITION			
Restricted	<u>\$ 270,990</u>	<u>\$ 643,552</u>	<u>\$ 914,542</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, 2023

	Private Purpose Trust Funds	All Custodial Funds	Total
ADDITIONS			
Contributions	\$ -	\$ 30,000	30,000
Investment earnings	6,604	18,863	25,467
Change in fair market value	19,644	10,137	29,781
Tax collections for other governments	-	6,659,384	6,659,384
State fees collected	-	195,095	195,095
Total additions	26,248	6,913,479	6,939,727
DEDUCTIONS			
Administrative expenses	1,357	-	1,357
Payments of taxes to other governments	-	6,659,384	6,659,384
Payments of State fees	-	195,095	195,095
Total deductions	1,357	6,854,479	6,855,836
Net increase in fiduciary net position	24,891	59,000	83,891
Net position, beginning	246,099	584,552	830,651
Net position, ending	\$ 270,990	\$ 643,552	\$ 914,542

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, 2023

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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, 2023

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 Statement No. 14, *The Financial Reporting Entity* (as amended). The Town has no component units to include in its reporting entity.

1-B Basis of Accounting and Measurement Focus

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

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

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

Certain eliminations have been made to interfund activities.

Governmental Fund Financial Statements – Include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for the major governmental fund and nonmajor funds aggregated. Accompanying statements are 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 the major fund 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, sanitation, health and welfare, culture and recreation, and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the library and expendable trust funds are consolidated in the general fund.

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 Fund – is 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 five 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. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary funds:

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

Custodial Funds – are custodial in nature. 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 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 – Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g. an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

Level 2 – The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.

Level 3 – Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

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

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

Investments in Certain External Investment Pools – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). 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 of taxes and billing for charges.

1-F Capital Assets

Capital assets are reported in the governmental activities in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

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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 (except for land and construction on progress which are not 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-G 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-H 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 24, 2023 and October 25, 2023, and were due on July 3, 2023 and December 1, 2023, respectively. 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.

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 taxes 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, 2023 utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 542,261,444
Total assessment valuation without utilities	\$ 532,365,744

The tax rates and amounts assessed for the year ended December 31, 2023 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.46	\$ 1,870,250
School portion:		
State of New Hampshire	\$1.11	592,282
Local	\$9.45	5,126,496
County portion	\$1.73	940,606
Total	<u>\$15.75</u>	<u>\$ 8,529,634</u>

1-I 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, 2023.

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1-J Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position that applies to a future period(s) and thus will not be recognized as an outflow of resources (expense) until then. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to other postemployment benefits (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 four types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the governmental activities for various estimate differences that will be amortized and recognized over future years. Property taxes not collected within 60-days of the fiscal year end are reported as deferred inflows of resources in the general fund. In addition, grants received in advance of eligible expenditures/expenses being incurred are deferred in both the governmental activities and general fund.

1-K Compensated Absences

General leave for the Town includes vacation and sick 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.

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 Statements of Net Position.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classification to categorize the financial transaction:

Direct Borrowing – financial transaction for a note where the Town negotiates certain terms with a single lender and are not offered for public sale.

1-M 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.

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1-N 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-O Net Position/Fund Balances

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

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balance of the note that is attributable to the acquisition, construction, or improvement of those assets.

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

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

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances 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; or (b) are legally or contractually required to be maintained intact.

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

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

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.

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

The Board of Selectmen targets a level of unassigned fund balance of \$1,000,000, or 8% of the Town's total tax commitment, whichever is greater. Any unassigned fund balance over this amount will be released at the next tax rate setting to reduce the municipal tax rate.

1-P Use of Estimates

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

1-Q Material Change in Fund Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the capital project fund did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2023, \$48,059 of the beginning general fund unassigned fund balance was applied for this purpose. In addition, \$37,722 of restricted highway funds were used.

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 general fund.

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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)	\$ 3,655,700
Adjustments:	
Basis differences:	
Inception of note payable	60,000
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	169,568
To eliminate transfers between blended funds	(345,968)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(7,226)
Per Exhibit C-3 (GAAP basis)	<u><u>\$ 3,532,074</u></u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 3,591,203
Adjustments:	
Basis differences:	
Inception of note payable	60,000
Encumbrances, ending	(7,690)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	53,973
To eliminate transfers between general and blended expendable trust fund	(312,500)
Per Exhibit C-3 (GAAP basis)	<u><u>\$ 3,384,986</u></u>

2-C Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and has determined that none of the agreements met the requirements of the pronouncement.

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 \$5,050,918 and the bank balances totaled \$5,082,040. Petty cash totaled \$250.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 4,843,031
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	207,887
Total cash and cash equivalents	<u><u>\$ 5,050,918</u></u>

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NOTE 4 – INVESTMENTS

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of December 31, 2023:

	Valuation Measurement Method	Reported Balance	Less Than 1 Year
Investments type:			
Common stock	Level 1	\$ 392,367	\$ 392,367
Fixed income exchange traded funds	Level 2	1,479,744	1,479,744
Total fair value		<u>1,872,111</u>	<u>\$ 1,872,111</u>
Investments carried at amortized cost:			
New Hampshire Public Deposit Investment Pool		165,694	
Total investments		<u>\$ 2,037,805</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 not 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. The Town has the following remaining maturities as of December 31, 2023:

Credit Risk - The Town has no formal policy on managing credit risk; however, State law limits investments as explained in Note 1-D. As of December 31, 2023, 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	\$ 392,367	\$ -	\$ 392,367
Fixed income exchange traded funds	1,479,744	1,479,744	-
New Hampshire Public Deposit Investment Pool	165,694	165,694	-
Total	<u>\$ 2,037,805</u>	<u>\$ 1,645,438</u>	<u>\$ 392,367</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 and 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 of 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.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 1,331,150
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	706,655
Total investments	<u>\$ 2,037,805</u>

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NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2023. The amount in the governmental activities has been reduced by an allowance for an estimated uncollectible amount of \$40,000. Taxes receivable by year are as follows:

	Governmental Activities	Governmental Fund General
Property:		
Levy of 2023	\$ 215,093	\$ 215,093
Unredeemed (under tax lien):		
Levy of 2022	47,854	47,854
Levy of 2021	25,559	25,559
Levies of 2020 and prior	69,343	69,343
Less: allowance for estimated uncollectible taxes	(40,000) *	-
Net taxes receivable	<u>\$ 317,849</u>	<u>\$ 357,849</u>

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (general fund) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting (governmental activities).

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2023, consisted of accounts and intergovernmental amounts. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of December 31, 2023 are as follows:

	Governmental Activities	Governmental Fund General	Fiduciary Fund Custodial
Receivables:			
Accounts	\$ 12,950	\$ 12,950	\$ -
Intergovernmental	-	-	3,318,778 ¹
Total receivables	<u>\$ 12,950</u>	<u>\$ 12,950</u>	<u>\$ 3,318,778</u>

¹ Fiduciary Fund - 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, 2023 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 1,107,702	\$ -	\$ -	\$ 1,107,702
Construction in progress	1,401,561	-	(1,401,561)	-
Total capital assets not being depreciated	<u>2,509,263</u>	<u>-</u>	<u>(1,401,561)</u>	<u>1,107,702</u>

(Continued)

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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Buildings	806,058	1,204,206	-	2,010,264
Equipment and vehicles	3,581,029	421,644	(99,982)	3,902,691
Infrastructure	1,185,289	-	-	1,185,289
Total capital assets being depreciated	5,572,376	1,625,850	(99,982)	7,098,244
Total all capital assets	8,081,639	1,625,850	(1,501,543)	8,205,946
Less accumulated depreciation:				
Buildings	(245,740)	(15,245)	-	(260,985)
Equipment and vehicles	(2,517,440)	(183,824)	99,982	(2,601,282)
Infrastructure	(752,201)	(28,208)	-	(780,409)
Total accumulated depreciation	(3,515,381)	(227,277)	99,982	(3,642,676)
Net book value, capital assets being depreciated	2,056,995	1,398,573	-	3,455,568
Net book value, all governmental activities capital assets	\$ 4,566,258	\$ 1,398,573	\$ (1,401,561)	\$ 4,563,270

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	\$ 2,026
Public safety	116,908
Highways and streets	98,585
Culture and recreation	9,758
Total depreciation expense	<u>\$ 227,277</u>

NOTE 8 – INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2023 consisted of \$25,179 from the general fund to the nonmajor funds.

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

NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$3,318,778 at December 31, 2023 consist of amounts collected by the Town that will be paid to the Plainfield School District in incremental payments based upon agreed schedule in the next calendar year.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are as follows:

	Governmental Activities
Amounts related to pensions, see Note 12	\$ 300,054
Amounts related to OPEB, see Note 13	9,623
Total deferred outflows of resources	<u>\$ 309,677</u>

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Deferred inflows of resources are as follows:

	Governmental Activities	Governmental Fund General
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 55,304
Federal grant revenue collected in advance of eligible expenditures being made	95,369	95,369
Amounts related to pensions, see Note 12	82,828	-
Amounts related to OPEB, see Note 13	87,688	-
Total deferred inflows of resources	<u>\$ 265,885</u>	<u>\$ 150,673</u>

NOTE 11 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year	Due In More Than One Year
Note payable - direct borrowing	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ 13,770	\$ 46,230
Compensated absences	197,551	8,707	(571)	205,687	-	205,687
Net pension liability	1,498,607	-	(102,866)	1,395,741	-	1,395,741
Net other postemployment benefits	188,797	9,097	(9,991)	187,903	-	187,903
Total long-term liabilities	<u>\$ 1,884,955</u>	<u>\$ 77,804</u>	<u>\$ (113,428)</u>	<u>\$ 1,849,331</u>	<u>\$ 13,770</u>	<u>\$ 1,835,561</u>

Long-term notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2023	Current Portion
Note payable - direct borrowing:						
Police cruiser	\$ 60,000	2023	2027	5.70%	<u>\$ 60,000</u>	<u>\$ 13,770</u>

The annual requirements to amortize all notes outstanding as of December 31, 2023, including interest payments, are as follows:

Fiscal Year Ending December 31,	Note Payable - Direct Borrowing		
	Principal	Interest	Total
2024	\$ 13,770	\$ 3,429	\$ 17,199
2025	14,564	2,635	17,199
2026	15,394	1,805	17,199
2027	16,272	927	17,199
Totals	<u>\$ 60,000</u>	<u>\$ 8,796</u>	<u>\$ 68,796</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.

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

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

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

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

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

Contributions – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I 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 the period of January 1, 2023 to June 30, 2023, the Town contributed 30.67% for police, 29.78% for fire, and 13.75% for other employees. For the period of July 1, 2023 to December 31, 2023, the Town contributed 28.68% for police, 27.75% for fire, and 13.27% for other employees. The contribution requirement for the fiscal year 2023 was \$150,748, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2023, the Town reported a liability of \$1,395,741 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 participants, actuarially determined. At June 30, 2023, the Town's proportion was 0.02%, which was the same as its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$177,890. At December 31, 2023, 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	\$ 127,517	\$ 82,267
Changes in assumptions	36,735	-
Net difference between projected and actual investment earnings on pension plan investments	20,185	-
Differences between expected and actual experience	35,664	561
Contributions subsequent to the measurement date	79,953	-
Total	<u>\$ 300,054</u>	<u>\$ 82,828</u>

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The \$79,953 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, 2024. 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,	
2024	\$ 54,181
2025	(3,674)
2026	98,688
2027	(11,922)
Thereafter	-
Totals	<u>\$ 137,273</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 2023 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

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, 2022 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 2023:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2021
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	50.00%	
Real Estate Equity	10.00%	4.00%
Prive Equity	10.00%	6.65%
Total private amrket equity	20.00%	
Private Debt	5.00%	5.05
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	100.00%	

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

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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, 2023	\$ 1,893,851	\$ 1,395,741	\$ 970,136

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

NOTE 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 2023 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 2023, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For the period of January 1, 2023 to June 30, 2023, the Town contributed 3.21% for police and fire, and 0.31% for other employees. For the period of July 1, 2023 to December 31, 2023, the Town contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2023 was \$10,629, which was paid in full.

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OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2023, the Town reported a liability of \$75,962 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2023, the Town's proportion was 0.02%, which was the same as its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$119. At December 31, 2023, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 91
Contributions subsequent to the measurement date	5,748
Total	<u>\$ 5,839</u>

The \$5,748 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2024	\$ (15)
2024	(115)
2025	247
2026	(26)
Thereafter	-
Totals	<u>\$ 91</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. 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

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, 2022 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.

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Following is a table presenting target allocations and long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	50.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2023 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.

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, 2023	\$ 82,503	\$ 75,962	\$ 70,256

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 Town provides medical benefits to its eligible retirees.

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 \$111,941 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022.

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Actuarial Assumptions and Other Inputs – The total OPEB liability 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	7.50%
Second Year Trend	7.00%
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 were based on the following: 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.

Changes in the Total OPEB Liability

	December 31,	
	2022	2023
OPEB liability, beginning of year	\$ 234,093	\$ 102,844
Changes for the year:		
Service cost	5,179	5,372
Interest	3,694	4,020
Assumption changes and difference between actual and expected experience	(139,838)	-
Benefit payments	(284)	(295)
OPEB liability, end of year	<u>\$ 102,844</u>	<u>\$ 111,941</u>

Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The January 1, 2022 actuarial valuation was prepared using a discount rate of 3.72%. If the discount rate were 1% higher than what was used, the OPEB liability would decrease to \$105,877, or by 5.42%. If the discount rate were 1% lower than what was used, the OPEB liability would increase to \$118,246, or by 5.63%.

	Discount Rate		
	1% Decrease	Baseline 3.72%	1% Increase
Total OPEB Liability	<u>\$ 118,246</u>	<u>\$ 111,941</u>	<u>\$ 105,877</u>

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2022 actuarial valuation was prepared using an initial trend rate of 7.50%. If the trend rate were 1% higher than what was used, the OPEB liability would increase to \$123,572, or by 10.39%. If the trend rate were 1% lower than what was used, the OPEB liability would decrease to \$101,679, or by 9.17%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.50%	1% Increase
Total OPEB Liability	<u>\$ 101,679</u>	<u>\$ 111,941</u>	<u>\$ 123,572</u>

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OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2023, the Town recognized an OPEB benefit of \$18,576. At December 31, 2023, 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	\$ -	\$ 87,688
Differences between expected and actual experience	3,784	-
Total	<u>\$ 3,784</u>	<u>\$ 87,688</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,	
2024	\$ (27,968)
2025	(27,968)
2026	(27,968)
2027	-
2028	-
Thereafter	-
Totals	<u>\$ (83,904)</u>

NOTE 14 – ENCUMBRANCES

At December 31, 2023, the general fund reported encumbrances totaling \$7,690 for health agencies. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed.

NOTE 15 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2023 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 4,563,270	\$ -
Less:		
Note payable	(60,000)	-
Total net investment in capital assets	<u>4,503,270</u>	<u>-</u>
Restricted net position:		
Perpetual care - nonexpendable	501,954	-
Perpetual care - expendable	10,777	-
Library	84,992	-
Highway block grant	144,904	-
Private purpose trust funds	-	270,990
Custodial funds - school trust funds	-	643,552
Total restricted net position	<u>742,627</u>	<u>914,542</u>
Unrestricted	<u>622,686</u>	<u>-</u>
Total net position	<u>\$ 5,868,583</u>	<u>\$ 914,542</u>

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NOTE 16 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the governmental fund financial statements at December 31, 2023 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Permanent fund - principal balance	\$ -	\$ 501,954	\$ 501,954
Restricted:			
Library	84,992	-	84,992
Permanent fund - income balance	-	10,777	10,777
Highway	144,904	-	144,904
Total restricted fund balance	229,896	10,777	240,673
Committed:			
Expendable trusts	949,898	-	949,898
Conservation/land use change	-	164,990	164,990
Total committed fund balance	949,898	164,990	1,114,888
Assigned:			
Encumbrances	7,690	-	7,690
Unassigned	1,134,974	-	1,134,974
Total governmental fund balances	\$ 2,322,458	\$ 677,721	\$ 3,000,179

NOTE 17 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2023, 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, 2023 to December 31, 2023 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 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 2023, the Town paid \$25,349 and \$39,368, to Primex³ for Workers' Compensation and Property/Liability, respectively. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 18 – 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 July 9, 2024, the date the December 31, 2023 financial statements were available to be issued, and the following events occurred that requires 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, 2023
Unaudited

Fiscal year-end	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	December 31, 2023
Measurement date	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	June 30, 2023
Town's proportion of the net pension liability	0.02%	0.02%	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Town's proportionate share of the net pension liability	\$ 895,268	\$ 915,894	\$ 1,170,236	\$ 1,253,503	\$ 1,197,951	\$ 1,177,689	\$ 1,461,962	\$ 970,365	\$ 1,498,607	\$ 1,395,741
Town's covered payroll	\$ 551,929	\$ 564,553	\$ 567,054	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831	\$ 790,689
Town's proportionate share of the net pension liability as a percentage of its covered payroll	162.21%	162.23%	206.37%	184.59%	174.67%	167.60%	210.59%	138.66%	187.60%	176.52%
Plan fiduciary net position as a percentage of the of the total pension liability	66.32%	65.47%	58.30%	62.66%	64.73%	65.69%	58.72%	72.22%	65.12%	67.18%

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, 2023
Unaudited

Fiscal year-end	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	December 31, 2023
Measurement date	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	June 30, 2023
Contractually required contribution	\$ 77,378	\$ 77,564	\$ 78,802	\$ 93,374	\$ 105,151	\$ 106,514	\$ 101,540	\$ 100,591	\$ 151,272	\$ 149,926
Contributions in relation to the contractually required contributions	(77,378)	(77,564)	(78,802)	(93,374)	(105,151)	(106,514)	(101,540)	(100,591)	(151,272)	(149,926)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 551,929	\$ 564,553	\$ 567,054	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831	\$ 775,814
Contributions as a percentage of covered payroll	14.02%	13.74%	13.90%	13.75%	15.33%	15.16%	14.63%	14.37%	18.94%	19.32%

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

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

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

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

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2023. These schedules are presented to illustrate the requirement to show information for 10 years.

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, 2023
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Town's proportion of the net OPEB liability	0.01%	0.02%	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	\$ 75,962
Town's covered payroll	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831	\$ 790,689
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%	9.61%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%	12.80%

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, 2023
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Contractually required contribution	\$ 8,796	\$ 9,833	\$ 9,750	\$ 8,323	\$ 7,967	\$ 9,578	\$ 9,729
Contributions in relation to the contractually required contribution	(8,796)	(9,833)	(9,750)	(8,323)	(7,967)	(9,578)	(9,729)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 679,091	\$ 685,844	\$ 702,673	\$ 694,236	\$ 699,794	\$ 798,831	\$ 775,814
Contributions as a percentage of covered payroll	1.30%	1.43%	1.39%	1.20%	1.14%	1.20%	1.25%

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, 2023
Unaudited

	December 31,			
	2020	2021	2022	2023
OPEB liability, beginning of year	\$ 205,908	\$ 219,753	\$ 234,093	\$ 102,844
Changes for the year:				
Service cost	9,495	9,696	5,179	5,372
Interest	4,365	4,659	3,694	4,020
Assumption changes and difference between actual and expected experience	-	-	(139,838)	-
Benefit payments	(15)	(15)	(284)	(295)
OPEB liability, end of year	<u>\$ 219,753</u>	<u>\$ 234,093</u>	<u>\$ 102,844</u>	<u>\$ 111,941</u>
Covered payroll	<u>\$ 701,139</u>	<u>\$ 715,162</u>	<u>\$ 812,707</u>	<u>\$ 853,342</u>
Total OPEB liability as a percentage of covered payroll	31.34%	32.73%	12.65%	13.12%

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, 2023

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

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

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

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

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2023. 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, 2023

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,793,317	\$ 1,799,177	\$ 5,860
Land use change	15,000	-	(15,000)
Yield	10,000	7,801	(2,199)
Excavation	-	124	124
Payment in lieu of taxes	1,000	-	(1,000)
Interest and penalties on taxes	20,000	18,296	(1,704)
Total from taxes	<u>1,839,317</u>	<u>1,825,398</u>	<u>(13,919)</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	6,000	5,428	(572)
Motor vehicle permit fees	670,000	674,025	4,025
Other	100,000	105,381	5,381
Total from licenses, permits, and fees	<u>776,000</u>	<u>784,834</u>	<u>8,834</u>
Intergovernmental:			
State:			
Meals and rooms distribution	235,500	235,500	-
Highway block grant	174,116	174,102	(14)
State and federal forest land reimbursement	60	255	195
Other	-	1,030	1,030
Federal:			
ARPA	125,239	125,239	-
Total from intergovernmental	<u>534,915</u>	<u>536,126</u>	<u>1,211</u>
Charges for services:			
Income from departments	<u>60,000</u>	<u>80,787</u>	<u>20,787</u>
Miscellaneous:			
Sale of municipal property	20,000	39,492	19,492
Interest on investments	4,000	2,507	(1,493)
Other	-	15,409	15,409
Total from miscellaneous	<u>24,000</u>	<u>57,408</u>	<u>33,408</u>
Other financing sources:			
Transfers in	<u>312,868</u>	<u>371,147</u>	<u>58,279</u>
Total revenues and other financing sources	<u>3,547,100</u>	<u>\$ 3,655,700</u>	<u>\$ 108,600</u>
Unassigned fund balance used to reduce tax rate	48,059		
Amounts voted from fund balance	<u>37,722</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 3,632,881</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, 2023

	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:				
General government:				
Executive	\$ 241,100	\$ 241,453	\$ -	\$ (353)
Election and registration	3,530	2,203	-	1,327
Financial administration	112,100	112,646	-	(546)
Revaluation of property	83,486	87,350	-	(3,864)
Legal	10,000	7,675	-	2,325
Personnel administration	15,000	14,211	-	789
Planning and zoning	6,000	5,293	-	707
General government buildings	30,459	22,990	-	7,469
Cemeteries	35,000	34,259	-	741
Insurance, not otherwise allocated	66,000	69,103	-	(3,103)
Advertising and regional associations	6,100	6,159	-	(59)
Total general government	608,775	603,342	-	5,433
Public safety:				
Police	490,754	490,435	-	319
Ambulance	45,000	44,928	-	72
Fire	62,500	65,854	-	(3,354)
Building inspection	15,400	14,012	-	1,388
Emergency management	1,000	-	-	1,000
Other	60,600	64,282	-	(3,682)
Total public safety	675,254	679,511	-	(4,257)
Highways and streets:				
Administration	27,550	27,660	-	(110)
Highways and streets	1,045,422	1,010,356	-	35,066
Street lighting	11,000	10,304	-	696
Other	212,450	205,355	-	7,095
Total highways and streets	1,296,422	1,253,675	-	42,747
Sanitation:				
Solid waste collection	215,000	233,829	-	(18,829)
Solid waste disposal	69,610	60,863	-	8,747
Total sanitation	284,610	294,692	-	(10,082)
Health:				
Pest control	500	125	-	375
Health agencies	15,610	5,810	7,690	2,110
Total health	16,110	5,935	7,690	2,485
Welfare:				
Administration and direct assistance	24,576	24,576	-	-
Intergovernmental welfare payments	30,000	36,179	-	(6,179)
Total welfare	54,576	60,755	-	(6,179)
Culture and recreation:				
Parks and recreation	23,725	25,457	-	(1,732)
Library	183,670	173,723	-	9,947
Patriotic purposes	1,500	634	-	866
Total culture and recreation	208,895	199,814	-	9,081
Conservation	500	250	-	250

(Continued)

SCHEDULE 2 (Continued)
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2023

	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	175,239	173,039	-	2,200
Other financing uses:				
Transfers out	312,500	312,500	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 3,632,881</u>	<u>\$ 3,583,513</u>	<u>\$ 7,690</u>	<u>\$ 41,678</u>

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2023

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 1,048,059
Changes:		
Unassigned fund balance appropriated for use in 2023 tax rate		(48,059)
Amounts voted from fund balance		(37,722)
2023 Budget summary:		
Revenue surplus (Schedule 1)	\$ 108,600	
Unexpended balance of appropriations (Schedule 2)	<u>41,678</u>	
2023 Budget surplus		150,278
Decrease in restricted fund balance		<u>37,722</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		1,150,278
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		(55,304)
Elimination of the allowance for uncollectible taxes		<u>40,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 1,134,974</u></u>

SCHEDULE 4
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2023

	Special Revenue Funds			Capital Project Fund	Permanent Fund	Total
	Conservation Operating	Commission Forestry	Land Use Change			
ASSETS						
Cash and cash equivalents	\$ 1,625	\$ -	\$ 1,625	\$ -	\$ 21,831	\$ 25,081
Investments	140,372	21,368	-	-	490,900	652,640
Total assets	<u>\$ 141,997</u>	<u>\$ 21,368</u>	<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ 512,731</u>	<u>\$ 677,721</u>
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 501,954	\$ 501,954
Restricted	-	-	-	-	10,777	10,777
Committed	141,997	21,368	1,625	-	-	164,990
Total fund balances	<u>\$ 141,997</u>	<u>\$ 21,368</u>	<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ 512,731</u>	<u>\$ 677,721</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, 2023

	Special Revenue Funds			Capital	Permanent	Total
	Conservation Commission		Land Use	Projects	Fund	
	Operating	Forestry	Change	Fund		
REVENUES						
Taxes	\$ 1,625	\$ -	\$ 1,625	\$ -	\$ -	\$ 3,250
Miscellaneous	6,518	1,062	-	9,000	57,335	73,915
Total revenues	8,143	1,062	1,625	9,000	57,335	77,165
EXPENDITURES						
Capital outlay	-	-	-	97,037	-	97,037
Excess (deficiency) of revenues over (under) expenditures	8,143	1,062	1,625	(88,037)	57,335	(19,872)
OTHER FINANCING USES						
Transfers out	-	-	(13,479)	-	(11,700)	(25,179)
Net change in fund balances	8,143	1,062	(11,854)	(88,037)	45,635	(45,051)
Fund balances, beginning	133,854	20,306	13,479	88,037	467,096	722,772
Fund balances, ending	\$ 141,997	\$ 21,368	\$ 1,625	\$ -	\$ 512,731	\$ 677,721

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Combining Schedule of Custodial Funds Fiduciary Net Position
December 31, 2023

	Custodial Funds			
	School and County Taxes	School Trust Funds	State Fees	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 186,542	\$ -	\$ 186,542
Investments	-	457,010	-	457,010
Intergovernmental receivables	3,318,778	-	-	3,318,778
Total assets	3,318,778	643,552	-	3,962,330
LIABILITIES				
Intergovernmental payables:				
School district	3,318,778	-	-	3,318,778
NET POSITION				
Restricted	\$ -	\$ 643,552	\$ -	\$ 643,552

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, 2023

	Custodial Funds			Total
	School and County Taxes	School Trust Funds	State Fees	
ADDITIONS				
Contributions	\$ -	\$ 30,000	\$ -	\$ 30,000
Investment earnings	-	18,863	-	18,863
Change in fair market value	-	10,137	-	10,137
Tax collections for other governments	6,659,384	-	-	6,659,384
State fees collected	-	-	195,095	195,095
Total additions	<u>6,659,384</u>	<u>59,000</u>	<u>195,095</u>	<u>6,913,479</u>
DEDUCTIONS				
Payments of taxes to other governments	6,659,384	-	-	6,659,384
Payments of State fees	-	-	195,095	195,095
Total deductions	<u>6,659,384</u>	<u>-</u>	<u>195,095</u>	<u>6,854,479</u>
Net increase in fiduciary net position	-	59,000	-	59,000
Net position, beginning	-	584,552	-	584,552
Net position, ending	<u>\$ -</u>	<u>\$ 643,552</u>	<u>\$ -</u>	<u>\$ 643,552</u>

See Independent Auditor's Report.