

**TOWN OF PLAINFIELD,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014**

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and aggregate remaining fund information of the Town of Plainfield as of and for the year ended December 31, 2014, 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, major fund, and aggregate remaining fund information of the Town of Plainfield as of December 31, 2014, and the respective changes in financial position, and the budgetary comparison information 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's Discussion and Analysis - 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, 2015

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,943,047
Investments	849,655
Account receivables	9,424
Taxes receivable (net)	554,455
Prepaid items	26,657
Capital assets:	
Land and construction in progress	931,849
Other capital assets, net of depreciation	1,039,965
Total assets	6,355,052
LIABILITIES	
Accounts payable	25,042
Accrued salaries and benefits	5,146
Accrued interest payable	263
Intergovernmental payable	2,816,702
Long-term liabilities:	
Due within one year	39,436
Due in more than one year	100,879
Total liabilities	2,987,468
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - Unavailable grants	6,000
NET POSITION	
Net investment in capital assets	1,869,878
Restricted	404,838
Unrestricted	1,086,868
Total net position	\$ 3,361,584

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, 2014

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Change In Net Position
General government	\$ 398,718	\$ 14,230	\$ -	\$ (384,488)
Public safety	507,436	1,497	-	(505,939)
Highways and streets	916,686	5,189	99,848	(811,649)
Sanitation	198,245	76,993	-	(121,252)
Health	16,350	-	-	(16,350)
Welfare	9,621	3,960	370	(5,291)
Culture and recreation	147,271	3,014	-	(144,257)
Conservation	9,235	200	-	(9,035)
Interest on long-term debt	1,502	-	-	(1,502)
Capital outlay	11,346	-	-	(11,346)
Total governmental activities	<u>\$ 2,216,410</u>	<u>\$ 105,083</u>	<u>\$ 100,218</u>	<u>(2,011,109)</u>
General revenues:				
Taxes:				
Property				1,255,689
Other				209,938
Motor vehicle permit fees				456,262
Licenses and other fees				5,215
Grants and contributions not restricted to specific programs				115,191
Unrestricted investment earnings				9,939
Miscellaneous				52,038
Total general revenues				<u>2,104,272</u>
Change in net position				93,163
Net position, beginning				3,268,421
Net position, ending				<u>\$ 3,361,584</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, 2014

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,940,214	\$ 2,833	\$ 2,943,047
Investments	455,168	394,487	849,655
Accounts receivable	9,424	-	9,424
Taxes receivable	629,455	-	629,455
Interfund receivable	-	19,250	19,250
Prepaid items	26,657	-	26,657
Total assets	<u>\$ 4,060,918</u>	<u>\$ 416,570</u>	<u>\$ 4,477,488</u>
LIABILITIES			
Accounts payable	\$ 25,042	\$ -	\$ 25,042
Accrued salaries and benefits	5,146	-	5,146
Intergovernmental payable	2,816,702	-	2,816,702
Interfund payable	19,250	-	19,250
Total liabilities	<u>2,866,140</u>	<u>-</u>	<u>2,866,140</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	98,812	-	98,812
Unavailable revenue - Unavailable grants	6,000	-	6,000
Total deferred inflows of resources	<u>104,812</u>	<u>-</u>	<u>104,812</u>
FUND BALANCES			
Nonspendable	26,657	251,460	278,117
Restricted	91,711	61,667	153,378
Committed	408,251	103,443	511,694
Unassigned	563,347	-	563,347
Total fund balances	<u>1,089,966</u>	<u>416,570</u>	<u>1,506,536</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,060,918</u>	<u>\$ 416,570</u>	<u>\$ 4,477,488</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 of Governmental Funds to the Statement of Net Position
December 31, 2014

Total fund balances of governmental funds (Exhibit C-1)		\$ 1,506,536
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 3,186,033	
Less accumulated depreciation	<u>(1,214,219)</u>	
		1,971,814
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (19,250)	
Payables	<u>19,250</u>	
		-
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 funds.		
Deferred property taxes	\$ 98,812	
Allowance for uncollectible taxes	<u>(75,000)</u>	
		23,812
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(263)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Note	\$ 87,500	
Capital lease	14,436	
Compensated absences	<u>38,379</u>	
		<u>(140,315)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 3,361,584</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, 2014

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 1,458,117	\$ 19,250	\$ 1,477,367
Licenses and permits	532,595	-	532,595
Intergovernmental	215,039	-	215,039
Charges for services	33,965	-	33,965
Investment earnings	23,266	14,955	38,221
Miscellaneous	17,119	7,007	24,126
Total revenues	<u>2,280,101</u>	<u>41,212</u>	<u>2,321,313</u>
EXPENDITURES			
Current:			
General government	353,562	-	353,562
Public safety	508,778	-	508,778
Highways and streets	859,326	-	859,326
Sanitation	198,245	-	198,245
Health	16,350	-	16,350
Welfare	9,621	-	9,621
Culture and recreation	158,564	-	158,564
Conservation	235	9,000	9,235
Debt service:			
Principal	25,000	-	25,000
Interest	2,424	-	2,424
Capital outlay	101,296	-	101,296
Total expenditures	<u>2,233,401</u>	<u>9,000</u>	<u>2,242,401</u>
Excess of revenues over expenditures	<u>46,700</u>	<u>32,212</u>	<u>78,912</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	11,105	-	11,105
Transfers out	-	(11,105)	(11,105)
Total other financing sources (uses)	<u>11,105</u>	<u>(11,105)</u>	<u>-</u>
Net change in fund balances	57,805	21,107	78,912
Fund balances, beginning, as restated (see Note 17)	1,032,161	395,463	1,427,624
Fund balances, ending	<u>\$ 1,089,966</u>	<u>\$ 416,570</u>	<u>\$ 1,506,536</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, 2014

Net change in fund balances of governmental funds (Exhibit C-3)	\$	78,912
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 112,823	
Depreciation expense	<u>(124,316)</u>	(11,493)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (11,105)	
Transfers out	<u>11,105</u>	-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(11,740)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of note principal	\$ 25,000	
Repayment of capital lease	<u>13,607</u>	38,607
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	\$ 922	
Increase in compensated absences payable	<u>(2,045)</u>	(1,123)
Change in net position of governmental activities (Exhibit B)	<u>\$</u>	<u>93,163</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, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,374,738	\$ 1,374,738	\$ 1,446,377	\$ 71,639
Licenses and permits	520,000	520,000	532,595	12,595
Intergovernmental	213,863	213,863	215,039	1,176
Charges for services	32,000	32,000	33,965	1,965
Investment earnings	1,000	1,000	788	(212)
Miscellaneous	27,500	32,215	19,988	(12,227)
Total revenues	<u>2,169,101</u>	<u>2,173,816</u>	<u>2,248,752</u>	<u>74,936</u>
EXPENDITURES				
Current:				
General government	349,805	350,516	352,962	(2,446)
Public safety	503,098	509,518	500,878	8,640
Highways and streets	787,700	863,556	857,326	6,230
Sanitation	194,810	194,810	198,245	(3,435)
Health	18,870	18,870	16,350	2,520
Welfare	5,250	5,250	9,621	(4,371)
Culture and recreation	137,823	137,823	128,489	9,334
Conservation	500	500	235	265
Debt service:				
Principal	25,000	25,000	25,000	-
Interest	2,450	2,450	2,424	26
Total expenditures	<u>2,101,306</u>	<u>2,199,084</u>	<u>2,192,826</u>	<u>6,258</u>
Excess of revenues over expenditures	<u>67,795</u>	<u>(25,268)</u>	<u>55,926</u>	<u>81,194</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	84,705	177,768	177,479	(289)
Transfers out	(152,500)	(152,500)	(156,649)	4,149
Total other financing sources (uses)	<u>(67,795)</u>	<u>25,268</u>	<u>20,830</u>	<u>3,860</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	76,756	<u>\$ 85,054</u>
Increase in nonspendable fund balance			(24,107)	
Unassigned fund balance, beginning			534,510	
Unassigned fund balance, ending			<u>\$ 587,159</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, 2014

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 959	\$ -
Investments	169,164	582,456
Total assets	170,123	582,456
LIABILITIES		
Due to other governmental units	-	582,456
NET POSITION		
Held in trust for specific purposes	\$ 170,123	\$ -

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, 2014

	Private Purpose Trust
ADDITIONS	
Interest	\$ 2,331
Change in fair market value	(1,167)
Total additions	1,164
DEDUCTIONS	
Trust income distributions	(3,582)
Change in net position	(2,418)
Net position, beginning	172,541
Net position, ending	\$ 170,123

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, 2014

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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, 2014

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 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 Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund is reported as a separate column in the fund financial statements.

Government 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.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. 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 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 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for State shared revenue, reimbursement-based grants and interest which use one year.

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

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. 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. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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 a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlement, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements, and donations is recognized in the year in which all 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 specific purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Town reports the following major governmental fund:

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.

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

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.

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.

Agency Fund - used to account for assets held in a trustee or agency capacity on behalf of outside parties, including other governments.

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.

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-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,

TOWN OF PLAINFIELD, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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- 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 for the Town are reported at fair value generally based on quoted market prices.

1-F Receivables

Receivables recorded in the financial statements represent amounts due to the Town at December 31. The Town separately reports receivables for accounts, taxes, and interfund balances.

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.

1-H Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, and expenses as the items are used.

1-I Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. The amount reported for infrastructure includes only assets added since 2002.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated minimum useful life in excess of one year. As the Town constructs or acquires additional capital assets each year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes:	<u>Years</u>
Buildings and building improvements	150
Equipment and vehicles	4 - 25
Infrastructure	15 - 30

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-J Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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1-K Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Billings for the year were on May 22 and October 22. Interest accrues at a rate of 12% on bills outstanding after the due date and 18% on tax liens outstanding.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, 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, 2014 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 255,157,886
For all other taxes	\$ 262,140,886

The tax rates and amounts assessed for the year ended December 31, 2014 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$5.49	\$ 1,438,640
School portion:		
State of New Hampshire	\$2.60	663,165
Local	\$16.22	4,252,259
County portion	\$3.19	836,654
Total		\$ 7,190,718

1-L Compensated Absences

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

1-M Long-Term Obligations

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

1-N Interfund Activities

Interfund activities are reported as follows:

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

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

TOWN OF PLAINFIELD, NEW HAMPSHIRE
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1-O Net Position/Fund Balance Reporting

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.
- b) *Restricted net position* – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classifications - The fund balance of governmental funds is reported in four categories based on the nature of any limitations requiring the use of resources for specific programs. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The classifications used in the Town’s governmental fund financial statements are as follows:

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

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

Unassigned – This classification includes the residual fund balance for the general fund.

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.

In the general fund, the Town strives to maintain an unassigned budgetary basis fund balance of 5-10% of the total property tax commitment.

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 general fund. 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.

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State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2014, none of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

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

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

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 2,426,231
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	19,609
To eliminate transfers between blended funds	(166,374)
Change in deferred tax revenue relating to 60-day revenue recognition	11,740
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,291,206</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 2,349,475
Adjustment:	
Basis differences:	
Encumbrances, beginning	10,500
GASB Statement No. 54:	
To record expendable trust expenditures during the year	30,075
To eliminate transfers between general and expendable trust funds	(156,649)
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,233,401</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$2,944,006 and the bank balances totaled \$3,041,150. Cash in hands of officials totaled \$250 and petty cash totaled \$47.

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2014, none of the Town's bank balance was exposed to custodial credit risk.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 2,943,047
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	959
Total cash and cash equivalents	<u>\$ 2,944,006</u>

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Repurchase Agreement – Included in the Town’s cash equivalents at December 31, 2014, 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, 2014, the Town held an investment in the following repurchase agreements:

Amount	Interest Rate %	Maturity Date	Collateral Pledged	
			Underlying Securities	Market Value
\$ 1,505,035	1.00%	March 27, 2018	FHLMC	\$ 1,496,065
\$ 1,463,828	1.85%	December 26, 2018	FNMA	\$ 1,466,122

Custodial Credit Risk – The Town’s repurchase agreements are all with banking institutions; therefore, are subject to custodial credit risk. The custodial credit risk is the risk that in the event of bank failure, the Town’s deposits may not be recovered.

Interest Rate Risk – The term repurchase agreements are also subject to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of the Town’s investments.

NOTE 4 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the Town funds. 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.

At December 31, 2014, this Town had the following investments:

Certificates of deposit	\$ 1,076,017
New Hampshire Public Deposit Investment Pool	113,976
Fixed income mutual funds	411,282
	<u>\$ 1,601,275</u>

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 Position.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 849,655
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	751,620
Total investments	<u>\$ 1,601,275</u>

NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2014. The amount has been reduced by an allowance for an estimated uncollectible amount of \$75,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2014	\$ 314,707	\$ 314,707
Unredeemed (under tax lien):		
Levy of 2013	148,044	148,044
Levy of 2012	85,082	85,082
Levies of 2011 and prior	81,622	81,622
Less: allowance for estimated uncollectible taxes	(75,000)	-
Net taxes receivable	<u>\$ 554,455</u>	<u>\$ 629,455</u>

TOWN OF PLAINFIELD, NEW HAMPSHIRE
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NOTE 6 – RECEIVABLES

Receivables of \$9,424 at December 31, 2014 consisted of \$8,108 for billings for refuse charges and \$1,316 for fuel usage by the Meriden Volunteer Fire Department. Receivables are recorded on the Town’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 7 – PREPAID ITEMS

Prepaid items at December 31, 2014 consisted of the following:

Health insurance	\$ 12,645
Property appraisal and property tax software support	7,377
Other miscellaneous	6,635
Total	\$ 26,657

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 consisted of the following:

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 782,202	\$ -	\$ 782,202
Construction in progress	137,737	11,910	149,647
Total capital assets not being depreciated	919,939	11,910	931,849
Being depreciated:			
Buildings and building improvements	190,692	-	190,692
Equipment and vehicles	1,180,619	100,913	1,281,532
Infrastructure	781,960	-	781,960
Total capital assets being depreciated	2,153,271	100,913	2,254,184
Total all capital assets	3,073,210	112,823	3,186,033
Less accumulated depreciation:			
Buildings and building improvements	(93,785)	(1,224)	(95,009)
Equipment and vehicles	(680,071)	(79,252)	(759,323)
Infrastructure	(316,047)	(43,840)	(359,887)
Total accumulated depreciation	(1,089,903)	(124,316)	(1,214,219)
Net book value, capital assets being depreciated	1,063,368	(23,403)	1,039,965
Net book value, all capital assets	\$ 1,983,307	\$ (11,493)	\$ 1,971,814

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	11,237
Highways and streets	68,454
Culture and recreation	617
Total depreciation expense	\$ 124,316

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances – Interfund balances as of December 31, 2014 consisted of \$9,625 owed by the general fund to both the nonmajor Conservation Commission Operating and Land Use Change funds, representing 50% of the current year land use change tax revenue, respectively.

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The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers – Interfund transfers for the year ended December 31, 2014 consist of \$11,105 from the nonmajor funds to the general fund.

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 10 - ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds of \$5,146 at December 31, 2014 consist of accrued salaries and benefits for time that was earned in 2014, but not paid until 2015.

NOTE 11 – INTERGOVERNMENTAL PAYABLES

Amounts due in the general fund to other governments of \$2,816,702 at December 31, 2014 consist of \$2,815,424 for the balance of the 2014-2015 district assessment due to the Plainfield School District and \$1,278 due to other governmental agencies.

In addition, the agency fund owed the following intergovernmental payables:

Balance of the expendable trust funds due to the Plainfield School District	\$ 331,300
Balance of the expendable trust funds due to the Meriden Village Water District	216,338
Balance of the expendable trust funds due to the Plainfield Village Water District	<u>34,818</u>
Total agency fund	<u><u>\$ 582,456</u></u>

The total intergovernmental payable of the Town of Plainfield at December 31, 2014 was \$3,399,158.

NOTE 12 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources reported in the governmental funds as unavailable revenue consist of \$98,812 for property tax receivables not collected within 60 days of year end, and \$6,000 for grants received prior to the period of availability. The unavailable revenue related to property taxes is eliminated under the full accrual basis of accounting in the governmental activities.

NOTE 13 – CAPITAL LEASE OBLIGATIONS

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

	<u>Standard Interest Rate</u>	<u>Payments as of December 31, 2014</u>
Capital lease obligation:		
Police cruisers	6.10%	<u>\$ 14,436</u>

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

	<u>Governmental Activities</u>
Equipment:	
Police cruisers	\$ 56,186
Less: accumulated depreciation	<u>33,712</u>
Total capital lease equipment	<u><u>\$ 22,474</u></u>

TOWN OF PLAINFIELD, NEW HAMPSHIRE
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The annual requirements to amortize the capital lease payable as of December 31, 2014, including interest payments, are as follows:

Fiscal Year Ending December 31,	Governmental Activities
2015	\$ 15,317
Less: interest	881
Present value of remaining payment	\$ 14,436

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

NOTE 14 – LONG-TERM LIABILITIES

Changes in the Town’s long-term liabilities consist of the following for the year ended December 31, 2014:

	Balance January 1,			Balance December 31,	
	2014	Additions	Reductions	2014	Due Within One Year
Note payable	\$ 112,500	\$ -	\$ (25,000)	\$ 87,500	\$ 25,000
Capital lease	28,043	-	(13,607)	14,436	14,436
Compensated absences	36,334	2,176	(131)	38,379	-
Total long-term liabilities	\$ 176,877	\$ 2,176	\$ (38,738)	\$ 140,315	\$ 39,436

Long-term liabilities are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2014	Current Portion
	General obligation note payable:					
Library expansion refinancing	\$ 125,000	2013	2018	2.28%	\$ 87,500	\$ 25,000
Capital lease payable:						
Police cruisers	\$ 56,186	2012	2015	6.10%	14,436	14,436
Compensated absences payable:						
Accrued vacation leave					38,379	-
Total					\$ 140,315	\$ 39,436

The annual requirements to amortize the general obligation note outstanding as of December 31, 2014, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2015	\$ 25,000	\$ 1,850	\$ 26,850
2016	25,000	1,284	26,284
2017	25,000	712	25,712
2018	12,500	143	12,643
Totals	\$ 87,500	\$ 3,989	\$ 91,489

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NOTE 15 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2014 include the following:

Net investment in capital assets:	
Net property, buildings, and equipment	\$ 1,971,814
Less:	
Note payable	(87,500)
Capital leases payable	(14,436)
Total net investment in capital assets	1,869,878
Restricted:	
Library	91,711
Perpetual care	313,127
Total restricted	404,838
Unrestricted	1,086,868
Total net position	\$ 3,361,584

NOTE 16 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

Nonspendable:	
Major fund:	
General:	
Tax deceded property, subject to resale	\$ 26,657
Nonmajor fund:	
Permanent - principal balance	251,460
Total nonspendable fund balance	\$ 278,117
Restricted:	
Major fund:	
General:	
Library	\$ 91,711
Nonmajor fund:	
Permanent - income balance	61,667
Total restricted fund balance	153,378
Committed:	
Major fund:	
General:	
Expendable trust	\$ 408,251
Nonmajor funds:	
Plainfield history	1,070
Conservation commission operating	73,967
Conservation commission forestry	18,781
Land use change	9,625
Total committed fund balance	511,694
Unassigned:	
Major fund:	
General	563,347
Total governmental fund balances	\$ 1,506,536

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NOTE 17 – PRIOR PERIOD ADJUSTMENT

Fund balance at January 1, 2014 was restated to give retroactive effect to the following prior period adjustment:

	General Fund
To adjust beginning fund balance for school and county taxes not collected within 60 days of year-end which were recorded as deferred inflows	\$ 439,522
Fund balance, as previously reported	592,639
Fund balance, as restated	\$ 1,032,161

NOTE 18 – 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. For fiscal year 2014, all employees except police officers were required to contribute 7% of earnable compensation. The contribution rate was 11.55% for police officers. The Town’s contribution rates for 2014 for pension and medical subsidy were 25.30% for police officers and 10.77% for all other employees.

The contribution requirements for the Town for the fiscal years 2012, 2013, and 2014 were \$62,629, \$75,428, and \$89,309, respectively, which were paid in full in each year.

NOTE 19 – 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 2014, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers’ Compensation and Property/Liability Programs. This entity is considered a public entity risk pools, currently operating as common risk management and insurance programs for member towns, cities, and other qualified political subdivisions of New Hampshire.

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, 2014 to December 31, 2014 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 billed and paid for the year ended December 31, 2014 was \$20,181 for workers’ compensation and \$21,815 for property/liability.

NOTE 20 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

The following GASB pronouncements were implemented by the Town for the fiscal year ended December 31, 2014, none of which impacted these financial statements:

GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued in June 2012. The guidance contained in this Statement will change how governments calculate and report the costs and obligations associated with pensions in important ways. They replace the requirements of Statements No. 27 and 50.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations that have been transferred or sold.

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GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued in April 2013. The objective of this Statement is to improve accounting and financial reporting by governments that extend and receive nonexchange financial guarantees.

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. 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, 2015. 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. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, issued in November 2013, should be implemented simultaneously with the provision of Statement No. 68, beginning with the fiscal year ending December 31, 2015. This statement addresses an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

GASB Statement No. 72, *Fair Value Measurement and Application*, issued in February 2015, will be effective for the Town beginning with the fiscal year ending December 31, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements.

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through June 4, 2015, the date the December 31, 2014 financial statements were available to be issued, and noted the following:

At the 2015 Annual Town Meeting held on March 10, 2015, Warrant Article No. 5 passed which uses \$60,000 of the December 31, 2014 unassigned fund balance toward the establishment of a Town Facilities Maintenance capital reserve fund.

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, 2014

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,320,738	\$ 1,384,998	\$ 64,260
Yield	8,000	14,101	6,101
Excavation	-	64	64
Payment in lieu of taxes	1,000	1,000	-
Interest and penalties on taxes	45,000	46,214	1,214
Total from taxes	<u>1,374,738</u>	<u>1,446,377</u>	<u>71,639</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	435,000	456,262	21,262
Other	78,000	71,118	(6,882)
Total from licenses, permits, and fees	<u>520,000</u>	<u>532,595</u>	<u>12,595</u>
Intergovernmental:			
State:			
Meals and rooms distribution	114,308	114,308	-
Highway block grant	99,490	99,848	358
State and federal forest land reimbursement	65	673	608
Other	-	210	210
Total from intergovernmental	<u>213,863</u>	<u>215,039</u>	<u>1,176</u>
Charges for services:			
Income from departments	32,000	33,965	1,965
Miscellaneous:			
Interest on investments	1,000	788	(212)
Rent of property	500	945	445
Other	26,715	19,043	(7,672)
Total from miscellaneous	<u>33,215</u>	<u>20,776</u>	<u>(12,439)</u>
Other financing sources:			
Transfers in	177,768	177,479	(289)
Total revenues and other financing sources	<u>\$ 2,351,584</u>	<u>\$ 2,426,231</u>	<u>\$ 74,647</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, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
General government:				
Executive	\$ -	\$ 182,750	\$ 186,159	\$ (3,409)
Election and registration	-	5,130	7,343	(2,213)
Financial administration	-	68,700	67,920	780
Revaluation of property	-	11,000	13,973	(2,973)
Legal	-	4,100	8,253	(4,153)
Personnel administration	-	4,700	5,351	(651)
Planning and zoning	-	1,200	1,144	56
General government buildings	600	7,736	10,257	(1,921)
Cemeteries	-	25,000	25,851	(851)
Insurance, not otherwise allocated	-	35,100	22,076	13,024
Advertising and regional associations	-	5,100	5,235	(135)
Total general government	<u>600</u>	<u>350,516</u>	<u>353,562</u>	<u>(2,446)</u>
Public safety:				
Police	7,900	355,268	347,310	15,858
Ambulance	-	26,500	26,725	(225)
Fire	-	94,000	92,751	1,249
Building inspection	-	7,400	10,846	(3,446)
Emergency management	-	250	-	250
Dispatching	-	26,100	31,146	(5,046)
Total public safety	<u>7,900</u>	<u>509,518</u>	<u>508,778</u>	<u>8,640</u>
Highways and streets:				
Public works garage	-	22,800	22,148	652
Highways and streets	2,000	733,956	728,022	7,934
Bridges	-	98,800	98,800	-
Street lighting	-	8,000	10,356	(2,356)
Total highways and streets	<u>2,000</u>	<u>863,556</u>	<u>859,326</u>	<u>6,230</u>
Sanitation:				
Solid waste collection	-	150,000	149,893	107
Solid waste disposal	-	44,810	48,352	(3,542)
Total sanitation	<u>-</u>	<u>194,810</u>	<u>198,245</u>	<u>(3,435)</u>
Health:				
Administration	-	18,370	15,855	2,515
Pest control	-	500	495	5
Total health	<u>-</u>	<u>18,870</u>	<u>16,350</u>	<u>2,520</u>
Welfare:				
Administration	-	1,250	2,737	(1,487)
Direct assistance	-	4,000	6,884	(2,884)
Total welfare	<u>-</u>	<u>5,250</u>	<u>9,621</u>	<u>(4,371)</u>
Culture and recreation:				
Parks and recreation	-	19,165	15,845	3,320
Library	-	117,658	111,963	5,695
Patriotic purposes	-	1,000	681	319
Total culture and recreation	<u>-</u>	<u>137,823</u>	<u>128,489</u>	<u>9,334</u>
Conservation	-	500	235	265

(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, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Debt service:				
Principal of long-term debt	-	25,000	25,000	-
Interest on long-term debt	-	2,450	2,424	26
Total debt service	-	27,450	27,424	26
Capital outlay	-	90,791	101,296	(10,505)
Other financing uses:				
Transfers out	-	152,500	156,649	(4,149)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 10,500	\$ 2,351,584	\$ 2,359,975	\$ 2,109

SCHEDULE 3
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2014

Unassigned fund balance, beginning		\$ 534,510
Changes:		
2014 Budget summary:		
Revenue surplus (Schedule 1)	\$ 74,647	
Unexpended balance of appropriations (Schedule 2)	<u>2,109</u>	
2014 Budget surplus		76,756
Increase in nonspendable fund balance		<u>(24,107)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		587,159
<i>Reconciliation of Non-GAAP Basis to GAAP Basis</i>		
To comply with generally accepted accounting principles by deferring property taxes not collected within 60 days of fiscal year-end		(98,812)
Elimination of the allowance for uncollectible taxes		<u>75,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 563,347</u></u>

SCHEDULE 4
TOWN OF PLAINFIELD, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2014

	Special Revenue Funds					Total
	Plainfield	Conservation Commission		Land	Permanent	
	History	Operating	Forestry	Use Change	Fund	
ASSETS						
Cash and cash equivalents	\$ 1,070	\$ -	\$ -	\$ -	\$ 1,763	\$ 2,833
Investments	-	64,342	18,781	-	311,364	394,487
Interfund receivable	-	9,625	-	9,625	-	19,250
Total assets	<u>\$ 1,070</u>	<u>\$ 73,967</u>	<u>\$ 18,781</u>	<u>\$ 9,625</u>	<u>\$ 313,127</u>	<u>\$ 416,570</u>
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 251,460	\$ 251,460
Restricted	-	-	-	-	61,667	61,667
Committed	1,070	73,967	18,781	9,625	-	103,443
Total fund balances	<u>\$ 1,070</u>	<u>\$ 73,967</u>	<u>\$ 18,781</u>	<u>\$ 9,625</u>	<u>\$ 313,127</u>	<u>\$ 416,570</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, 2014

	Special Revenue Funds					Total
	Plainfield History	Conservation Operating	Commission Forestry	Land Use Change	Permanent Fund	
Revenues:						
Taxes	\$ -	\$ 9,625	\$ -	\$ 9,625	\$ -	\$ 19,250
Investment earnings	-	14	4	-	14,937	14,955
Miscellaneous	46	-	-	-	6,961	7,007
Total revenues	46	9,639	4	9,625	21,898	41,212
Expenditures:						
Conservation	-	9,000	-	-	-	9,000
Excess of revenues over expenditures	46	639	4	9,625	21,898	32,212
Other financing uses:						
Transfers out	-	-	-	(4,705)	(6,400)	(11,105)
Net change in fund balances	46	639	4	4,920	15,498	21,107
Fund balances, beginning	1,024	73,328	18,777	4,705	297,629	395,463
Fund balances, ending	<u>\$ 1,070</u>	<u>\$ 73,967</u>	<u>\$ 18,781</u>	<u>\$ 9,625</u>	<u>\$ 313,127</u>	<u>\$ 416,570</u>