

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Belmont, New Hampshire

Opinions

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, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Belmont, New Hampshire's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belmont, New Hampshire, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Belmont, New Hampshire, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Belmont, New Hampshire's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Belmont, New Hampshire's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Belmont, New Hampshire's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an

Auditor's Report

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Vachon Clukay & Company PC

Manchester, New Hampshire
October 26, 2022

Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2021

Presented herewith, please find the Management Discussion and Analysis Report for the Town of Belmont, New Hampshire for the year ended December 31, 2021. 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.

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TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2021

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.

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

Year Ending December 31, 2021

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, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Capital assets, net	\$ 19,885,066	\$ 16,456,304
Other assets	<u>10,708,846</u>	<u>12,548,883</u>
Total Assets	<u>30,593,912</u>	<u>29,005,187</u>
Total Deferred Outflows of Resources	<u>1,467,826</u>	<u>1,961,828</u>
Long-term liabilities	11,689,629	14,070,446
Other liabilities	<u>1,230,287</u>	<u>772,215</u>
Total Liabilities	<u>12,919,916</u>	<u>14,842,661</u>
Total Deferred Inflows of Resources	<u>2,047,227</u>	<u>615,252</u>

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

Year Ending December 31, 2021

Net Position:		
Net investment in capital assets	15,419,157	14,619,708
Restricted	3,731,615	3,433,921
Unrestricted (deficit)	<u>(2,056,177)</u>	<u>(2,544,527)</u>
Total Net Position	<u>\$ 17,094,595</u>	<u>\$ 15,509,102</u>

The Town's net position for its governmental activities totaled \$17,094,595 as of December 31, 2021, an increase of \$1,585,493 when compared to the previous year.

Statement of Activities

Changes in net position of the governmental activities for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Revenues		
Program revenues:		
Charges for services	\$ 382,256	\$ 439,695
Operating grants and contributions	723,906	714,749
General revenues:		
Property and other taxes	6,040,385	6,016,520
Licenses and permits	1,910,269	1,747,992
Intergovernmental	539,574	519,838
Interest and investment earnings	348,764	404,257
Miscellaneous	<u>179,063</u>	<u>171,125</u>
Total revenues	<u>10,124,217</u>	<u>10,014,176</u>
Expenses		
General government	1,815,749	1,758,842
Public safety	3,885,593	4,400,607
Highways and streets	1,807,360	1,588,206
Sanitation	454,352	665,832
Health and welfare	185,497	179,524
Culture and recreation	297,302	317,319
Conservation	14,125	17,084
Interest and fiscal charges	<u>87,302</u>	<u>76,873</u>
Total expenses	<u>8,547,280</u>	<u>9,004,287</u>

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TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2021

Excess before contributions to permanent fund principal, and gain (loss) on disposal of capital assets	1,576,937	1,009,889
Contributions to permanent fund principal	<u>8,556</u>	<u>2,437</u>
Change in net position	1,585,493	1,012,326
Net Position, beginning of year	<u>15,509,102</u>	<u>14,496,776</u>
Net Position, end of year	<u>\$ 17,094,595</u>	<u>\$ 15,509,102</u>

As shown in the above statement the Town's governmental activities experienced an improvement in financial position of \$1,585,493 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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Capital assets, net	\$ 5,182,567	\$ 5,444,448
Other assets	<u>1,801,251</u>	<u>1,912,182</u>
Total Assets	<u>6,983,818</u>	<u>7,356,630</u>
Total Deferred Outflows of Resources	<u>33,008</u>	<u>38,150</u>
Long-term liabilities	874,665	1,092,579
Other liabilities	<u>5,787</u>	<u>111,937</u>
Total Liabilities	<u>880,452</u>	<u>1,204,516</u>
Total Deferred Inflows of Resources	<u>44,926</u>	<u>12,919</u>
Net Position:		
Net investment in capital assets	4,473,235	4,538,795
Unrestricted	<u>1,618,213</u>	<u>1,638,550</u>
Total Net Position	<u>\$ 6,091,448</u>	<u>\$ 6,177,345</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.

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TOWN OF BELMONT, NEW HAMPSHIRE MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ending December 31, 2021

Statement of Activities

Changes in net position of the business-type activities for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Revenues		
Program revenues:		
Charges for services	\$ 814,388	\$ 814,163
Capital grants and contributions	20,620	20,759
General revenues:		
Interest and investment earnings (losses)	<u>2,519</u>	<u>6,831</u>
Total revenues	<u>837,527</u>	<u>841,753</u>
Expenses		
Water Department	349,442	339,173
Sewer Department	<u>573,982</u>	<u>510,753</u>
Total expenses	<u>923,424</u>	<u>849,926</u>
Change in net position	(85,897)	(8,173)
Net Position, beginning of year	<u>6,177,345</u>	<u>6,185,518</u>
Net Position, end of year	<u>\$ 6,091,448</u>	<u>\$ 6,177,345</u>

The main funding source for the business-type activities is charges for services. Overall net position decreased by \$85,897 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 \$4,365,433 on the modified accrual basis of accounting, a decrease of \$2,509,989. This decrease was largely a result of expenditures for the police station construction project, which was funded through the issuance of debt in the prior year. This change is reflected in the year end restricted fund balance of \$202,925, representing a decrease of \$2,954,958 compared to the prior year. Additionally, the unassigned fund balance at year end of 1,862,653 increased from the prior year balance by \$605,647.

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

Year Ending December 31, 2021

During the year, the original budget for appropriations decreased by (\$233,097) largely related to carryforward of appropriations for non-lapsing grant awards, while the budget for revenues increased from original estimates by \$82,383 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, 2021, a balance of \$3,091,057 was non-spendable for principal and \$433,246 was restricted for income. The total fund balance in the permanent funds increased \$294,172 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, 2021, the Nonmajor Governmental Funds had a total fund balance of \$1,219,698 which represents an increase of \$171,999 from the prior year, primarily resulting from Ambulance Fund revenues from charges with service in excess of expenditures of \$104,110.

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 \$1,618,213 as of December 31, 2021, which represents a decrease of \$20,337 or approximately 1% from 2020.

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 \$3,428,762. Significant additions during the current year included the construction of a new police station, police and highway department vehicles, major road reconstruction, and mill renovations. The Town's net capital assets for the proprietary funds decreased by (\$261,881) 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 2021, the Town had a net decrease in general obligation debt payable for governmental activities of (\$283,786) due to scheduled payments made on existing obligations. General obligation debt for business-type activities decreased during the year by (\$196,321) due to scheduled payments made on existing obligations, including bond premium amortization and principal forgiveness. Capital leases payable for governmental activities increased during the year by 93,460, due to the execution of a \$287,206 in new capital leases for vehicles, offset by scheduled repayments on existing lease obligations. The compensated absences for governmental activities had a net increase in balances accrued of \$120,752 for the year.

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

Year Ending December 31, 2021

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, 2021 is \$5,922,830 for governmental activities and \$126,065 for business-type activities, for a total liability of \$6,048,895.

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, 2021 is \$1,209,356 for governmental activities and \$39,268 for business-type activities, for a total liability of \$1,248,624.

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.

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EXHIBIT A
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Net Position
 December 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,253,968	\$ 1,093,514	\$ 4,347,482
Investments	6,249,803	599,136	6,848,939
Taxes receivable, net	724,647		724,647
Accounts receivable, net	239,005	128,859	367,864
Unbilled charges for services		65,634	65,634
Due from other governments	97,931	3,800	101,731
Internal balances	143,492	(143,492)	-
Total Current Assets	<u>10,708,846</u>	<u>1,747,451</u>	<u>12,456,297</u>
Noncurrent Assets:			
Due from other governments		53,800	53,800
Capital assets:			
Non-depreciable capital assets	8,396,691	15,009	8,411,700
Depreciable capital assets, net	<u>11,488,375</u>	<u>5,167,558</u>	<u>16,655,933</u>
Total Noncurrent Assets	<u>19,885,066</u>	<u>5,236,367</u>	<u>25,121,433</u>
Total Assets	<u>30,593,912</u>	<u>6,983,818</u>	<u>37,577,730</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	112,875	4,168	117,043
Deferred outflows related to pension liability	<u>1,354,951</u>	<u>28,840</u>	<u>1,383,791</u>
Total Deferred Outflows of Resources	<u>1,467,826</u>	<u>33,008</u>	<u>1,500,834</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	560,272	1,262	561,534
Accrued liabilities	158,396	4,525	162,921
Retainage payable	209,007		209,007
Advances from grantors	302,612		302,612
Current portion of bonds payable	93,849	177,348	271,197
Current portion of notes payable	173,808		173,808
Current portion of capital leases payable	156,104		156,104
Current portion of compensated absences payable	<u>119,000</u>		<u>119,000</u>
Total Current Liabilities	<u>1,773,048</u>	<u>183,135</u>	<u>1,956,183</u>
Noncurrent Liabilities:			
Bonds payable	147,682	531,984	679,666
Notes payable	3,331,126		3,331,126
Capital leases payable	324,852		324,852
Compensated absences payable	211,022		211,022
OPEB liability	1,209,356	39,268	1,248,624
Net pension liability	<u>5,922,830</u>	<u>126,065</u>	<u>6,048,895</u>
Total Noncurrent Liabilities	<u>11,146,868</u>	<u>697,317</u>	<u>11,844,185</u>
Total Liabilities	<u>12,919,916</u>	<u>880,452</u>	<u>13,800,368</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability	71,066	2,865	73,931
Deferred inflows related to pension liability	<u>1,976,161</u>	<u>42,061</u>	<u>2,018,222</u>
Total Deferred Inflows of Resources	<u>2,047,227</u>	<u>44,926</u>	<u>2,092,153</u>
NET POSITION			
Net investment in capital assets	15,419,157	4,473,235	19,892,392
Restricted	3,731,615		3,731,615
Unrestricted (deficit)	<u>(2,056,177)</u>	<u>1,618,213</u>	<u>(437,964)</u>
Total Net Position	<u>\$ 17,094,595</u>	<u>\$ 6,091,448</u>	<u>\$ 23,186,043</u>

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EXHIBIT B
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Activities
 For the Year Ended December 31, 2021

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	\$ 1,815,749	\$ 19,196			\$ (1,796,553)		\$ (1,796,553)
Public safety	3,885,593	358,059	\$ 478,512		(3,049,022)		(3,049,022)
Highways and streets	1,807,360		190,931		(1,616,429)		(1,616,429)
Sanitation	454,352	5,001	54,463		(394,888)		(394,888)
Health and welfare	185,497				(185,497)		(185,497)
Culture and recreation	297,302				(297,302)		(297,302)
Conservation	14,125				(14,125)		(14,125)
Interest and fiscal charges	87,302				(87,302)		(87,302)
Total governmental activities	<u>8,547,280</u>	<u>382,256</u>	<u>723,906</u>	<u>\$ -</u>	<u>(7,441,118)</u>	<u>\$ -</u>	<u>(7,441,118)</u>
Business-type activities:							
Sewer Department	573,982	543,871		2,716		(27,395)	(27,395)
Water Department	349,442	270,517		17,904		(61,021)	(61,021)
Total business-type activities	<u>923,424</u>	<u>814,388</u>	<u>-</u>	<u>20,620</u>	<u>-</u>	<u>(88,416)</u>	<u>(88,416)</u>
Total primary government	<u>\$ 9,470,704</u>	<u>\$ 1,196,644</u>	<u>\$ 723,906</u>	<u>\$ 20,620</u>	<u>(7,441,118)</u>	<u>(88,416)</u>	<u>(7,529,534)</u>
General revenues:							
Property and other taxes					6,040,385		6,040,385
Licenses and permits					1,910,269		1,910,269
Grants and contributions:							
Rooms and meals tax distribution					539,565		539,565
State and federal forest land reimbursemen					9		9
Interest and investment earnings					348,764	2,519	351,283
Miscellaneous					179,063		179,063
Contributions to permanent fund principal					8,556		8,556
Total general revenues and contributions to permanent fund principal					<u>9,026,611</u>	<u>2,519</u>	<u>9,029,130</u>
Change in Net Position					1,585,493	(85,897)	1,499,596
Total Net Position at beginning of year					<u>15,509,102</u>	<u>6,177,345</u>	<u>21,686,447</u>
Total Net Position at end of year					<u>\$ 17,094,595</u>	<u>\$ 6,091,448</u>	<u>\$ 23,186,043</u>

Auditor's Report

EXHIBIT C
TOWN OF BELMONT, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
 December 31, 2021

	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 2,294,256		\$ 959,712	\$ 3,253,968
Investments	2,725,500	\$ 3,524,303		6,249,803
Taxes receivable, net	724,647			724,647
Accounts receivable, net	7,211		231,794	239,005
Due from other governments	97,931			97,931
Due from other funds	143,644		28,344	171,988
Total Assets	<u>5,993,189</u>	<u>3,524,303</u>	<u>1,219,850</u>	<u>10,737,342</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 5,993,189</u>	<u>\$ 3,524,303</u>	<u>\$ 1,219,850</u>	<u>\$ 10,737,342</u>
LIABILITIES				
Accounts payable	\$ 560,272			\$ 560,272
Accrued liabilities	118,170			118,170
Retainage payable	209,007			209,007
Advances from grantors	302,612			302,612
Due to other funds	28,344		\$ 152	28,496
Total Liabilities	<u>1,218,405</u>	<u>\$ -</u>	<u>152</u>	<u>1,218,557</u>
DEFERRED INFLOWS OF RESOURCES				
Uncollected property taxes	409,351			409,351
Total Deferred Inflows of Resources	<u>409,351</u>	-	-	<u>409,351</u>
FUND BALANCES				
Nonspendable		3,091,057		3,091,057
Restricted	202,925	433,246	4,387	640,558
Committed	2,252,641		1,215,311	3,467,952
Assigned	47,214			47,214
Unassigned	1,862,653			1,862,653
Total Fund Balances	<u>4,365,433</u>	<u>3,524,303</u>	<u>1,219,698</u>	<u>9,109,434</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,993,189</u>	<u>\$ 3,524,303</u>	<u>\$ 1,219,850</u>	<u>\$ 10,737,342</u>

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EXHIBIT C-1

TOWN OF BELMONT, NEW HAMPSHIRE

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

December 31, 2021

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 9,109,434
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.	19,885,066
Property and land use change taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	409,351
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	112,875
Deferred outflows of resources related to net pension liability	1,354,951
Deferred inflows of resources related to OPEB liability	(71,066)
Deferred inflows of resources related to net pension liability	(1,976,161)
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	(241,531)
Notes payable	(3,504,934)
Capital leases payable	(480,956)
Accrued interest on long-term obligations	(40,226)
Compensated absences payable	(330,022)
OPEB liability	(1,209,356)
Net pension liability	<u>(5,922,830)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 17,094,595</u>

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EXHIBIT D

TOWN OF BELMONT, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 6,231,694		\$ 67,532	\$ 6,299,226
Licenses and permits	1,910,269			1,910,269
Intergovernmental	1,253,580		9,900	1,263,480
Charges for services	218,396		163,860	382,256
Interest and investment income	12,186	\$ 335,064	1,514	348,764
Miscellaneous	179,063	8,556		187,619
Total Revenues	<u>9,805,188</u>	<u>343,620</u>	<u>242,806</u>	<u>10,391,614</u>
Expenditures:				
Current operations:				
General government	1,776,506	45,838		1,822,344
Public safety	4,162,821	104	9,900	4,172,825
Highways and streets	2,372,843			2,372,843
Sanitation	454,352			454,352
Health and welfare	184,284			184,284
Culture and recreation	207,730	3,506		211,236
Conservation	10,549		3,576	14,125
Capital outlay	3,130,088			3,130,088
Debt service:				
Principal retirement	283,786			283,786
Interest and fiscal charges	76,755			76,755
Total Expenditures	<u>12,659,714</u>	<u>49,448</u>	<u>13,476</u>	<u>12,722,638</u>
Excess revenues over (under) expenditures	<u>(2,854,526)</u>	<u>294,172</u>	<u>229,330</u>	<u>(2,331,024)</u>
Other financing sources (uses):				
Issuances from capital leases	287,206			287,206
Transfers in	60,776		3,445	64,221
Transfers out	(3,445)		(60,776)	(64,221)
Total Other financing sources (uses)	<u>344,537</u>	<u>-</u>	<u>(57,331)</u>	<u>287,206</u>
Net change in fund balances	(2,509,989)	294,172	171,999	(2,043,818)
Fund Balances at beginning of year	<u>6,875,422</u>	<u>3,230,131</u>	<u>1,047,699</u>	<u>11,153,252</u>
Fund Balances at end of year	<u>\$ 4,365,433</u>	<u>\$ 3,524,303</u>	<u>\$ 1,219,698</u>	<u>\$ 9,109,434</u>

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, 2021

Net Change in Fund Balances - Governmental Funds (Exhibit D) \$ (2,043,818)

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. Capital outlays and depreciation expense in the current period are as follows:

Capital outlays	4,168,447
Depreciation expense	(739,685)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(258,841)
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Proceeds from issuances of long-term obligations are reported as other financing sources in the governmental funds, but long-term debt issuances increase long-term liabilities in the statement of net position. Current year long-term issuances are as follows:

Capital lease issuances	(287,206)
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Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Repayments in the current year are as follows:

Bond principal paid	90,720
Note principal paid	193,066
Capital lease principal paid	193,746

In the statement of activities, interest is accrued on outstanding long-term debt obligations, whereas in governmental funds, an interest expenditure is reported when due.

4,550

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 the governmental funds. These expenses are from the following activities:

Compensated absences	(120,752)
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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	(17,763)
Net changes in pension	403,029

Change in Net Position of Governmental Activities (Exhibit B) \$ 1,585,493

Auditor's Report

EXHIBIT E
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities		
	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 180,816	\$ 912,698	\$ 1,093,514
Investments	164,778	434,358	599,136
Accounts receivable	43,191	85,668	128,859
Unbilled charges for services	21,047	44,587	65,634
Due from other governments		3,800	3,800
Total Current Assets	<u>409,832</u>	<u>1,481,111</u>	<u>1,890,943</u>
Noncurrent Assets:			
Due from other governments		53,800	53,800
Capital assets:			
Non-depreciable capital assets		15,009	15,009
Depreciable capital assets, net	1,888,148	3,279,410	5,167,558
Total Noncurrent Assets	<u>1,888,148</u>	<u>3,348,219</u>	<u>5,236,367</u>
Total Assets	<u>2,297,980</u>	<u>4,829,330</u>	<u>7,127,310</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	3,008	1,160	4,168
Deferred outflows related to pension liability	13,945	14,895	28,840
Total Deferred Outflows of Resources	<u>16,953</u>	<u>16,055</u>	<u>33,008</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	186	1,076	1,262
Accrued liabilities	1,710	2,815	4,525
Due to other funds	20,969	122,523	143,492
Current portion of bonds payable	34,608	142,740	177,348
Total Current Liabilities	<u>57,473</u>	<u>269,154</u>	<u>326,627</u>
Noncurrent Liabilities:			
Bonds payable	117,163	414,821	531,984
OPEB liability	26,596	12,672	39,268
Net pension liability	60,957	65,108	126,065
Total Noncurrent Liabilities	<u>204,716</u>	<u>492,601</u>	<u>697,317</u>
Total Liabilities	<u>262,189</u>	<u>761,755</u>	<u>1,023,944</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability	2,146	719	2,865
Deferred inflows related to pension liability	20,338	21,723	42,061
Total Deferred Inflows of Resources	<u>22,484</u>	<u>22,442</u>	<u>44,926</u>
NET POSITION			
Net investment in capital assets	1,736,377	2,736,858	4,473,235
Unrestricted	293,883	1,324,330	1,618,213
Total Net Position	<u>\$ 2,030,260</u>	<u>\$ 4,061,188</u>	<u>\$ 6,091,448</u>

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EXHIBIT F

TOWN OF BELMONT, NEW HAMPSHIRE

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended December 31, 2021

	Business-type Activities		
	Water Fund	Sewer Fund	Totals
Operating revenues:			
Charges for services	\$ 270,517	\$ 543,871	\$ 814,388
Total Operating revenues	270,517	543,871	814,388
Operating expenses:			
Personnel services	114,853	77,079	191,932
Contractual services	97,618	283,906	381,524
Materials and supplies	12,031	23,400	35,431
Utilities	22,142	12,491	34,633
Depreciation	99,938	161,943	261,881
Total Operating expenses	346,582	558,819	905,401
Operating Loss	(76,065)	(14,948)	(91,013)
Non-operating revenues (expenses):			
Interest revenue	526	1,993	2,519
Interest expense	(2,860)	(15,163)	(18,023)
Net Non-operating revenues (expenses)	(2,334)	(13,170)	(15,504)
Loss before capital contributions	(78,399)	(28,118)	(106,517)
Capital contributions	17,904	2,716	20,620
Change in Net Position	(60,495)	(25,402)	(85,897)
Total Net Position at beginning of year	2,090,755	4,086,590	6,177,345
Total Net Position at end of year	\$ 2,030,260	\$ 4,061,188	\$ 6,091,448

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EXHIBIT G

TOWN OF BELMONT, NEW HAMPSHIRE

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2021

	Business-type Activities		
	Water Fund	Sewer Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 277,289	\$ 540,648	\$ 817,937
Cash paid to suppliers	(184,823)	(427,740)	(612,563)
Cash paid to employees	(58,201)	(61,463)	(119,664)
Net cash provided by operating activities	34,265	51,445	85,710
Cash flows from capital and related financing activities:			
Capital contributions		6,316	6,316
Principal paid on long-term debt	(33,353)	(141,740)	(175,093)
Interest paid on long-term debt	(3,340)	(19,894)	(23,234)
Net cash used for capital and related financing activities	(36,693)	(155,318)	(192,011)
Cash flows from investing activities:			
Purchase of investments	(100,016)	(100,391)	(200,407)
Redemption of investments	28,225	30,950	59,175
Interest on investments	526	1,993	2,519
Net cash used for investing activities	(71,265)	(67,448)	(138,713)
Net decrease in cash and cash equivalents	(73,693)	(171,321)	(245,014)
Cash and cash equivalents at beginning of year	233,540	961,496	1,195,036
Cash and cash equivalents at end of year	\$ 159,847	\$ 790,175	\$ 950,022
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (76,065)	\$ (14,948)	\$ (91,013)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	99,938	161,943	261,881
Change in deferred outflows related to OPEB	(1,717)	1,794	77
Change in deferred outflows related to pension	2,249	2,816	5,065
Change in deferred inflows related to OPEB	1,271	(1,507)	(236)
Change in deferred inflows related to pension	15,649	16,594	32,243
Changes in assets and liabilities:			
Accounts receivable	6,772	(3,223)	3,549
Accounts payable	(16,940)	69	(16,871)
Due to other governments		(87,392)	(87,392)
OPEB liability	15,009	(10,125)	4,884
Net pension liability	(11,901)	(14,576)	(26,477)
Net cash provided by operating activities	\$ 34,265	\$ 51,445	\$ 85,710
Noncash transactions affecting financial position:			
Amortization on bond premium		\$ 3,324	\$ 3,324
Principal forgiveness on debt	\$ 17,904		17,904
	\$ 17,904	\$ 3,324	\$ 21,228

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EXHIBIT H
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 5,682,405
Investments	1,620,359
Taxes receivable	<u>547,270</u>
Total Assets	<u>7,850,034</u>
LIABILITIES	
Due to other governments	<u>6,156,732</u>
Total Liabilities	<u>6,156,732</u>
NET POSITION	
Restricted for:	
School District	1,620,359
Others	<u>72,943</u>
Total Net Position	<u>\$ 1,693,302</u>

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, 2021

	Custodial Funds
ADDITIONS:	
Contributions:	
Miscellaneous	\$ 51,656
Total Contributions	<u>51,656</u>
Investment earnings:	
Interest income	76,039
Total Investment earnings	<u>76,039</u>
Property tax collections for other governments	13,403,556
Motor vehicle fee collections for other governments	<u>571,876</u>
Total Additions	<u>14,103,127</u>
DEDUCTIONS:	
Beneficiary payments to other governments	143,940
Beneficiary payments to others	13,847
Payments of property tax to other governments	13,403,556
Payments of motor vehicle fees to other governments	<u>571,876</u>
Total Deductions	<u>14,133,219</u>
Change in Net Position	(30,092)
Net Position at beginning of year	<u>1,723,394</u>
Net Position at end of year	<u>\$ 1,693,302</u>