

**TOWN OF PLAINFIELD,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012**

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TABLE OF CONTENTS

		<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT		1 - 2
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements		
A	Statement of Net Position	3
B	Statement of Activities.....	4
Fund Financial Statements		
<i>Governmental Funds</i>		
C-1	Balance Sheet	5
C-2	Reconciliation of Total Governmental Fund Balances to the Statement of Net Position.....	6
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balances	7
C-4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8
<i>Budgetary Comparison Information</i>		
D	Statement of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	9
<i>Fiduciary Funds</i>		
E-1	Statement of Fiduciary Net Position	10
E-2	Statement of Changes in Fiduciary Net Position.....	11
NOTES TO THE BASIC FINANCIAL STATEMENTS		12 - 25
COMBINING AND INDIVIDUAL FUND SCHEDULES		
Governmental Funds		
<i>Major General Fund</i>		
1	Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)	26
2	Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis).....	27 - 28
3	Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis).....	29
<i>Nonmajor Governmental Funds</i>		
4	Combining Balance Sheet	30
5	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	31



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Town of Plainfield as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Plainfield as of December 31, 2012, and the respective changes in financial position, and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

*Town of Plainfield
Independent Auditor's Report*

Other 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 financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial 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 financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

June 4, 2013

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Net Position
December 31, 2012

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,777,708
Investments	692,579
Receivables, net of allowances for uncollectible	566,779
Tax dedeed property held for resale	2,550
Capital assets, not being depreciated:	
Land	782,202
Construction in progress	48,221
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	98,131
Equipment and vehicles	579,800
Infrastructure	509,753
Total assets	6,057,723
LIABILITIES	
Accounts payable	43,311
Accrued salaries and benefits	10,116
Intergovernmental payable	2,691,479
Accrued interest payable	2,532
Noncurrent obligations:	
Due within one year:	
Note	25,000
Capital lease	12,825
Compensated absences	1,026
Due in more than one year:	
Note	112,500
Capital lease	28,043
Compensated absences	33,744
Total liabilities	2,960,576
NET POSITION	
Net investment in capital assets	1,839,739
Restricted for:	
Perpetual care	276,152
Library purposes	96,194
Unrestricted	885,062
Total net position	\$ 3,097,147

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, 2012

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 447,024	\$ 14,698	\$ 24,953	\$ (407,373)
Public safety	494,087	1,320	-	(492,767)
Highways and streets	787,183	1,243	316,567	(469,373)
Sanitation	187,377	80,146	-	(107,231)
Health	19,004	-	-	(19,004)
Welfare	3,736	-	-	(3,736)
Culture and recreation	134,162	3,270	52,126	(78,766)
Conservation	2,556	-	81	(2,475)
Interest on long-term debt	5,797	-	-	(5,797)
Total governmental activities	<u>\$ 2,080,926</u>	<u>\$ 100,677</u>	<u>\$ 393,727</u>	<u>(1,586,522)</u>
General revenues:				
Taxes:				
Property				1,314,671
Other				43,470
Motor vehicle permit fees				402,516
Licenses and other fees				6,010
Grants and contributions not restricted to specific programs				106,637
Unrestricted investment earnings				3,015
Miscellaneous				38,580
Total general revenues				<u>1,914,899</u>
Change in net position				328,377
Net position, beginning				<u>2,768,770</u>
Net position, ending				<u>\$ 3,097,147</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, 2012

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,773,567	\$ 4,141	\$ 2,777,708
Investments	340,816	351,763	692,579
Receivables, net of allowance for uncollectible:			
Taxes	543,998	-	543,998
Accounts	22,782	-	22,782
Interfund receivable	-	16,930	16,930
Tax dedeed property, subject to resale	2,550	-	2,550
Total assets	<u>\$ 3,683,713</u>	<u>\$ 372,834</u>	<u>\$ 4,056,547</u>
LIABILITIES			
Accounts payable	\$ 40,556	\$ -	\$ 40,556
Accrued salaries and benefits	10,116	-	10,116
Intergovernmental payable	2,694,235	-	2,694,235
Interfund payable	16,930	-	16,930
Total liabilities	<u>2,761,837</u>	<u>-</u>	<u>2,761,837</u>
FUND BALANCES			
Nonspendable	2,550	226,047	228,597
Restricted	96,194	50,105	146,299
Committed	316,746	96,682	413,428
Assigned	7,000	-	7,000
Unassigned	499,386	-	499,386
Total fund balances	<u>921,876</u>	<u>372,834</u>	<u>1,294,710</u>
Total liabilities and fund balances	<u>\$ 3,683,713</u>	<u>\$ 372,834</u>	<u>\$ 4,056,547</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 Total Governmental Fund Balances to the Statement of Net Position
December 31, 2012

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,294,710
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost	\$ 2,983,694	
Less accumulated depreciation	<u>(965,587)</u>	
		2,018,107
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (16,930)	
Payables	<u>16,930</u>	
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(2,532)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Note	\$ 137,500	
Capital lease	40,868	
Compensated absences	<u>34,770</u>	
		<u>(213,138)</u>
Net Position of governmental activities (Exhibit A)		<u><u>\$ 3,097,147</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, 2012

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 1,341,211	\$ 16,930	\$ 1,358,141
Licenses and permits	408,526	-	408,526
Intergovernmental	423,204	-	423,204
Charges for services	100,677	-	100,677
Miscellaneous	94,661	24,094	118,755
Total revenues	<u>2,368,279</u>	<u>41,024</u>	<u>2,409,303</u>
Expenditures:			
Current:			
General government	400,639	-	400,639
Public safety	539,077	-	539,077
Highways and streets	958,796	-	958,796
Sanitation	187,377	-	187,377
Health	19,004	-	19,004
Welfare	3,736	-	3,736
Culture and recreation	133,545	-	133,545
Conservation	2,556	-	2,556
Debt service:			
Principal	25,000	-	25,000
Interest	6,242	-	6,242
Capital outlay	207,654	-	207,654
Total expenditures	<u>2,483,626</u>	<u>-</u>	<u>2,483,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(115,347)</u>	<u>41,024</u>	<u>(74,323)</u>
Other financing sources (uses):			
Transfers in	13,563	-	13,563
Transfers out	-	(13,563)	(13,563)
Inception of capital lease	56,186	-	56,186
Total other financing sources and uses	<u>69,749</u>	<u>(13,563)</u>	<u>56,186</u>
Net change in fund balances	(45,598)	27,461	(18,137)
Fund balances, beginning	<u>967,474</u>	<u>345,373</u>	<u>1,312,847</u>
Fund balances, ending	<u>\$ 921,876</u>	<u>\$ 372,834</u>	<u>\$ 1,294,710</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 of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2012

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (18,137)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 502,616	
Depreciation expense	<u>(131,166)</u>	371,450
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (13,563)	
Transfers out	<u>13,563</u>	-
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Proceeds of capital lease	\$ (56,186)	
Repayment of bond principal	25,000	
Repayment of capital lease	<u>15,318</u>	(15,868)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 445	
Increase in compensated absences payable	<u>(9,513)</u>	(9,068)
Changes in net assets of governmental activities (Exhibit B)		<u><u>\$ 328,377</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 Change in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,321,761	\$ 1,321,761	\$ 1,341,211	\$ 19,450
Licenses and permits	410,500	410,500	408,526	(1,974)
Intergovernmental	208,332	422,131	423,204	1,073
Charges for services	115,000	115,000	100,677	(14,323)
Miscellaneous	42,000	42,000	41,594	(406)
Total revenues	<u>2,097,593</u>	<u>2,311,392</u>	<u>2,315,212</u>	<u>3,820</u>
Expenditures:				
Current:				
General government	341,665	395,762	399,870	(4,108)
Public safety	477,728	481,226	487,891	(6,665)
Highways and streets	737,263	977,240	960,796	16,444
Sanitation	193,310	193,310	187,377	5,933
Health	21,695	21,695	19,004	2,691
Welfare	5,250	5,250	3,736	1,514
Culture and recreation	129,449	131,973	129,545	2,428
Conservation	500	500	2,556	(2,056)
Debt service:				
Principal	25,000	25,000	25,000	-
Interest	6,233	6,233	6,242	(9)
Capital outlay	168,000	168,000	159,433	8,567
Total expenditures	<u>2,106,093</u>	<u>2,406,189</u>	<u>2,381,450</u>	<u>24,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,500)</u>	<u>(94,797)</u>	<u>(66,238)</u>	<u>28,559</u>
Other financing sources (uses):				
Transfers in	166,000	252,297	243,043	(9,254)
Transfers out	(157,500)	(157,500)	(157,500)	-
Total other financing sources and uses	<u>8,500</u>	<u>94,797</u>	<u>85,543</u>	<u>(9,254)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	19,305	<u>\$ 19,305</u>
Increase in nonspendable fund balance			(2,550)	
Unassigned fund balance, beginning			482,631	
Unassigned fund balance, ending			<u>\$ 499,386</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, 2012

	Private Purpose Trust	Agency
ASSETS		
Investments	\$ 153,482	\$ 542,359
LIABILITIES		
Due to other governmental units	-	542,359
NET POSITION		
Held in trust for special purposes	<u>\$ 153,482</u>	<u>\$ -</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 Net Position
For the Fiscal Year Ended December 31, 2012

	Private Purpose Trust
ADDITIONS	
Investment earnings:	
Interest and dividends	\$ 3,361
Net increase in fair market value of investments	6,413
Total additions	9,774
DEDUCTIONS	
Trust income distributions	(1,152)
Change in net assets	8,622
Net assets, beginning	144,860
Net assets, ending	\$ 153,482

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, 2012

	<u>NOTE</u>
Summary of Significant Accounting Policies	1
Reporting Entity.....	1-A
Basis of Presentation.....	1-B
Measurement Focus	1-C
Cash and Cash Equivalents.....	1-D
Investments	1-E
Receivables.....	1-F
Interfund Balances.....	1-G
Capital Assets	1-H
Allowances for Uncollectible Accounts.....	1-I
Compensated Absences	1-J
Long-Term Obligations	1-K
Claims and Judgments	1-L
Equity/Fund Balance Classifications	1-M
Interfund Activities.....	1-N
Use of Estimates	1-O
Impact of Recently Issued Accounting Principles.....	1-P
Stewardship, Compliance, and Accountability	2
Budgetary Information	2-A
Budgetary Reconciliation to GAAP Basis	2-B

DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents	3
Investments	4
Taxes Receivable.....	5
Other Receivables.....	6
Capital Assets.....	7
Interfund Balances and Transfers	8
Intergovernmental Payables.....	9
Long-Term Liabilities	10
Capital Lease	11
Encumbrances.....	12
Governmental Activities Net Position	13
Governmental Fund Balances	14
Employee Retirement Plan	15
Risk Management.....	16
Contingent Liabilities.....	17
Implementation of New GASB Pronouncements.....	18
Subsequent Events.....	19

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Plainfield, New Hampshire (the Town), are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

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

1-A Reporting Entity

The Town of Plainfield is a municipal corporation governed by an elected 3-member Board of Selectmen. The reporting entity is comprised of the primary government and any other organizations (*component units*) that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the Town is financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board, and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; (3) the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Town is obligated for the debt of the organization. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity.

1-B Basis of Presentation

Government-wide Financial Statements – The government-wide financial statements display information about the Town as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. The effect of interfund activity has been eliminated from these statements.

The Statement of Net Position presents the financial position of the governmental activities of the Town at year-end. This statement includes all of the Town's assets, liabilities, and net position. Net position is reported as one of three categories: net investment in capital assets, net of related debt; restricted; or unrestricted.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different functions of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (1) charges to customers or applicants for goods received, services rendered or privileges provided, and (2) grants and contributions that are restricted to meeting operational requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund has a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized as major funds or nonmajor funds within the governmental statements, with an emphasis placed on the major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type;
- (b) Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental fund combined; and
- (c) In addition, any other governmental fund that the Town believes is particularly important to the financial statement users may be reported as a major fund.

Governmental Activities – Governmental funds are identified as general, special revenue, and permanent funds, based upon the following guidelines:

General Fund – is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

Special Revenue Funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purpose other than capital projects.

Permanent Funds – are used to account for resources legally held in trust. All resources of the fund, including earnings on invested resources, may be used to support the Town.

Fiduciary Fund Types – These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. Fiduciary fund types are not part of the reporting entity in the government-wide financial statements, but are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. These funds are as follows:

Private Purpose Trust Funds – are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds – are used to account for resources held by the Town in a purely custodial capacity, for individuals, private organizations, and/or governmental units.

Major Fund – The Town reports the following major governmental funds:

General Fund – all general revenues and other receipts that are not allocated by law or contracted agreement to another fund are accounted for in this fund. This fund accounts for general operating expenditures, fixed charges, and the capital improvement costs that are not reported in other funds.

Nonmajor Funds – The Town also reports five nonmajor governmental funds.

1-C Measurement Focus

Government-wide and Fiduciary Fund Financial Statements – The government-wide and fiduciary fund financial statements, except for agency funds which have no measurement focus, are reported using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – 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 susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues (except property taxes mentioned below) to be available if they are collected within 60 days of the end of the current period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis revenue is recorded when the exchange takes place in the fiscal year in which the resources are measurable and become available.

Revenues – Nonexchange Transactions – Nonexchange transactions in which the Town receives value without directly giving equal value in return include property taxes, certain fees, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all grantor imposed eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available before it can be recognized (Interpretation No. 1, as modified, 60-day rule), with the exception of property taxes which are committed and recognized as revenue in order to offset the liability due the school district to be paid in monthly installments over the next six months. This practice is consistent with the previous years.

1-D Cash and Cash Equivalents

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

New Hampshire statutes require that the Town Treasurer have custody of all money belonging to the Town and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all such moneys in participation units in the public deposit investment pool established pursuant to New Hampshire RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside 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 of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Investments

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

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

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

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

Investments are stated at fair value based on quoted market prices.

1-F Receivables

Receivables in the government-wide and governmental fund financial statements represent amounts due to the Town at December 31, recorded as revenue, which will be collected in the future and consist primarily of taxes, accounts, and intergovernmental receivables.

Tax revenue is recorded when a warrant for collection is committed to the tax collector. As prescribed by law, the tax collector executes a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the two year redemption period, the property is tax deeded to the Town.

Accounts receivable include various service charges which are recorded as revenue for the period when service was provided.

1-G Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

1-H Capital Assets

General capital assets are those assets of a capital nature which the Town owns. All capital assets are capitalized at cost (or estimated at historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Town maintains a capitalization threshold of \$5,000 and more than one year of estimated useful life. Improvements to capital assets are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are expensed.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. All reported capital assets are depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Buildings and building improvements	150
Equipment and vehicles	4 - 25
Infrastructure	15

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

1-I Allowance for Uncollectible Accounts

An allowance for uncollectible accounts has been recorded for taxes receivable where collectability is in doubt.

1-J Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation pay based on the employee's length of employment. Upon retirement or termination of employment, employees are paid in full for any accrued leave earned as set forth by personnel policy.

All compensated absence liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide fund financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-K Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide statements.

1-L Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

1-M Equity/Fund Balance Classifications

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

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

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

Governmental Fund Balances Classification – The Town of Plainfield has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for this fiscal year ending December 31, 2012. GASB Statement No. 54 establishes fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact. The Town has classified the principal portion of permanent funds and the tax deeded property, subject to resale as being non-spendable.

Restricted – Amounts constrained to specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers or by the enabling legislation. The Town has classified its libraries and the income portion of permanent funds as being restricted.

Committed – Amounts that can only be used for specific purposes determined by a formal action of the Town's highest level of decision making authority (Board of Selectmen). Commitments may be changed or lifted only by the Board of Selectmen taking the same formal action that imposed the constraint originally. The Town's Selectmen's actions must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period. The expendable trust, history, conservation, and land use change funds are included in this classification.

Assigned – Amounts a Town intends to be used for a specific purpose, but neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process. The Town has assigned funds consisting of encumbrances in the general fund at year-end.

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

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned amounts, then unassigned amounts.

Pursuant to the Town's policy at year-end, if any of the special revenue funds has a deficit fund balance, the Board of Selectmen are authorized to transfer funds from the general fund to cover the deficit, providing the general fund has the resources to do so. For any remaining unassigned fund balance, the Town shall strive to achieve and maintain a minimum fund balance of 5% of the general fund's annual appropriations of the community.

1-N Interfund Activities

Interfund activities are reported as follows:

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

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

1-O Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Significant estimates include the useful lives of capital assets and the allowance for uncollectible taxes.

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

1-P Impact of Recently Issued Accounting Principles

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

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. In the fiscal year 2012, none of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 2,558,255
Adjustment:	
Basis difference:	
Inception of capital leases	56,186
GASB Statement No. 54:	
Income earned on eliminated expendable trust and library funds	56,317
To eliminate transfers between general and expendable trust funds	(232,730)
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,438,028</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 2,538,950
Adjustment:	
Basis differences:	
Encumbrances, ending	(7,000)
Inception of capital lease	56,186
GASB Statement No. 54:	
To eliminate transfers between general and expendable trust funds	(157,500)
To recognize expenditures of the expendable trust and library funds	52,990
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,483,626</u>

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk - is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of December 31, 2012, \$38,054 of the Town's bank balances of \$2,777,708 was exposed to custodial credit risk as uninsured and uncollateralized.

Repurchase Agreement - Included in the Town's cash equivalents at December 31, 2012, is a short-term investment in a repurchase agreement issued by a local banking institution. Under this agreement, the Town will be repaid principal plus interest on a specified date which is subsequent to year-end. The agreement is guaranteed/collateralized with securities held by the banking institution which equal the amount of the agreement. To the extent that the banking institution may default on its commitment to this obligation, the Town is at risk of economic loss. Management considers this exposure to be minimal. At December 31, 2012, the Town held funds in the following repurchase agreement:

Amount	Interest Rate %	Maturity Date	Collateral Pledged Underlying Securities	Market Value
\$ 2,663,834	0.1500	January 2, 2013	FNMA Pool	\$ 2,743,749

NOTE 4 – INVESTMENTS

The Town maintains a portfolio of short-term maturity investments, including money market investments, which are reported at amortized cost. The Town also maintains a portfolio of intermediate maturity investments that are reported at fair value, based on quoted market prices. The Town's fiscal agent or custodian provides the fair value of all intermediate maturity investments. As of December 31, 2012, the Town had the following investments:

	Governmental Activities
Certificate of deposit	\$ 763,430
New Hampshire Public Deposit Investment Pool	275,302
Common stocks	20,596
Fixed income mutual funds	329,092
	\$ 1,388,420

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that change could materially affect the amounts reported in the statement of net assets.

Investment reconciliation:

Investment per Statement of Net Position (Exhibit A)	\$ 692,579
Investment per Statement of Fiduciary Net Position (Exhibit E-1)	695,841
Total investments	\$ 1,388,420

NOTE 5 – TAXES RECEIVABLE

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year. The net assessed valuation as of April 1, 2012, upon which the 2012 property tax levy was based is:

For the New Hampshire education tax	\$ 276,265,468
For all other taxes	\$ 283,395,368

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Taxes were levied on June 1 and November 1, with payments due on July 1 and December 7. Interest accrues at a rate of 12% on bills outstanding after the due dates. The first billing is considered an estimate only and is one half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the New Hampshire Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

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 abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax allowance 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 as required by law. The ultimate responsibility for the collection of taxes rests with the Town.

The tax rates and amounts assessed for the year ended December 31, 2012 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$4.57	\$ 1,294,340
School portion:		
State of New Hampshire	\$2.42	669,831
Local	\$14.53	4,116,683
County portion	\$2.93	830,908
Total		\$ 6,911,762

During the current fiscal year, the tax collector executed a lien on May 2, 2012 for all uncollected 2011 property taxes.

Taxes receivable at December 31, 2012, are as follows:

Property:	
Levy of 2012	\$ 352,193
Unredeemed (under tax lien):	
Levy of 2011	116,621
Levy of 2010	69,552
Levies of 2009 and prior	52,554
Yield	3,078
Less: allowance for estimated uncollectible taxes	(50,000)
Net taxes receivable	\$ 543,998

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2012 of \$22,782, consisted of billings for refuse charges in the general fund totaling \$12,282, and \$10,500 from the Friends of Philip Read as a donation for building fund expenditures. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 consisted of the following:

	Balance, beginning	Additions	Disposals	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 782,202	\$ -	\$ -	\$ 782,202
Construction in progress	-	48,221	-	48,221
Total capital assets not being depreciated	<u>782,202</u>	<u>48,221</u>	<u>-</u>	<u>830,423</u>
Being depreciated:				
Buildings and building improvements	190,692	-	-	190,692
Equipment and vehicles	1,190,524	210,095	(220,000)	1,180,619
Infrastructure	533,260	248,700	-	781,960
Total capital assets being depreciated	<u>1,914,476</u>	<u>458,795</u>	<u>(220,000)</u>	<u>2,153,271</u>
Total all capital assets	<u>2,696,678</u>	<u>507,016</u>	<u>(220,000)</u>	<u>2,983,694</u>
Less accumulated depreciation:				
Buildings and building improvements	(91,337)	(1,224)	-	(92,561)
Equipment and vehicles	(730,317)	(86,102)	215,600	(600,819)
Infrastructure	(228,367)	(43,840)	-	(272,207)
Total accumulated depreciation	<u>(1,050,021)</u>	<u>(131,166)</u>	<u>215,600</u>	<u>(965,587)</u>
Net book value, capital assets being depreciated	<u>864,455</u>	<u>327,629</u>	<u>(4,400)</u>	<u>1,187,684</u>
Net book value, all governmental activities capital assets	<u>\$ 1,646,657</u>	<u>\$ 375,850</u>	<u>\$ (4,400)</u>	<u>\$ 2,018,107</u>

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 44,008
Public safety	18,087
Highways and streets	68,454
Conservation commission	617
Total depreciation expense	<u>\$ 131,166</u>

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at December 31, 2012, are as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor	General	<u>\$ 16,930</u>

Interfund transfers during the year ended December 31, 2012 are as follows:

	<u>Transfers In:</u>
	General
	Fund
Transfers out:	
Nonmajor funds	<u>\$ 13,563</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due from the general fund of \$2,694,235 to other governments at December 31, 2012, consist of the following:

General fund:	
Balance of 2012-2013 district assessment due to the Plainfield School District	\$ 2,686,514
City of Lebanon for refuse disposal fees	2,402
Meridan Village District for water/wastewater	175
Miscellaneous federal, state, and county fees	5,144
Total intergovernmental payables	<u>\$ 2,694,235</u>

NOTE 10 – LONG-TERM LIABILITIES

Changes in the Town's long-term obligations consisted of the following for the year ended December 31, 2012:

	General Obligation Note Payable	Capital Lease Payable	Compensated Absences Payable	Total
Balance, beginning	\$ 162,500	\$ -	\$ 25,257	\$ 187,757
Additions	-	56,186	9,513	65,699
Reductions	(25,000)	(15,318)	-	(40,318)
Balance, ending	<u>\$ 137,500</u>	<u>\$ 40,868</u>	<u>\$ 34,770</u>	<u>\$ 213,138</u>

Long-term liabilities payable are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2012	Current Portion
General obligation note payable:						
Library expansion	\$ 375,000	2003	2018	4.00	\$ 137,500	\$ 25,000
Capital lease payable:						
Police cruisers	\$ 56,186	2012	2015	6.10	40,868	12,825
Compensated absences payable:						
Accrued vacation leave					34,770	1,026
Total					<u>\$ 213,138</u>	<u>\$ 38,851</u>

The annual requirements to amortize the general obligation note outstanding as of December 31, 2012, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2013	\$ 25,000	\$ 5,250	\$ 30,250
2014	25,000	4,238	29,238
2015	25,000	3,251	28,251
2016	25,000	2,250	27,250
2017	25,000	1,250	26,250
2018	12,500	1,501	14,001
Totals	<u>\$ 137,500</u>	<u>\$ 17,740</u>	<u>\$ 155,240</u>

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

NOTE 11 – CAPITAL LEASE

Capital lease obligations represent a lease agreement entered into for the financing of equipment acquisition. This contract is subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. The following is the individual capital lease obligation of the governmental activities at December 31, 2012:

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2012
Governmental fund activities:		
Police cruisers	6.10%	\$ 40,868

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

Equipment:	
Plow truck	\$ 56,186
Less: accumulated depreciation	(11,238)
Total leased equipment	\$ 44,948

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

The annual requirements to amortize the capital lease outstanding as of December 31, 2012, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2013	\$ 12,825	\$ 2,493	\$ 15,318
2014	13,607	1,711	15,318
2015	14,436	881	15,317
Totals	\$ 40,868	\$ 5,085	\$ 45,953

NOTE 12 – ENCUMBRANCES

Encumbrances outstanding of \$7,000 at December 31, 2012, are as follows:

Description	
General fund:	
Police	\$ 5,000
Highways and streets	2,000
Total encumbrances	\$ 7,000

NOTE 13 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net assets reported on the government-wide statement of net position at December 31, 2012 include the following:

Net investment in capital assets:	
Capital assets, net of accumulated depreciation	\$ 2,018,107
Less:	
Note payable	(137,500)
Capital lease payable	(40,868)
Total net investment in capital assets	1,839,739
Restricted for perpetual care	276,152
Restricted for library	96,194
Unrestricted	885,062
Total net position	\$ 3,097,147

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

NOTE 14 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2012 include the following:

Nonspendable:	
Major fund:	
General:	
Tax deeded property subject to resale	\$ 2,550
Nonmajor fund:	
Permanent	226,047
Total nonspendable fund balance	<u>228,597</u>
Restricted:	
Major fund:	
General:	
Library	96,194
Nonmajor fund:	
Permanent	50,105
Total restricted fund balance	<u>146,299</u>
Committed:	
Major fund:	
General:	
Expendable trust funds	316,746
Nonmajor funds:	
Land use change	8,465
Plainfield History	845
Conservation commission operating	68,602
Conservation commission forestry	18,770
Total committed fund balance	<u>413,428</u>
Assigned:	
Major fund:	
General:	
Encumbrances	7,000
Unassigned:	
Major fund:	
General	499,386
Total governmental fund balances	<u><u>\$ 1,294,710</u></u>

NOTE 15 – EMPLOYEE RETIREMENT PLAN

The Town participates in the New Hampshire Retirement System (the System) which is the administrator of a cost-sharing multiple-employer contributory pension plan and trust 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 plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Provision for benefits and contributions are established and can be amended by the New Hampshire Legislature. 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.

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. Through June 30, 2012, all employees except police officers and firefighters were required to contribute 5% of earnable compensation. Police officers and firefighters were required to contribute 9.3% of gross earnings. Effective July 1, 2012, the contribution rates changed to 7% for employees other than police officers and firefighters, 11.55% for police officers, and 11.80% for firefighters. The Town's contribution rates for 2012 were 19.95% for police officers; 22.89% for firefighters; and 8.80% for all other employees.

The contribution requirements for the Town of Plainfield for the fiscal years 2010, 2011, and 2012 were \$56,556, \$62,613, and \$62,269, respectively, which were paid in full in each year.

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012

NOTE 16 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2012, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs. These entities are public entity risk pools, currently operating as common risk management and insurance programs for member Towns and cities.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2012 to December 31, 2012 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The estimated net contribution from the Town of Plainfield billed and paid for the year ended December 31, 2012 was \$10,589 for workers' compensation and \$20,485 for property/liability.

NOTE 17 – CONTINGENT LIABILITIES

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and Amendments of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the Town beginning with its fiscal year ending December 31, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012, will be effective for the Town beginning with its fiscal year ending December 2013. This Statement is intended to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*, issued March 2012, will be effective for the Town beginning with its fiscal year ending December 31, 2013.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued in June 2012, will be effective for the Town beginning with its fiscal year ending December 31, 2014. The guidance contained in this statement will change how governments calculate and report the costs and obligations associated with pensions in important ways. This replaces the requirements of Statements No. 27 and 50.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued in June 2012, will be effective for the Town beginning with its fiscal year ending December 31, 2014. The guidance contained in this statement will change how governments calculate and report the costs and obligations associated with pensions in important ways. This replaces the requirements of Statements No. 27 and 50.

NOTE 19 – 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 June 4, 2013, the date the December 31, 2012 financial statements were issued, and no events occurred that require recognition or disclosure.

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, 2012

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,249,698	\$ 1,294,670	\$ 44,972
Land use change	6,063	-	(6,063)
Timber	20,000	26,568	6,568
Payment in lieu of taxes	1,000	-	(1,000)
Interest and penalties on taxes	45,000	19,973	(25,027)
Total from taxes	<u>1,321,761</u>	<u>1,341,211</u>	<u>19,450</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	8,000	-	(8,000)
Motor vehicle permit fees	400,000	402,516	2,516
Other	2,500	6,010	3,510
Total from licenses, permits, and fees	<u>410,500</u>	<u>408,526</u>	<u>(1,974)</u>
Intergovernmental:			
State:			
Meals and rooms distribution	105,564	105,547	(17)
Highway block grant	102,653	102,653	-
State and federal forest land reimbursement	115	115	-
Other	-	1,090	1,090
Federal:			
FEMA	213,799	213,799	-
Total from intergovernmental	<u>422,131</u>	<u>423,204</u>	<u>1,073</u>
Charges for services:			
Income from departments	<u>115,000</u>	<u>100,677</u>	<u>(14,323)</u>
Miscellaneous:			
Sale of municipal property	10,000	7,436	(2,564)
Interest on investments	7,000	3,015	(3,985)
Rent of property	-	585	585
Contributions and donations	-	3,893	3,893
Other	25,000	26,665	1,665
Total from miscellaneous	<u>42,000</u>	<u>41,594</u>	<u>(406)</u>
Other financing sources:			
Transfers in	<u>252,297</u>	<u>243,043</u>	<u>(9,254)</u>
Total revenues and other financing sources	<u><u>\$ 2,563,689</u></u>	<u><u>\$ 2,558,255</u></u>	<u><u>\$ (5,434)</u></u>

SCHEDULE 2
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2012

	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:				
General government:				
Executive	\$ 178,210	\$ 177,880	\$ -	\$ 330
Election and registration	5,130	4,589	-	541
Financial administration	64,500	66,446	-	(1,946)
Revaluation of property	61,747	67,072	-	(5,325)
Legal	5,100	2,251	-	2,849
Personnel administration	5,700	4,421	-	1,279
Planning and zoning	1,200	2,124	-	(924)
General government buildings	5,375	8,734	-	(3,359)
Cemeteries	28,000	29,575	-	(1,575)
Insurance, not otherwise allocated	35,700	31,771	-	3,929
Advertising and regional associations	5,100	5,007	-	93
Total general government	<u>395,762</u>	<u>399,870</u>	<u>-</u>	<u>(4,108)</u>
Public safety:				
Police	335,976	336,726	5,000	(5,750)
Ambulance	28,500	28,785	-	(285)
Fire	85,000	83,737	-	1,263
Building inspection	7,400	9,029	-	(1,629)
Emergency management	250	-	-	250
Dispatching	24,100	20,516	-	3,584
Total public safety	<u>481,226</u>	<u>482,891</u>	<u>5,000</u>	<u>(6,665)</u>
Highways and streets	<u>977,240</u>	<u>958,796</u>	<u>2,000</u>	<u>16,444</u>
Sanitation:				
Solid waste collection	143,500	141,750	-	1,750
Solid waste disposal	49,810	45,627	-	4,183
Total sanitation	<u>193,310</u>	<u>187,377</u>	<u>-</u>	<u>5,933</u>
Health:				
Administration	21,195	18,329	-	2,866
Pest control	500	675	-	(175)
Total health	<u>21,695</u>	<u>19,004</u>	<u>-</u>	<u>2,691</u>
Welfare:				
Administration	<u>5,250</u>	<u>3,736</u>	<u>-</u>	<u>1,514</u>
Culture and recreation:				
Parks and recreation	17,300	15,746	-	1,554
Library	113,673	109,451	-	4,222
Patriotic purposes	1,000	4,348	-	(3,348)
Total culture and recreation	<u>131,973</u>	<u>129,545</u>	<u>-</u>	<u>2,428</u>
Conservation	<u>500</u>	<u>2,556</u>	<u>-</u>	<u>(2,056)</u>
Debt service:				
Principal of long-term debt	25,000	25,000	-	-
Interest on long-term debt	6,233	6,242	-	(9)
Total debt service	<u>31,233</u>	<u>31,242</u>	<u>-</u>	<u>(9)</u>

(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, 2012

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbered to Subsequent Year</u>	<u>Variance Positive (Negative)</u>
Capital outlay	168,000	159,433	-	8,567
Other financing uses:				
Transfers out	157,500	157,500	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 2,563,689</u>	<u>\$ 2,531,950</u>	<u>\$ 7,000</u>	<u>\$ 24,739</u>

SCHEDULE 3
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2012

Unassigned fund balance, beginning		\$ 482,631
Changes:		
2012 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (5,434)	
Unexpended balance of appropriations (Schedule 2)	<u>24,739</u>	
2012 Budget surplus		19,305
Increase in nonspendable fund balance		<u>(2,550)</u>
Unassigned fund balance, ending		<u><u>\$ 499,386</u></u>

SCHEDULE 4
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2012

	Special Revenue Funds					Total
	Plainfield History	Conservation Commission Operating	Conservation Commission Forestry	Land Use Change	Permanent Fund	
ASSETS						
Cash and cash equivalents	\$ 845	\$ -	\$ -	\$ -	\$ 3,296	\$ 4,141
Investments	-	60,137	18,770	-	272,856	351,763
Interfund receivable	-	8,465	-	8,465	-	16,930
Total assets	<u>\$ 845</u>	<u>\$ 68,602</u>	<u>\$ 18,770</u>	<u>\$ 8,465</u>	<u>\$ 276,152</u>	<u>\$ 372,834</u>
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 226,047	\$ 226,047
Restricted	-	-	-	-	50,105	50,105
Committed	845	68,602	18,770	8,465	-	96,682
Total fund balances	<u>\$ 845</u>	<u>\$ 68,602</u>	<u>\$ 18,770</u>	<u>\$ 8,465</u>	<u>\$ 276,152</u>	<u>\$ 372,834</u>

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, 2012

	Special Revenue Funds					Total
	Plainfield History	Conservation Commission Operating	Conservation Commission Forestry	Land Use Change	Permanent Fund	
Revenues:						
Taxes	\$ -	\$ 8,465	\$ -	\$ 8,465	\$ -	\$ 16,930
Miscellaneous	445	61	20	-	23,568	24,094
Total revenues	<u>445</u>	<u>8,526</u>	<u>20</u>	<u>8,465</u>	<u>23,568</u>	<u>41,024</u>
Other financing uses:						
Transfers out	-	-	-	(6,063)	(7,500)	(13,563)
Net change in fund balances	445	8,526	20	2,402	16,068	27,461
Fund balances, beginning	400	60,076	18,750	6,063	260,084	345,373
Fund balances, ending	<u>\$ 845</u>	<u>\$ 68,602</u>	<u>\$ 18,770</u>	<u>\$ 8,465</u>	<u>\$ 276,152</u>	<u>\$ 372,834</u>