

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Belmont, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belmont, New Hampshire (the Town), as of and for the year ended December 31, 2020, 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 from 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 entity'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 entity'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.

Auditor's Report

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 business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belmont, New Hampshire, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions on pages i-viii and 42-49 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Belmont, New Hampshire's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Vashon Clukay & Company PC

Manchester, New Hampshire
October 12, 2021

Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2020

Presented herewith, please find the Management Discussion and Analysis Report for the Town of Belmont, New Hampshire for the year ended December 31, 2020. The responsibility for accuracy of the data, the completeness and fairness of this documentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material aspects. This report and its content have been designed to fairly present the Town's financial position, including the results of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the Town's financial activities have been included.

The Town's management is responsible for establishing accounting and internal control structures designed to ensure that the physical, data, informational, intellectual, and human resource assets of the Town are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Town of Belmont, New Hampshire using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to the Town of Belmont, New Hampshire's financial statements. The basic financial statements are comprised of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to most private-sector companies.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remaining difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2020

The government-wide financial statements have separate columns for the following two fund types:

Governmental activities – Represent most of the Town's basic services.

Business-type activities – Account for the Town's water and sewer operations and receive the majority of their revenue from user fees.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain the control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town maintains three fund types: governmental, proprietary and fiduciary funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, our readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund and Permanent Funds, which are considered major funds. Other governmental funds are aggregated and reported as nonmajor governmental funds.

The Town adopts an annual appropriation budget for its governmental funds. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds provide water and sewer services to customers and charge a user fee. They are presented on the accrual basis of accounting.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2020

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund, the Town's only major governmental fund with an adopted budget. It also includes the schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability and schedule of Town pension contributions.

Other Supplementary Information

Other supplementary information includes combining financial statements for the nonmajor governmental funds.

Government-Wide Financial Analysis

As illustrated below, the implementation of GASB Statements No. 68 and No. 75 during the years ended December 31, 2015, and 2018, respectively, have created deficit unrestricted net position balances at both year ends. This is a result of differences between how the Town budgets for Pension and OPEB benefits, based on statutorily required contributions, compared to how they are recognized for financial reporting purposes. A deficit unrestricted net position balance is expected to continue into subsequent years.

Governmental Activities

Statement of Net position

Net position of the governmental activities as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Capital assets, net	\$ 16,456,304	\$ 16,272,838
Other assets	<u>12,548,883</u>	<u>7,547,869</u>
Total Assets	<u>29,005,187</u>	<u>23,820,707</u>
 Total Deferred Outflows of Resources	 <u>1,961,828</u>	 <u>658,148</u>
 Long-term liabilities	 14,070,446	 9,044,568
Other liabilities	<u>772,215</u>	<u>292,960</u>
Total Liabilities	<u>14,842,661</u>	<u>9,337,528</u>
 Total Deferred Inflows of Resources	 <u>615,252</u>	 <u>644,551</u>

Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2020

Net Position:

Net investment in capital assets	14,619,708	15,095,769
Restricted	3,433,921	3,096,653
Unrestricted (deficit)	<u>(2,544,527)</u>	<u>(3,695,646)</u>
Total Net Position	<u>\$ 15,509,102</u>	<u>\$ 14,496,776</u>

The Town's net position for its governmental activities totaled \$15,509,102 as of December 31, 2020, an increase of \$1,012,326 when compared to the previous year.

Statement of Activities

Changes in net position of the governmental activities for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Revenues		
Program revenues:		
Charges for services	\$ 439,695	\$ 530,109
Operating grants and contributions	714,749	253,186
Capital grants and contributions	-	-
General revenues:		
Property and other taxes	6,016,520	5,776,636
Licenses and permits	1,747,992	1,725,170
Intergovernmental	519,838	532,456
Interest and investment earnings	404,257	471,327
Miscellaneous	<u>171,125</u>	<u>104,342</u>
Total revenues	<u>10,014,176</u>	<u>9,393,226</u>
Expenses		
General government	1,758,842	1,867,929
Public safety	4,400,607	3,954,259
Highways and streets	1,588,206	1,430,824
Sanitation	665,832	450,908
Health and welfare	179,524	247,160
Culture and recreation	317,319	484,561
Conservation	17,084	44,317
Economic development		
Interest and fiscal charges	<u>76,873</u>	<u>51,118</u>
Total expenses	<u>9,004,287</u>	<u>8,531,076</u>

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TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2020

Excess before contributions to permanent fund principal, and gain (loss) on disposal of capital assets	1,009,889	862,150
Contributions to permanent fund principal	2,437	3,300
Gain (loss) on disposal of capital assets	<u>-</u>	<u>(72,956)</u>
Change in net position	1,012,326	792,494
Net Position, beginning of year	<u>14,496,776</u>	<u>13,704,282</u>
Net Position, end of year	<u><u>\$ 15,509,102</u></u>	<u><u>\$ 14,496,776</u></u>

As shown in the above statement the Town's governmental activities experienced an improvement in financial position of \$1,012,326 on the full accrual basis of accounting.

Business-type Activities

Statement of Net position

Net position of the business type activities as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Capital assets, net	\$ 5,444,448	\$ 5,706,338
Other assets	<u>1,912,182</u>	<u>1,817,589</u>
Total Assets	<u>7,356,630</u>	<u>7,523,927</u>
 Total Deferred Outflows of Resources	 <u>38,150</u>	 <u>14,462</u>
 Long-term liabilities	 1,092,579	 1,265,397
Other liabilities	<u>111,937</u>	<u>74,471</u>
Total Liabilities	<u>1,204,516</u>	<u>1,339,868</u>
 Total Deferred Inflows of Resources	 <u>12,919</u>	 <u>13,003</u>
 Net Position:		
Net investment in capital assets	4,538,795	4,606,364
Unrestricted	<u>1,638,550</u>	<u>1,579,154</u>
Total Net Position	<u><u>\$ 6,177,345</u></u>	<u><u>\$ 6,185,518</u></u>

The largest portion of the Town's net position for its business-type activities reflects its net investment in capital assets, primarily utility plants (Water and Wastewater) in service and equipment, less any related outstanding debt used to acquire those assets. These assets are not available for future spending.

Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2020

Statement of Activities

Changes in net position of the business-type activities for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Revenues		
Program revenues:		
Charges for services	\$ 814,163	\$ 798,763
Capital grants and contributions	20,759	20,861
General revenues:		
Interest and investment earnings	6,831	10,195
Miscellaneous	-	571
Total revenues	<u>841,753</u>	<u>830,390</u>
Expenses		
Water Department	339,173	331,495
Sewer Department	<u>510,753</u>	<u>520,202</u>
Total expenses	<u>849,926</u>	<u>851,697</u>
Change in net position	(8,173)	(21,307)
Net Position, beginning of year	<u>6,185,518</u>	<u>6,206,825</u>
Net Position, end of year	<u>\$ 6,177,345</u>	<u>\$ 6,185,518</u>

The main funding source for the business-type activities is charges for services. Overall net position decreased by \$8,173 from the previous year, largely as a result of current year expenses in excess of the related charges for those services.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund and Budgetary Highlights

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the General Fund had a fund balance of \$6,875,422 on the modified accrual basis of accounting, an increase of \$4,014,272. This increase was largely a result of unspent note proceeds for the police station construction project. This change is reflected in the year end restricted fund balance of \$3,157,883, representing an increase of \$2,966,771 compared to the prior year. Additionally, the unassigned fund balance at yearend of \$1,257,006 increased from the prior year balance by \$586,282.

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TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2020

During the year, the original budget for appropriations decreased by (\$3,120,100) largely related to carryforward of appropriations for the police station construction project, while the budget for revenues increased from original estimates by \$242,378 due to unanticipated COVID-19 response grants.

Permanent Funds

Permanent funds account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs. At December 31, 2020, a balance of \$2,820,035 was non-spendable for principal and \$410,096 was restricted for income. The total fund balance in the permanent funds increased \$328,960 from the prior year end, due to current year investment income in excess of current year expenditures for various repair/restoration projects.

Nonmajor Governmental Funds

At December 31, 2020, the Nonmajor Governmental Funds had a total fund balance of \$1,047,699 which represents an increase of \$214,375 from the prior year, primarily resulting from Ambulance Fund revenues from charges with service in excess of expenditures of \$156,678.

Proprietary Funds

The focus of the Town's proprietary funds is on total economic resources, and changes to net position, much as it might be for a private-sector business. The Town's proprietary funds (Water and Sewer Funds) had total unrestricted net position of \$1,638,550 as of December 31, 2020, which represents an increase of \$59,396 or approximately 4% from 2019.

Capital Assets

The Town of Belmont considers a capital asset to be an asset whose costs exceed or equal \$15,000 and has a useful life of greater than one year. Assets are depreciated using the straight-line method over the course of their estimated useful life. During the year the Town's net capital assets for governmental activities increased by a total of \$183,466. Significant additions during the current year included an ambulance, police department vehicles, Hurricane road reconstruction, and additions to the pavilion and riverwalk. The Town's net capital assets for the proprietary funds decreased by (\$261,890) due solely to depreciation expense. Additional information on capital assets can be found in Note 3 of the Notes to the Basic Financial Statements.

Long-Term Liabilities

During the year ended 2020, the Town had a net increase in general obligation debt payable for governmental activities of \$3,379,345 due to the issuance of a \$3,500,000 note payable for the police station construction project, offset by scheduled payments made on existing debt obligations. General obligation debt for business-type activities decreased during the year by (\$194,321) due to scheduled payments made on existing obligations, including bond premium amortization and principal forgiveness. Capital leases payable for governmental activities decreased during the year by (\$138,666), due to current due to scheduled payments. The compensated absences for governmental activities had a net increase in balances accrued of \$3,102 for the year.

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TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ending December 31, 2020

Under GASB Statement #68 – *Accounting and Financial Reporting for Pensions*, the Town reports a net pension liability, as well as the related deferred outflows and inflows of resources related to pension. The Town's proportionate share of the New Hampshire Retirement System's (NHRS) unfunded pension liability as of December 31, 2020 is \$8,249,769 for governmental activities and \$152,542 for business-type activities, for a total liability of \$8,402,311.

GASB Statement #75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requires the Town to account for its single employer other post-employment benefits (OPEB) plan on an accrual basis rather than a pay-as-you-go basis. Although the Town is not required to fund this contribution, it is recognized as a liability in these financial statements. Additionally, the Town is required to report its proportionate share of the NHRS unfunded OPEB liability. The net OPEB obligation as of December 31, 2020 is \$1,193,660 for governmental activities and \$34,384 for business-type activities, for a total liability of \$1,228,044.

Contacting the Town of Belmont's Financial Management

This financial report is intended to provide our citizens and creditors with a general overview of the Town's finances and to show a measure of accountability for the money it receives. If you have any questions about this report or need to get additional information, contact the Board of Selectmen at, PO Box 310, Belmont, NH 03220, telephone number (603) 267-8300.

Auditor's Report

EXHIBIT A
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 5,971,462	\$ 1,331,939	\$ 7,303,401
Investments	5,366,798	457,904	5,824,702
Taxes receivable, net	785,352		785,352
Accounts receivable, net	271,848	132,408	404,256
Unbilled charges for services		65,634	65,634
Due from other governments	12,335	61,200	73,535
Prepaid expenses	4,185		4,185
Internal balances	136,903	(136,903)	-
Total Current Assets	12,548,883	1,912,182	14,461,065
Noncurrent Assets:			
Capital assets:			
Non-depreciable capital assets	4,583,201	15,009	4,598,210
Depreciable capital assets, net	11,873,103	5,429,439	17,302,542
Total Noncurrent Assets	16,456,304	5,444,448	21,900,752
Total Assets	29,005,187	7,356,630	36,361,817
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	128,169	4,245	132,414
Deferred outflows related to pension liability	1,833,659	33,905	1,867,564
Total Deferred Outflows of Resources	1,961,828	38,150	1,999,978
LIABILITIES			
Current Liabilities:			
Accounts payable	619,079	18,133	637,212
Accrued expenses	122,919	6,412	129,331
Retainage payable	30,217		30,217
Due to other governments		87,392	87,392
Current portion of bonds payable	90,719	175,093	265,812
Current portion of notes payable	165,272		165,272
Current portion of capital leases payable	115,674		115,674
Current portion of compensated absences payable	24,761		24,761
Total Current Liabilities	1,168,641	287,030	1,455,671
Noncurrent Liabilities:			
Bonds payable	241,532	730,560	972,092
Notes payable	3,532,728		3,532,728
Capital leases payable	271,822		271,822
Compensated absences payable	184,509		184,509
OPEB liability	1,193,660	34,384	1,228,044
Net pension liability	8,249,769	152,542	8,402,311
Total Noncurrent Liabilities	13,674,020	917,486	14,591,506
Total Liabilities	14,842,661	1,204,516	16,047,177
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability	84,293	3,101	87,394
Deferred inflows related to pension liability	530,959	9,818	540,777
Total Deferred Inflows of Resources	615,252	12,919	628,171
NET POSITION			
Net investment in capital assets	14,619,708	4,538,795	19,158,503
Restricted	3,433,921		3,433,921
Unrestricted (deficit)	(2,544,527)	1,638,550	(905,977)
Total Net Position	\$ 15,509,102	\$ 6,177,345	\$ 21,686,447

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT B
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 1,758,842	\$ 7,570			\$ (1,751,272)		\$ (1,751,272)
Public safety	4,400,607	423,633	\$ 294,194		(3,682,780)		(3,682,780)
Highways and streets	1,588,206		195,420		(1,392,786)		(1,392,786)
Sanitation	665,832	2,665	225,135		(438,032)		(438,032)
Health and welfare	179,524				(179,524)		(179,524)
Culture and recreation	317,319	5,827			(311,492)		(311,492)
Conservation	17,084				(17,084)		(17,084)
Interest and fiscal charges	76,873				(76,873)		(76,873)
Total governmental activities	<u>9,004,287</u>	<u>439,695</u>	<u>714,749</u>	<u>\$ -</u>	<u>(7,849,843)</u>	<u>\$ -</u>	<u>(7,849,843)</u>
Business-type activities:							
Sewer Department	510,753	541,620		2,856		33,723	33,723
Water Department	339,173	272,543		17,903		(48,727)	(48,727)
Total business-type activities	<u>849,926</u>	<u>814,163</u>	<u>-</u>	<u>20,759</u>	<u>-</u>	<u>(15,004)</u>	<u>(15,004)</u>
Total primary government	<u>\$ 9,854,213</u>	<u>\$ 1,253,858</u>	<u>\$ 714,749</u>	<u>\$ 20,759</u>	<u>(7,849,843)</u>	<u>(15,004)</u>	<u>(7,864,847)</u>
General revenues:							
Property and other taxes					6,016,520		6,016,520
Licenses and permits					1,747,992		1,747,992
Grants and contributions:							
Rooms and meals tax distribution					372,082		372,082
Municipal aid					147,756		147,756
Interest and investment earnings					404,257	6,831	411,088
Miscellaneous					171,125		171,125
Contributions to permanent fund principal					2,437		2,437
Total general revenues and contributions to permanent fund principal					<u>8,862,169</u>	<u>6,831</u>	<u>8,869,000</u>
Change in Net Position					1,012,326	(8,173)	1,004,153
Total Net Position at beginning of year					<u>14,496,776</u>	<u>6,185,518</u>	<u>20,682,294</u>
Total Net Position at end of year					<u>\$ 15,509,102</u>	<u>\$ 6,177,345</u>	<u>\$ 21,686,447</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT C
TOWN OF BELMONT, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2020

	General <u>Fund</u>	Permanent <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,223,848		\$ 747,614	\$ 5,971,462
Investments	2,136,577	\$ 3,230,221		5,366,798
Taxes receivable, net	785,352			785,352
Accounts receivable, net			271,848	271,848
Due from other governments	12,335			12,335
Due from other funds	136,993		28,237	165,230
Prepaid expenses	4,185			4,185
Total Assets	<u>8,299,290</u>	<u>3,230,221</u>	<u>1,047,699</u>	<u>12,577,210</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 8,299,290</u>	<u>\$ 3,230,221</u>	<u>\$ 1,047,699</u>	<u>\$ 12,577,210</u>
LIABILITIES				
Accounts payable	\$ 619,079			\$ 619,079
Accrued expenses	78,143			78,143
Retainage payable	30,217			30,217
Due to other funds	28,237	\$ 90		28,327
Total Liabilities	<u>755,676</u>	<u>90</u>	<u>\$ -</u>	<u>755,766</u>
DEFERRED INFLOWS OF RESOURCES				
Uncollected property taxes	<u>668,192</u>			<u>668,192</u>
Total Deferred Inflows of Resources	<u>668,192</u>	<u>-</u>	<u>-</u>	<u>668,192</u>
FUND BALANCES				
Nonspendable	4,185	2,820,035		2,824,220
Restricted	3,157,883	410,096	4,370	3,572,349
Committed	2,358,398		1,043,329	3,401,727
Assigned	97,950			97,950
Unassigned	<u>1,257,006</u>			<u>1,257,006</u>
Total Fund Balances	<u>6,875,422</u>	<u>3,230,131</u>	<u>1,047,699</u>	<u>11,153,252</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,299,290</u>	<u>\$ 3,230,221</u>	<u>\$ 1,047,699</u>	<u>\$ 12,577,210</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT C-1

TOWN OF BELMONT, NEW HAMPSHIRE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

December 31, 2020

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 11,153,252
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Amounts reported for governmental activities in the statement of
net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,456,304
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Property and land use change taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	668,192
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Deferred outflows of resources and deferred inflows of resources that do not
require or provide the use of current financial resources are not reported
within the funds.

Deferred outflows of resources related to OPEB liability	128,169
Deferred outflows of resources related to net pension liability	1,833,659
Deferred inflows of resources related to OPEB liability	(84,293)
Deferred inflows of resources related to net pension liability	(530,959)

Long-term liabilities are not due and payable in the current period and, therefore,
are not reported in the funds. Long-term liabilities at year end consist of:

Bonds payable	(332,251)
Notes payable	(3,698,000)
Capital leases payable	(387,496)
Accrued interest on long-term obligations	(44,776)
Compensated absences payable	(209,270)
OPEB liability	(1,193,660)
Net pension liability	<u>(8,249,769)</u>

Net Position of Governmental Activities (Exhibit A)	<u>\$ 15,509,102</u>
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See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT D

TOWN OF BELMONT, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2020

	General <u>Fund</u>	Permanent <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Taxes	\$ 5,949,668		\$ 49,583	\$ 5,999,251
Licenses and permits	1,747,992			1,747,992
Intergovernmental	1,234,587			1,234,587
Charges for services	197,909		241,786	439,695
Interest and investment income	30,094	\$ 371,075	3,088	404,257
Miscellaneous	171,125	2,437		173,562
Total Revenues	<u>9,331,375</u>	<u>373,512</u>	<u>294,457</u>	<u>9,999,344</u>
Expenditures:				
Current operations:				
General government	1,823,861	37,361		1,861,222
Public safety	3,871,858	53	200	3,872,111
Highways and streets	1,340,558			1,340,558
Sanitation	440,697			440,697
Health and welfare	174,274			174,274
Culture and recreation	198,761	7,138	5,598	211,497
Conservation	17,084			17,084
Capital outlay	883,751			883,751
Debt service:				
Principal retirement	120,655			120,655
Interest and fiscal charges	19,888			19,888
Total Expenditures	<u>8,891,387</u>	<u>44,552</u>	<u>5,798</u>	<u>8,941,737</u>
Excess revenues over (under) expenditures	<u>439,988</u>	<u>328,960</u>	<u>288,659</u>	<u>1,057,607</u>
Other financing sources (uses):				
Proceeds from note issuances	3,500,000			3,500,000
Transfers in	81,278		6,994	88,272
Transfers out	(6,994)		(81,278)	(88,272)
Total Other financing sources (uses)	<u>3,574,284</u>	<u>-</u>	<u>(74,284)</u>	<u>3,500,000</u>
Net change in fund balances	4,014,272	328,960	214,375	4,557,607
Fund Balances at beginning of year	<u>2,861,150</u>	<u>2,901,171</u>	<u>833,324</u>	<u>6,595,645</u>
Fund Balances at end of year	<u>\$ 6,875,422</u>	<u>\$ 3,230,131</u>	<u>\$ 1,047,699</u>	<u>\$ 11,153,252</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT D-1

TOWN OF BELMONT, NEW HAMPSHIRE

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020

Net Change in Fund Balances - Governmental Funds (Exhibit D)	\$ 4,557,607
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, 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 capital outlays exceeded depreciation expense in the current period.	183,466
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	17,269
Repayment of bond and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	120,655
Repayment of principal on capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	138,667
Proceeds from note issuances are reported as other financing sources in the governmental funds, but the issuance of notes payable increase long-term liabilities in the statement of net position.	(3,500,000)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.	(35,068)
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(3,102)
Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.	
Net changes in OPEB	24,071
Net changes in pension	<u>(491,239)</u>
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 1,012,326</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT E
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities		
	Water	Sewer	
	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 351,880	\$ 980,059	\$ 1,331,939
Investments	92,987	364,917	457,904
Accounts receivable	49,963	82,445	132,408
Unbilled charges for services	21,047	44,587	65,634
Due from other governments		61,200	61,200
Total Current Assets	<u>515,877</u>	<u>1,533,208</u>	<u>2,049,085</u>
Noncurrent Assets:			
Non-depreciable capital assets		15,009	15,009
Depreciable capital assets, net	<u>1,988,086</u>	<u>3,441,353</u>	<u>5,429,439</u>
Total Noncurrent Assets	<u>1,988,086</u>	<u>3,456,362</u>	<u>5,444,448</u>
Total Assets	<u>2,503,963</u>	<u>4,989,570</u>	<u>7,493,533</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	1,291	2,954	4,245
Deferred outflows related to pension liability	<u>16,194</u>	<u>17,711</u>	<u>33,905</u>
Total Deferred Outflows of Resources	<u>17,485</u>	<u>20,665</u>	<u>38,150</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	17,126	1,007	18,133
Accrued expenses	2,190	4,222	6,412
Due to other governments		87,392	87,392
Due to other funds	118,340	18,563	136,903
Current portion of bonds payable	<u>33,353</u>	<u>141,740</u>	<u>175,093</u>
Total Current Liabilities	<u>171,009</u>	<u>252,924</u>	<u>423,933</u>
Noncurrent Liabilities:			
Bonds payable	169,675	560,885	730,560
OPEB liability	11,587	22,797	34,384
Net pension liability	<u>72,858</u>	<u>79,684</u>	<u>152,542</u>
Total Noncurrent Liabilities	<u>254,120</u>	<u>663,366</u>	<u>917,486</u>
Total Liabilities	<u>425,129</u>	<u>916,290</u>	<u>1,341,419</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability	875	2,226	3,101
Deferred inflows related to pension liability	<u>4,689</u>	<u>5,129</u>	<u>9,818</u>
Total Deferred Inflows of Resources	<u>5,564</u>	<u>7,355</u>	<u>12,919</u>
NET POSITION			
Net investment in capital assets	1,785,058	2,753,737	4,538,795
Unrestricted	<u>305,697</u>	<u>1,332,853</u>	<u>1,638,550</u>
Total Net Position	<u>\$ 2,090,755</u>	<u>\$ 4,086,590</u>	<u>\$ 6,177,345</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT F

TOWN OF BELMONT, NEW HAMPSHIRE

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities		
	Water	Sewer	
	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 272,543	\$ 541,620	\$ 814,163
Total Operating revenues	<u>272,543</u>	<u>541,620</u>	<u>814,163</u>
Operating expenses:			
Personnel services	77,358	86,382	163,740
Contractual services	119,460	215,611	335,071
Materials and supplies	18,740	18,761	37,501
Utilities	19,961	10,228	30,189
Depreciation	<u>99,946</u>	<u>161,944</u>	<u>261,890</u>
Total Operating expenses	<u>335,465</u>	<u>492,926</u>	<u>828,391</u>
Operating Income (Loss)	<u>(62,922)</u>	<u>48,694</u>	<u>(14,228)</u>
Non-operating revenues (expenses):			
Interest revenue	1,486	5,345	6,831
Interest expense	<u>(3,708)</u>	<u>(17,827)</u>	<u>(21,535)</u>
Net Non-operating revenues (expenses)	<u>(2,222)</u>	<u>(12,482)</u>	<u>(14,704)</u>
Income (Loss) before capital contributions	(65,144)	36,212	(28,932)
Capital contributions	<u>17,903</u>	<u>2,856</u>	<u>20,759</u>
Change in Net Position	(47,241)	39,068	(8,173)
Total Net Position at beginning of year	<u>2,137,996</u>	<u>4,047,522</u>	<u>6,185,518</u>
Total Net Position at end of year	<u>\$ 2,090,755</u>	<u>\$ 4,086,590</u>	<u>\$ 6,177,345</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT G

TOWN OF BELMONT, NEW HAMPSHIRE

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2020

	Business-type Activities		
	Water Fund	Sewer Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 282,959	\$ 551,478	\$ 834,437
Cash paid to suppliers	(164,383)	(249,850)	(414,233)
Cash paid to employees	(60,620)	(54,608)	(115,228)
Net cash provided by operating activities	<u>57,956</u>	<u>247,020</u>	<u>304,976</u>
Cash flows from capital and related financing activities:			
Capital contributions		6,256	6,256
Principal paid on long-term debt	(32,191)	(140,740)	(172,931)
Interest paid on long-term debt	(4,168)	(22,697)	(26,865)
Net cash used for capital and related financing activities	<u>(36,359)</u>	<u>(157,181)</u>	<u>(193,540)</u>
Cash flows from investing activities:			
Purchase of investments	(100,075)	(32,042)	(132,117)
Redemption of investments	20,555	15,043	35,598
Interest on investments	1,486	5,345	6,831
Net cash used for investing activities	<u>(78,034)</u>	<u>(11,654)</u>	<u>(89,688)</u>
Net increase (decrease) in cash and cash equivalents	(56,437)	78,185	21,748
Cash and cash equivalents at beginning of year	289,977	883,311	1,173,288
Cash and cash equivalents at end of year	<u>\$ 233,540</u>	<u>\$ 961,496</u>	<u>\$ 1,195,036</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (62,922)	\$ 48,694	\$ (14,228)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	99,946	161,944	261,890
Change in deferred outflows related to OPEB	(326)	(737)	(1,063)
Change in deferred outflows related to pension	(10,386)	(12,239)	(22,625)
Change in deferred inflows related to OPEB	576	1,452	2,028
Change in deferred inflows related to pension	(1,454)	(658)	(2,112)
Changes in assets and liabilities:			
Accounts receivable	10,416	9,858	20,274
Accounts payable	16,479	(1,362)	15,117
Due to other governments		24,192	24,192
OPEB liability	(1,217)	(1,617)	(2,834)
Net pension liability	6,844	17,493	24,337
Net cash provided by operating activities	<u>\$ 57,956</u>	<u>\$ 247,020</u>	<u>\$ 304,976</u>
Noncash transactions affecting financial position:			
Amortization on bond premium		\$ 3,487	\$ 3,487
Principal forgiveness on debt	\$ 17,903		17,903
	<u>\$ 17,903</u>	<u>\$ 3,487</u>	<u>\$ 21,390</u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT H
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Custodial <u>Funds</u>
ASSETS	
Cash and cash equivalents	\$ 5,101,907
Investments	1,647,325
Taxes receivable	<u>494,282</u>
Total Assets	<u>7,243,514</u>
LIABILITIES	
Due to other governments	<u>5,520,120</u>
Total Liabilities	<u>5,520,120</u>
NET POSITION	
Restricted for:	
School District	1,647,325
Others	<u>76,069</u>
Total Net Position	<u><u>\$ 1,723,394</u></u>

See accompanying notes to the basic financial statements

Auditor's Report

EXHIBIT I
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial <u>Funds</u>
ADDITIONS:	
Contributions:	
Miscellaneous	\$ 436,000
Total Contributions	<u>436,000</u>
Investment Earnings:	
Interest income	<u>82,414</u>
Total Investment Earnings	<u>82,414</u>
Property tax collections for other governments	12,459,380
Motor vehicle fee collections for other governments	<u>528,540</u>
Total Additions	<u>13,506,334</u>
DEDUCTIONS:	
Beneficiary payments to other governments	155,537
Beneficiary payments to others	23,973
Payments of property tax to other governments	12,459,380
Payments of motor vehicle fees to other governments	<u>528,540</u>
Total Deductions	<u>13,167,430</u>
Change in Net Position	338,904
Total Net Position at beginning of year	<u>1,384,490</u>
Total Net Position at end of year	<u>\$ 1,723,394</u>

See accompanying notes to the basic financial statements