

**TOWN OF BELMONT, NEW HAMPSHIRE**

**Financial Statements**

**December 31, 2021**

**and**

**Independent Auditor's Report**

**TOWN OF BELMONT, NEW HAMPSHIRE  
FINANCIAL STATEMENTS  
December 31, 2021**

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FINANCIAL STATEMENTS  
December 31, 2021**

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## **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.

### ***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

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

**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.

**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.



**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:

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

**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>

**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.

**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.

**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.

**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.

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
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>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
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>
<b>LIABILITIES</b>			
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>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
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>
<b>NET POSITION</b>			
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>

See accompanying notes to the basic financial statements

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>
<b>Governmental Activities:</b>							
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>
<b>Business-type activities:</b>							
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>
<b>General revenues:</b>							
Property and other taxes					6,040,385		6,040,385
Licenses and permits					1,910,269		1,910,269
<b>Grants and contributions:</b>							
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>

See accompanying notes to the basic financial statements



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

	General <u>Fund</u>	Permanent <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>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>-</u>	<u>-</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>

*See accompanying notes to the basic financial statements*

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>

*See accompanying notes to the basic financial statements*

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

	General <u>Fund</u>	Permanent <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>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>

See accompanying notes to the basic financial statements

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

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>
<b>ASSETS</b>			
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>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
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>
<b>LIABILITIES</b>			
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>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
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>
<b>NET POSITION</b>			
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>

*See accompanying notes to the basic financial statements*

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 <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 270,517	\$ 543,871	\$ 814,388
Total Operating revenues	<u>270,517</u>	<u>543,871</u>	<u>814,388</u>
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	<u>346,582</u>	<u>558,819</u>	<u>905,401</u>
Operating Loss	<u>(76,065)</u>	<u>(14,948)</u>	<u>(91,013)</u>
Non-operating revenues (expenses):			
Interest revenue	526	1,993	2,519
Interest expense	<u>(2,860)</u>	<u>(15,163)</u>	<u>(18,023)</u>
Net Non-operating revenues (expenses)	<u>(2,334)</u>	<u>(13,170)</u>	<u>(15,504)</u>
Loss before capital contributions	(78,399)	(28,118)	(106,517)
Capital contributions	<u>17,904</u>	<u>2,716</u>	<u>20,620</u>
Change in Net Position	(60,495)	(25,402)	(85,897)
Total Net Position at beginning of year	<u>2,090,755</u>	<u>4,086,590</u>	<u>6,177,345</u>
Total Net Position at end of year	<u>\$ 2,030,260</u>	<u>\$ 4,061,188</u>	<u>\$ 6,091,448</u>

*See accompanying notes to the basic financial statements*

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	<u>34,265</u>	<u>51,445</u>	<u>85,710</u>
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	<u>(36,693)</u>	<u>(155,318)</u>	<u>(192,011)</u>
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	<u>(71,265)</u>	<u>(67,448)</u>	<u>(138,713)</u>
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	<u>\$ 159,847</u>	<u>\$ 790,175</u>	<u>\$ 950,022</u>
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	<u>\$ 34,265</u>	<u>\$ 51,445</u>	<u>\$ 85,710</u>
Noncash transactions affecting financial position:			
Amortization on bond premium		\$ 3,324	\$ 3,324
Principal forgiveness on debt	\$ 17,904		17,904
	<u>\$ 17,904</u>	<u>\$ 3,324</u>	<u>\$ 21,228</u>

See accompanying notes to the basic financial statements

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

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

*See accompanying notes to the basic financial statements*



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>

*See accompanying notes to the basic financial statements*

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Belmont, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

***Financial Reporting Entity***

The Town of Belmont, New Hampshire (the Town) was incorporated in 1727. The Town operates under the Town Meeting/Board of Selectmen form of government and performs local governmental functions authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

***Basis of Presentation***

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements:**

The statement of net position and statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental and business-type activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**2. Fund Financial Statements:**

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

***Fund Accounting***

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of three categories of funds: governmental, proprietary and fiduciary.

**1. Governmental Funds:**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the Town's major governmental funds:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

The *Permanent Funds* are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

**2. Proprietary Funds:**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The Town has no internal service funds. The following are the Town's major proprietary funds:

The *Water* and *Sewer Funds* account for all revenues and expenses pertaining to the Town's water and wastewater operations, respectively. The Water and Sewer Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

**3. Fiduciary Funds:**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is comprised solely of custodial funds. Custodial funds are held and administered by the Town for the benefit of others; therefore, assets of the custodial funds are not available to support the Town. The Town's custodial funds consist of property taxes collected on behalf of Shaker Regional School District and Belknap County, motor vehicle fees collected on behalf of the State of New Hampshire, and the capital reserve funds of the Shaker Regional School District, which are held by the Town as required by State law. Other custodial funds consist of developer's performance deposits.

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Measurement Focus***

**1. Government-Wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

**2. Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

The fiduciary funds are reported using the economic resources measurement focus.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

**1. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

is recognized in the year for which the taxes are levied (see Note 10). 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 specified 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes, charges for services, and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, taxes receivable that will not be collected within the available period have been reported as deferred inflows of resources.

**2. Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

***Budgetary Data***

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended December 31, 2021, the Town applied \$250,000 of its unappropriated fund balance to reduce taxes.

***Cash and Cash Equivalents***

The Town maintains separate cash accounts for its governmental and proprietary funds; however, most cash transactions flow through the General Fund. As a result, cash applicable to a particular fund also needs to reflect the interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
Cash and cash equivalents	\$ 180,816	\$ 912,698	\$1,093,514
Due to other funds	<u>(20,969)</u>	<u>(122,523)</u>	<u>(143,492)</u>
Total cash and cash equivalents	<u>\$ 159,847</u>	<u>\$ 790,175</u>	<u>\$ 950,022</u>

***Investments***

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

***Taxes Receivable***

Taxes levied during the current year and prior and uncollected at December 31, 2021 are recorded as receivables net of reserves for estimated uncollectible taxes of \$502,000.

***Accounts Receivable***

Charges for services billed during the current year and prior and uncollected at December 31, 2021 are recorded as receivables net of reserves for estimated uncollectibles of \$135,300 in the Ambulance Fund, a Nonmajor Governmental Fund.

***Capital Assets***

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements. In the government-wide financial statements, capital assets are reported in the applicable governmental or business-type activities column.

All capital assets including infrastructure are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Town maintains a capitalization threshold of \$15,000. The Town's infrastructure consists of roads, sidewalks, water purification and distribution system, sewer collection and treatment system, and similar items. The Town is not required to retroactively report its general infrastructure. Infrastructure records for the governmental activities have been maintained effective January 1, 2004 and are included in these financial statements. Intangible assets of the Town consist of land easements which are reported as non-depreciable capital assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land, easements with an indefinite life, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

<u>Description</u>	<u>Years</u>
Land improvements	15 - 30
Infrastructure	40 - 50
Buildings and improvements	10 - 30
Vehicles and equipment	5 - 15
Computer software	5

***Bond Premiums***

Bond premiums are amortized as a component of interest expense over the life of the related bond using the effective interest rate method. Bonds payable are reported in the accompanying financial statements gross of any applicable unamortized bond premiums.

***Compensated Absences***

Full time employees accrue sick leave at a rate of one day (8 hours) per month, cumulative to a maximum of 480 hours. Upon retirement, employees with 10 or more years of service, and who qualify for retirement under the guidelines set forth by the New Hampshire Retirement System, may receive a payout of 50% of their accumulated sick time at current rates of pay, up to a maximum of 225 hours. Full time employees earn vacation leave at 10-25 days per year, dependent upon length of service. Upon retirement, employees shall be compensated for unused vacation leave at current rates of pay. Employees with 15 years of service also receive a \$2,000 longevity stipend upon retirement; increased to \$3,000 after 20 years of service.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. General obligation debt and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

***Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Net Pension Liability***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

***Net Position***

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***Fund Balance Policy***

The Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The components of fund balance are defined as follows:

- ***Nonspendable Fund Balance***: Amounts that are not in a spendable form or are required to be maintained intact.
- ***Restricted Fund Balance***: Amounts that can only be spent for the specific purpose stipulated by external resource providers or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers or enabling legislation.
- ***Committed Fund Balance***: Amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority (Town Meeting vote). Commitments may be changed or lifted only by taking the same formal action that imposed the constraint originally. The action must be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in a subsequent period.
- ***Assigned Fund Balance***: Amounts the Town intends to use for a specific purpose. For all governmental funds other than the General Fund, any remaining positive fund balance is to be classified as "Assigned".
- ***Unassigned Fund Balance***: Amounts that are not obligated or specifically designated and is available for any purpose. The residual classification of any General Fund balance is to be reported here. Any deficit balance of another governmental fund is also classified as "Unassigned".



**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

*Spending Prioritizations*

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

*Minimum Level of Unassigned Fund Balance*

The Town will strive to maintain an unassigned fund balance in its General Fund equal to 5-17% of the total appropriations of the community (which includes Town, School, and County). The Board of Selectmen will review this information each year in order to determine the amount, if any, of unassigned fund balance to use to balance the budget and to reduce the property tax rate.

***Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the water fund and sewer fund, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***Estimates***

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

**NOTE 2—DEPOSITS AND INVESTMENTS**

Deposits and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

Statement of Net Position:	
Cash and cash equivalents	\$ 4,347,482
Investments	6,848,939
Statement of Fiduciary Net Position:	
Cash and cash equivalents	5,682,405
Investments	<u>1,620,359</u>
Total deposits and investments	<u>\$ 18,499,185</u>

Deposits and investments as of December 31, 2021 consist of the following:

Cash on hand	\$ 22,411
Deposits with financial institutions	2,493,193
Investments	<u>15,983,581</u>
Total deposits and investments	<u>\$ 18,499,185</u>

The Town's investment policy for governmental and business-type funds requires that deposits be made in federally insured banks chartered under the laws of the State of New Hampshire or the federal government with a branch within the State of New Hampshire. The Town limits its investments in accordance with New Hampshire State law (RSA 41:29) to United States Treasury securities maturing in less than one year, short-term obligations of U.S. Government agencies, fully insured or collateralized certificates of deposits in banks incorporated in the State of New Hampshire or national banks located in the State of New Hampshire, repurchase agreements with banks chartered by the State of New Hampshire and fully collateralized, and the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool.

Responsibility for the investments of the Town's Trust Funds is with the Board of Trustees. The Trustees of Trust Funds have employed professional banking assistance in accordance with New Hampshire State law (RSA 31:38a). Investments of the library funds are at the discretion of the Library Trustees.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more its fair value becomes sensitive to changes in market interest rates. The Town's investment policy for its governmental and business-type funds regarding interest rate risk indicates that investments shall be limited to those with maturity dates that meet projected cash flow needs or six months, whichever is shorter. The Trustees of Trust Funds do not have a specific policy regarding management of interest rate risk.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Remaining Maturity (In Years)</u>		
		<u>0-1 Years</u>	<u>1-5 Years</u>	<u>&gt; 5 Years</u>
US Treasury notes	\$ 451,489		\$ 316,240	\$ 135,249
US Government agency obligations	387,292		165,835	221,457
Fixed income mutual funds	78,817		78,817	
Corporate bonds & notes	<u>473,946</u>	<u>\$ 80,618</u>	<u>240,534</u>	<u>152,794</u>
	<u>\$ 1,391,544</u>	<u>\$ 80,618</u>	<u>\$ 801,426</u>	<u>\$ 509,500</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town's investment policy for its governmental and business-type funds regarding credit risk is to have each investment transaction seek to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value and that investment earnings are maximized based on the current investment options available. The Trustees of Trust Funds do not have a specific policy regarding management of credit risk.

The following are the actual ratings as of December 31, 2021, for each investment type:

		Investment Type					Totals
		US Government agency obligations	Corporate bonds & notes	Money market funds	Fixed income mutual funds	State investment pool	
Ratings as of year end	AAA					\$ 3,989,643	\$ 3,989,643
	AA+	\$ 387,292					387,292
	A+		\$ 116,858				116,858
	A		114,691				114,691
	A-		81,683				81,683
	BBB+		160,714				160,714
	Unrated			\$ 250,017	\$ 78,817		328,834
	Total Fair Value	<u>\$ 387,292</u>	<u>\$ 473,946</u>	<u>\$ 250,017</u>	<u>\$ 78,817</u>	<u>\$ 3,989,643</u>	<u>\$ 5,179,715</u>

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy for its governmental and business-type funds regarding assurance against custodial credit risk requires that all investment and depository instruments not covered by federal depository insurance be collateralized through third party custodial safekeeping. The Trustees of Trust Funds do not have a specific policy regarding management of custodial credit risk.

Of the Town's deposits with financial institutions at year end, \$2,070,501 was collateralized by securities held by the bank in the bank's name.

As of December 31, 2021, Town investments in the following investment types were held by the same counterparty that was used to buy the securities:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

<u>Investment Type</u>	<u>Reported Amount</u>
US Treasury notes	\$ 451,489
US Government agency obligations	387,292
Corporate bonds & notes	473,946
Equity securities	1,690,073
Fixed income mutual funds	78,817
Equity mutual funds & ETF's	966,907
Overnight repurchase agreement (Commercial Sweep)	7,695,397
	<u>\$ 11,743,921</u>

***Investment in NHPDIP***

The Town is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by State law and is administered by a public body of state, local and banking officials. Financial statements for the NHPDIP can be accessed through the NHPDIP's website at [www.NHPDIP.com](http://www.NHPDIP.com).

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The Town's exposure to derivatives is indirect through its participation in the NHPDIP. The Town's proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares and have been measured at amortized cost.

***Fair Value Measurement of Investments***

The Town categorizes the fair value measurements of its investments within the fair value hierarchy established by accounting principles generally accepted in the United States. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows (in order of priority):

- ***Level 1 Inputs*** - Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date.
- ***Level 2 Inputs*** - Inputs other than quoted prices that are observable for assets or liabilities either directly or indirectly, including inputs in markets that are not considered to be active.
- ***Level 3 Inputs*** - Significant unobservable inputs.

As of December 31, 2021, the Town's investments measured at fair value, by type, were as follows:

<u>Investment Type</u>	<u>Fair Value Measurements Using:</u>			<u>Totals</u>
	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	
US Treasury notes		\$ 451,489		\$ 451,489
US Government agency obligations		387,292		387,292
Corporate bonds & notes		473,946		473,946
Equity securities	\$ 1,690,073			1,690,073
Fixed income mutual funds	78,817			78,817
Equity mutual funds & ETF's	966,907			966,907
	<u>\$ 2,735,797</u>	<u>\$ 1,312,727</u>	<u>\$ -</u>	<u>\$ 4,048,524</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

Equity securities, equity mutual funds and ETF's, and fixed income mutual funds classified as Level 1 are valued using unadjusted quoted prices in active markets for those securities. Corporate bonds and notes, US Treasury notes and US Government agency obligations classified as Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

**NOTE 3—CAPITAL ASSETS**

The following is a summary of changes in capital assets of the governmental activities:

	Balance <u>1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2021</u>
<b>Governmental activities:</b>				
Capital assets not depreciated:				
Land	\$ 3,634,326			\$ 3,634,326
Intangible assets	109,975			109,975
Construction in progress	838,900	\$ 3,827,508	\$ (14,018)	4,652,390
Total capital assets not being depreciated	<u>4,583,201</u>	<u>3,827,508</u>	<u>(14,018)</u>	<u>8,396,691</u>
Other capital assets:				
Land improvements	313,501			313,501
Infrastructure	11,176,019			11,176,019
Buildings and improvements	2,780,118	14,018		2,794,136
Vehicles and equipment	4,421,248	340,939	(68,178)	4,694,009
Computer software	62,290			62,290
Total other capital assets at historical cost	<u>18,753,176</u>	<u>354,957</u>	<u>(68,178)</u>	<u>19,039,955</u>
Less accumulated depreciation for:				
Land improvements	(100,141)	(18,579)		(118,720)
Infrastructure	(1,723,447)	(304,360)		(2,027,807)
Buildings and improvements	(2,287,692)	(68,456)		(2,356,148)
Vehicles and equipment	(2,706,503)	(348,290)	68,178	(2,986,615)
Computer software	(62,290)			(62,290)
Total accumulated depreciation	<u>(6,880,073)</u>	<u>(739,685)</u>	<u>68,178</u>	<u>(7,551,580)</u>
Total other capital assets, net	<u>11,873,103</u>	<u>(384,728)</u>	<u>-</u>	<u>11,488,375</u>
Total capital assets, net	<u>\$ 16,456,304</u>	<u>\$ 3,442,780</u>	<u>\$ (14,018)</u>	<u>\$ 19,885,066</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 67,622
Public safety	233,883
Highways and streets	347,913
Culture and recreation	90,267
Total governmental activities depreciation expense	<u>\$ 739,685</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

The balance of the assets acquired through capital leases as of December 31, 2021 is as follows:

Vehicles and equipment	\$ 1,008,419
Less: Accumulated depreciation	<u>(281,509)</u>
	<u>\$ 726,910</u>

The following is a summary of changes in capital assets of the business-type activities:

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2021</u>
<b>Business-type activities:</b>				
Capital assets not depreciated:				
Land	\$ 15,009			\$ 15,009
Total capital assets not being depreciated	<u>15,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,009</u>
Other capital assets:				
Water infrastructure	3,470,657			3,470,657
Sewer infrastructure	7,591,161			7,591,161
Vehicles and equipment	91,198			91,198
Total other capital assets at historical cost	<u>11,153,016</u>	<u>-</u>	<u>-</u>	<u>11,153,016</u>
Less accumulated depreciation for:				
Water infrastructure	(1,482,571)	(99,938)		(1,582,509)
Sewer infrastructure	(4,184,204)	(154,947)		(4,339,151)
Vehicles and equipment	(56,802)	(6,996)		(63,798)
Total accumulated depreciation	<u>(5,723,577)</u>	<u>(261,881)</u>	<u>-</u>	<u>(5,985,458)</u>
Total other capital assets, net	<u>5,429,439</u>	<u>(261,881)</u>	<u>-</u>	<u>5,167,558</u>
Total capital assets, net	<u>\$ 5,444,448</u>	<u>\$ (261,881)</u>	<u>\$ -</u>	<u>\$ 5,182,567</u>

Depreciation expense was charged to the proprietary funds as follows:

Water Fund	\$ 99,938
Sewer Fund	<u>161,943</u>
Total business-type activities depreciation expense	<u>\$ 261,881</u>

**NOTE 4—LONG-TERM OBLIGATIONS**

***Changes in Long-Term Obligations***

The changes in the Town's long-term obligations for the year ended December 31, 2021 are as follows:

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 332,251		\$ (90,720)	\$ 241,531	\$ 93,849
Notes payable	3,698,000		(193,066)	3,504,934	173,808
Capital leases payable	387,496	\$ 287,206	(193,746)	480,956	156,104
Compensated absences payable	<u>209,270</u>	<u>160,577</u>	<u>(39,825)</u>	<u>330,022</u>	<u>119,000</u>
Total governmental activities	<u>\$ 4,627,017</u>	<u>\$ 447,783</u>	<u>\$ (517,357)</u>	<u>\$ 4,557,443</u>	<u>\$ 542,761</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Business-type activities:***

Bonds payable	\$ 880,248		\$ (192,997)	\$ 687,251	\$ 177,348
Unamortized bond premium	<u>25,405</u>		<u>(3,324)</u>	<u>22,081</u>	<u>-</u>
Total Bonds payable	<u>905,653</u>	\$ -	<u>(196,321)</u>	<u>709,332</u>	<u>177,348</u>
Total business-type activities	<u>\$ 905,653</u>	<u>\$ -</u>	<u>\$ (196,321)</u>	<u>\$ 709,332</u>	<u>\$ 177,348</u>

Payments on the general obligation bonds and notes, capital lease obligations, and compensated absences of the governmental activities are paid out of the General Fund. Payments on the general obligation bonds of the business-type activities are paid out of the Water and Sewer Funds, as applicable to each fund for related debt. Amortization on the bond premium of the business-type activities is recognized as a component of interest expense in the Sewer Fund on the Statement of Revenues, Expenses and Changes in Net position – Proprietary Funds (Exhibit F).

***General Obligation Bonds***

Governmental Activities

Bonds payable at December 31, 2021 is comprised of the following individual issue:

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 12/31/2021</u>
<b><i>Direct Placements:</i></b>				
2010 Pleasant Valley Project Bond	<u>\$ 1,150,000</u>	3.36%	June 2024	<u>\$ 241,531</u>

Debt service requirements to retire general obligation bonds outstanding for governmental activities at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 93,849	\$ 7,002	\$ 100,851
2023	97,088	3,764	100,852
2024	<u>50,594</u>	<u>635</u>	<u>51,229</u>
	<u>\$ 241,531</u>	<u>\$ 11,401</u>	<u>\$ 252,932</u>

Business-type Activities

Bonds payable at December 31, 2021 are comprised of the following individual issues:

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 12/31/2021</u>
<b><i>Direct Borrowings:</i></b>				
2013 Clean Water Bond	\$ 1,320,746	1.70%	May 2023	\$ 247,480
2013 Drinking Water Bond	147,762	1.70%	November 2022	16,151
2015 Water Meter Replacement Bond	336,332	1.64%	April 2025	<u>135,620</u>
				<u>399,251</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Direct Placements:***

2012 Sewer Refunding Bond	432,000	3.12%	August 2033	288,000
			Add: <i>Unamortized bond premium</i>	<u>22,081</u>
				<u>310,081</u>
			Total Bonds payable	<u>\$ 709,332</u>

Debt service requirements to retire general obligation bonds outstanding for business-type activities at December 31, 2021, net of annual principal forgiveness from the State of New Hampshire (to be forgiven over a period of 10 years from the start of the related State Revolving Loan debt) are as follows:

Year Ending December 31,	Direct Borrowings and Placements		
	Principal	Interest	Totals
2022	\$ 177,348	\$ 19,922	\$ 197,270
2023	164,999	16,189	181,188
2024	43,117	12,527	55,644
2025	44,988	10,905	55,893
2026	22,000	9,463	31,463
2027-2031	128,000	31,482	159,482
2032-2033	<u>59,000</u>	<u>3,942</u>	<u>62,942</u>
	639,452	104,430	743,882
Add: <i>Principal forgiveness</i>	<u>47,799</u>	-	<u>47,799</u>
Sub-total Bonds payable	687,251	104,430	791,681
Add: <i>Unamortized bond premium</i>	<u>22,081</u>	-	<u>22,081</u>
Total Bonds payable	<u>\$ 709,332</u>	<u>\$ 104,430</u>	<u>\$ 813,762</u>

***General Obligation Notes***

**Governmental Activities**

Notes payable at December 31, 2021 are comprised of the following individual issues:

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 12/31/2021</u>
<b><i>Direct Borrowings:</i></b>				
2016 Hoadley Road Bridge Note	\$ 330,000	2.90%	June 2026	<u>\$ 165,000</u>
<b><i>Direct Placements:</i></b>				
2020 Police Station Note	3,500,000	2.40%	August 2040	<u>3,339,934</u>
			Total Notes payable	<u>\$ 3,504,934</u>

Debt service requirements to retire the general obligation notes outstanding for governmental activities at December 31, 2021 are as follows:



**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

Year Ending December 31,	Direct Borrowings and Placements		
	Principal	Interest	Totals
2022	\$ 173,808	\$ 84,943	\$ 258,751
2023	177,187	80,607	257,794
2024	180,648	76,190	256,838
2025	184,191	71,689	255,880
2026	187,820	67,103	254,923
2027-2031	831,650	273,181	1,104,831
2032-2036	936,355	168,476	1,104,831
2037-2040	833,275	50,589	883,864
	<u>\$ 3,504,934</u>	<u>\$ 872,778</u>	<u>\$ 4,377,712</u>

***Capital Lease Obligations***

Governmental Activities

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

The following are the individual capital lease obligations outstanding for governmental activities at December 31, 2021:

<u>Description</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Balance 12/31/2021</u>
Vehicle	3.75%	08/2022	\$ 28,962
Vehicle	6.97%	05/2023	16,734
Vehicle	2.96%	12/2025	226,126
Vehicle	6.30%	04/2025	141,348
Vehicle	6.58%	07/2023	33,893
Vehicle	6.58%	07/2023	33,893
			<u>\$ 480,956</u>

Debt service requirements to retire capital lease obligations outstanding for governmental activities at December 31, 2021 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2022	\$ 156,104	\$ 22,363	\$ 178,467
2023	133,507	14,892	148,399
2024	93,680	8,168	101,848
2025	97,665	4,181	101,846
	<u>\$ 480,956</u>	<u>\$ 49,604</u>	<u>\$ 530,560</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

**NOTE 5—OTHER POSTEMPLOYMENT BENEFITS**

***Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense***

	Deferred <u>Outflows</u>	OPEB <u>Liability</u>	Deferred <u>Inflows</u>	OPEB <u>Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 30,242	\$ 583,221	\$ 7,407	\$ 47,420
Single Employer Plan	86,801	665,403	66,524	71,119
Total	<u>\$ 117,043</u>	<u>\$ 1,248,624</u>	<u>\$ 73,931</u>	<u>\$ 118,539</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of \$43,112.

**COST-SHARING MULTIPLE EMPLOYER PLAN**

***Plan Description***

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at [www.nhrs.org](http://www.nhrs.org).

The OPEB Plan is divided into four membership types. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. The OPEB plan is closed to new entrants.

***Benefits Provided***

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Funding Policy***

Per RSA 100-A:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contribution rates for the covered payroll of general employees and public safety employees were 0.29% and 3.66%, respectively, through June 30, 2021, and 0.31% and 3.21%, respectively, thereafter. Contributions to the OPEB plan for the Town were \$64,017 for the year ended December 31, 2021. Employees are not required to contribute to the OPEB plan.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At December 31, 2021, the Town reported a liability of \$583,221 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2020. The Town's proportion of the net OPEB liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2021, the Town's proportion was approximately 0.1456 percent, which was an increase of 0.0064 percentage points from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$47,420. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		\$ 122
Net difference between projected and actual earnings on OPEB plan investments		7,285
Changes in proportion and differences between Town contributions and proportionate share of contributions	\$ 235	
Town contributions subsequent to the measurement date	<u>30,007</u>	
Totals	<u>\$ 30,242</u>	<u>\$ 7,407</u>

The Town reported \$30,007 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

<u>June 30,</u>	
2022	\$ (1,553)
2023	(1,531)
2024	(1,716)
2025	(2,372)
	<u>\$ (7,172)</u>

***Actuarial Assumptions***

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Wage inflation	2.75% (2.25% for teachers)
Salary increases	5.60%, average, including inflation
Investment rate of return	6.75%, per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

The long-term expected rate of return on OPEB Plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Domestic equity	30%	1.14-6.46%
International equity	20%	2.37-5.53%
Fixed income	25%	3.60%
Alternative investments	15%	7.25-8.85%
Real estate	10%	6.60%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and RSA 100-A:53. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the Town's proportionate share of the net OPEB liability calculated using the discount rate of 6.75 percent, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Net OPEB liability	\$ 634,008	\$ 583,221	\$ 539,034

**SINGLE EMPLOYER PLAN**

***Plan Description***

The Town administers the retiree health care benefits program, a single employer defined benefits plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

***Benefits Provided***

The Town provides post-employment healthcare benefits to eligible retirees and their covered eligible dependents. Group I members must be age 60 or 65 (for members who commence service after July 1, 2011) to qualify for benefits. Group II members must be age 60, or meet one of the following eligibility criteria; Group II members hired before July 1, 2011 and vested prior to January 1, 2012 who are at least age 45 and attain 20 years of service, Group II members hired prior to July 1, 2011 and not vested prior to January 1, 2012 may qualify for benefits based on the calculations of age and years of service below:

Years of Creditable Service as of <u>January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
Less than 4 years	49	24

Group II members hired on or after July 1, 2011 must attain a minimum age of 52.5 with 25 years of service to qualify for benefits.

The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

***Employees Covered By Benefit Terms***

At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>54</u>
	<u><u>62</u></u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

***Total OPEB Liability***

The Town’s total OPEB liability of \$665,403 was measured as of December 31, 2021 and was determined by a roll forward of the actuarial valuation as of January 1, 2020.

***Actuarial Assumptions and Other Inputs for OPEB***

The total OPEB liability in the January 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Participant salary increases	3.50%
Payroll growth rate	2.50%
Discount rate	2.03%
Healthcare cost trend rates	7.0% for 2020, decreasing 0.50% per year to an ultimate rate of 4.50% for 2025 and later years

The discount rate was based on the Bond Buyer’s 20 Bond Index as of December 31, 2021.

The mortality rates used are from the RPH-2014 headcount-weighted fully generational table with projection scale MP-2019.

***Changes in the Total OPEB Liability***

	<b>Total OPEB</b>
	<b><u>Liability</u></b>
Balance at December 31, 2020	\$ 618,713
Changes for the year:	
Service cost	54,390
Interest	13,974
Changes of assumptions or other inputs	6,373
Benefit payments	<u>(28,047)</u>
Net changes	<u>46,690</u>
Balance at December 31, 2021	<u><u>\$ 665,403</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.12% at December 31, 2020 to 2.03% at December 31, 2021. The healthcare cost trend rate was updated to 6.5% in 2021, grading down 0.5% per annum to an ultimate trend rate of 4.5% in years 2025 and later.

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

	1% Decrease <u>(1.03%)</u>	Current Discount Rate <u>(2.03%)</u>	1% Increase <u>(3.03%)</u>
Total OPEB liability	\$ 740,863	\$ 665,403	\$ 598,270

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate***

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease <u>(5.50%</u> decreasing <u>to 3.50%)</u>	Healthcare Cost Trend Rate <u>(6.50%</u> decreasing <u>to 4.50%)</u>	1% Increase <u>(7.50%</u> decreasing <u>to 5.50%)</u>
Total OPEB liability	\$ 562,182	\$ 665,403	\$ 793,786

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2021, the Town recognized OPEB expense of \$71,119. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 49,197
Changes of assumptions	\$ 86,801	17,327
Totals	<u>\$ 86,801</u>	<u>\$ 66,524</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>December 31,</u>	
2022	\$ 2,755
2023	2,755
2024	2,755
2025	2,755
2026	2,755
Thereafter	<u>6,502</u>
	<u>\$ 20,277</u>

**TOWN OF BELMONT, NEW HAMPSHIRE  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 For the Year Ended December 31, 2021**

**NOTE 6—DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The Town contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at [www.nhrs.org](http://www.nhrs.org).

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

***Benefits Provided***

Benefit formulas and eligibility requirements for the pension plan are set by State law (RSA 100-A).

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

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

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

***Funding Policy***

Covered police officers and firefighters are required to contribute 11.55% and 11.80%, respectively, of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of general employees, police officers and firefighters were 10.88%, 24.77% and 26.43%,



**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

respectively, through June 30, 2021, and 13.75%, 30.67% and 29.78%, respectively, thereafter. The Town contributes 100% of the employer cost for general employees, police officers and firefighters of the Town.

Per RSA 100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the year ended December 31, 2021 were \$674,389.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2021, the Town reported a liability of \$6,048,895 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2020. The Town's proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2021, the Town's proportion was approximately 0.1365 percent, which was an increase of 0.0051 percentage points from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$313,596. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 169,378	\$ 63,328
Change in assumptions	631,773	
Net difference between projected and actual investment earnings on pension plan investments		1,691,737
Changes in proportion and differences between Town contributions and proportionate share of contributions	214,080	263,157
Town contributions subsequent to the measurement date	<u>368,560</u>	
Totals	<u>\$ 1,383,791</u>	<u>\$ 2,018,222</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as a decrease to unrestricted net position in the amount of \$634,431. The Town reported \$368,560 as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized as pension expense in the measurement periods as follows:

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

<u>June 30</u>	
2022	\$ (232,979)
2023	(134,170)
2024	(133,595)
2025	<u>(502,247)</u>
	<u>\$ (1,002,991)</u>

***Actuarial Assumptions***

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2020, using the following actuarial assumptions:

Inflation	2.00%
Wage inflation	2.75% (2.25% for teachers)
Salary increases	5.60%, average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Domestic equity	30%	1.14-6.46%
International equity	20%	2.37-5.53%
Fixed income	25%	3.60%
Alternative investments	15%	7.25-8.85%
Real estate	<u>10%</u>	6.60%
Total	<u>100%</u>	

***Discount Rate***

The discount rate used to measure the collective pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

contributions and employer contributions are projected based on the expected payroll of current members only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

***Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease <u>(5.75%)</u>	Current Discount rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 8,650,612	\$ 6,048,895	\$ 3,878,638

**NOTE 7—INTERFUND BALANCES AND TRANSFERS**

The Town maintains separate cash accounts for its governmental and proprietary funds; however, most cash transactions flow through the General Fund. For accounting and reporting purposes, the portion of cash applicable to a particular fund is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2021 are as follows:

		Due from				
		General	Nonmajor Governmental	Water	Sewer	Totals
		<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Due to	General Fund		\$ 152	\$ 20,969	\$ 122,523	\$ 143,644
	Nonmajor Governmental Funds	\$ 28,344				28,344
		<u>\$ 28,344</u>	<u>\$ 152</u>	<u>\$ 20,969</u>	<u>\$ 122,523</u>	<u>\$ 171,988</u>

During the year, several interfund transactions occurred between funds. The various transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2021 are as follows:

		Transfers from		
		Nonmajor		
		General	Governmental	
		<u>Fund</u>	<u>Funds</u>	<u>Totals</u>
Transfers to	General Fund		\$ 60,776	\$ 60,776
	Nonmajor Governmental Funds	\$ 3,445		3,445
		<u>\$ 3,445</u>	<u>\$ 60,776</u>	<u>\$ 64,221</u>

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

**NOTE 8—RESTRICTED NET POSITION**

Net position of governmental activities is restricted for specific purposes at December 31, 2021 as follows:

Permanent Funds - Principal	\$ 3,091,057
Permanent Funds - Income	433,246
State of NH SB38 - Highway Block Grant Funding	165,696
Library funds	37,229
Drug Forfeiture funds	4,387
	<u>\$ 3,731,615</u>

**NOTE 9—COMPONENTS OF FUND BALANCE**

The components of the Town's fund balance for its governmental funds at December 31, 2021 are as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>				
Permanent funds - Principal		\$ 3,091,057		\$ 3,091,057
<b>Restricted for:</b>				
State of NH SB38 - Highway Block Grant Funding	\$ 165,696			165,696
Library	37,229			37,229
Permanent funds - Income		433,246		433,246
Drug forfeiture			\$ 4,387	4,387
<b>Committed for:</b>				
Continuing appropriations	98,003			98,003
Capital reserves	2,047,859			2,047,859
Expendable trusts	106,779			106,779
Conservation			327,113	327,113
Ambulance revolving			850,597	850,597
Recreation revolving			28,237	28,237
Forest management			9,364	9,364
<b>Assigned for:</b>				
Encumbrances	335			335
Heritage Commission	41,879			41,879
Subsequent year appropriation	5,000			5,000
<b>Unassigned:</b>				
Unassigned - General operations	1,862,653			1,862,653
	<u>\$ 4,365,433</u>	<u>\$ 3,524,303</u>	<u>\$ 1,219,698</u>	<u>\$ 9,109,434</u>

**NOTE 10—PROPERTY TAXES**

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$740,987,718 as of April 1, 2021) and are due in two installments on July 1, 2021 and December 15, 2021. Taxes paid after the due dates accrue interest at 8% per annum. Property taxes are recognized as revenue on the modified accrual basis of accounting when received in cash or if available to finance current period operations (within sixty days of year-end).

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. Priority tax liens obtained prior to April 1, 2019 accrue interest at 18% per annum. Priority tax liens obtained after April 1, 2019 accrue interest at 14% per annum. If the property is not redeemed within a two year redemption period, the property may be tax dedeed to the Town.

In accordance with State law, the Town collects taxes for the Shaker Regional School District and Belknap County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire education taxes, which are remitted directly to the School District. Total taxes appropriated during the year were \$12,590,090 and \$813,466 for the Shaker Regional School District and Belknap County, respectively. These taxes are recognized in the financial statements within the fiduciary funds only. The Town bears responsibility for uncollected taxes.

**NOTE 11—RISK MANAGEMENT**

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2021, the Town was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2021.

***Property and Liability Insurance***

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

***Worker's Compensation***

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended December 31, 2021**

**NOTE 12—PERFORMANCE DEPOSITS**

The Town holds letters of credit and performance bonds from developers until projects have been completed to Town standards. Due to the nature of these deposits, these letters of credit and performance bonds are not included as part of the financial statements. At December 31, 2021, the Town held performance deposits totaling \$888,624.

**NOTE 13—CONTINGENCIES**

***Litigation***

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. In the opinion of Town management, any potential claims against the Town which are not covered by insurance are immaterial and would not affect the financial position of the Town.

***Federal Grants***

The Town participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

SCHEDULE 1  
**TOWN OF BELMONT, NEW HAMPSHIRE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis) - General Fund**  
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 6,179,477	\$ 6,179,477	\$ 5,972,852	\$ (206,625)
Licenses and permits	1,841,000	1,841,000	1,910,269	69,269
Intergovernmental	911,447	993,830	1,253,580	259,750
Charges for services	250,000	250,000	218,396	(31,604)
Interest income	8,000	8,000	7,305	(695)
Miscellaneous	124,028	124,028	174,680	50,652
Total Revenues	<u>9,313,952</u>	<u>9,396,335</u>	<u>9,537,082</u>	<u>140,747</u>
Expenditures:				
Current operations:				
General government	1,693,648	1,693,648	1,603,648	90,000
Public safety	4,185,068	4,266,301	4,047,600	218,701
Highways and streets	1,624,869	1,459,173	1,260,250	198,923
Sanitation	445,965	445,965	454,352	(8,387)
Health and welfare	261,653	261,653	184,228	77,425
Culture and recreation	220,836	159,982	143,937	16,045
Conservation	13,743	13,743	10,506	3,237
Capital outlay	3,136,025	3,048,245	3,130,088	(81,843)
Debt service:				
Principal retirement	255,991	255,991	283,786	(27,795)
Interest and fiscal charges	106,408	106,408	76,755	29,653
Total Expenditures	<u>11,944,206</u>	<u>11,711,109</u>	<u>11,195,150</u>	<u>515,959</u>
Excess revenues over (under) expenditures	<u>(2,630,254)</u>	<u>(2,314,774)</u>	<u>(1,658,068)</u>	<u>656,706</u>
Other financing sources (uses):				
Transfers in	77,274	77,274	60,776	(16,498)
Transfers out	<u>(1,100,500)</u>	<u>(1,152,281)</u>	<u>(1,152,281)</u>	<u>-</u>
Total Other financing sources (uses)	<u>(1,023,226)</u>	<u>(1,075,007)</u>	<u>(1,091,505)</u>	<u>(16,498)</u>
Net change in fund balance	(3,653,480)	(3,389,781)	(2,749,573)	640,208
Fund Balance at beginning of year				
- Budgetary Basis	<u>5,373,974</u>	<u>5,373,974</u>	<u>5,373,974</u>	<u>-</u>
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 1,720,494</u>	<u>\$ 1,984,193</u>	<u>\$ 2,624,401</u>	<u>\$ 640,208</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

**TOWN OF BELMONT, NEW HAMPSHIRE**

**Schedule of Changes in the Town's Proportionate Share of the Net OPEB Liability**

For the Year Ended December 31, 2021

<b>Cost-Sharing Multiple Employer Plan Information Only</b>					
<u>Measurement Period Ended</u>	<u>Town's Proportion of the Net OPEB Liability</u>	<u>Town's Proportionate Share of the Net OPEB Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2021	0.1456%	\$ 583,221	\$ 3,322,809	17.55%	11.06%
June 30, 2020	0.1392%	\$ 609,331	\$ 3,150,127	19.34%	7.74%
June 30, 2019	0.1540%	\$ 675,073	\$ 3,121,443	21.63%	7.75%
June 30, 2018	0.1621%	\$ 742,399	\$ 3,080,426	24.10%	7.53%
June 30, 2017	0.1150%	\$ 525,992	\$ 3,037,523	17.32%	7.91%
June 30, 2016	0.1162%	\$ 562,503	\$ 3,019,542	18.63%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*
June 30, 2013	*	*	*	*	*
June 30, 2012	*	*	*	*	*

\* 10 Year schedule, historical information not available

<b>Significant Actuarial Assumptions</b>					
<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

*See accompanying notes to the required supplementary information*



SCHEDULE 3  
**TOWN OF BELMONT, NEW HAMPSHIRE**  
**Schedule of Town OPEB Contributions**  
For the Year Ended December 31, 2021

<b>Cost-Sharing Multiple Employer Plan Information Only</b>					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2021	\$ 64,017	\$ (64,017)	\$ -	\$ 3,277,644	1.95%
December 31, 2020	\$ 67,486	\$ (67,486)	\$ -	\$ 3,261,006	2.07%
December 31, 2019	\$ 67,025	\$ (67,025)	\$ -	\$ 3,167,142	2.12%
December 31, 2018	\$ 69,316	\$ (69,316)	\$ -	\$ 3,027,462	2.29%
December 31, 2017	\$ 71,501	\$ (71,501)	\$ -	\$ 3,106,107	2.30%
December 31, 2016	\$ 67,111	\$ (67,111)	\$ -	\$ 2,996,055	2.24%
December 31, 2015	*	*	*	*	*
December 31, 2014	*	*	*	*	*
December 31, 2013	*	*	*	*	*
December 31, 2012	*	*	*	*	*

\* 10 Year schedule, historical information not available

SCHEDULE 4

**TOWN OF BELMONT, NEW HAMPSHIRE**

**Schedule of Changes in the Town's Total OPEB Liability and Related Ratios**

For the Year Ended December 31, 2021

<u>Single Employer Plan Information Only</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability:										
Service cost	\$ 54,390	\$ 46,960	\$ 39,856	\$ 43,627	*	*	*	*	*	*
Interest	13,974	15,781	21,389	17,861	*	*	*	*	*	*
Differences between expected and actual experience	-	(64,669)	-	-	*	*	*	*	*	*
Changes of assumptions or other inputs	6,373	43,739	71,393	(30,555)	*	*	*	*	*	*
Benefit payments	(28,047)	(23,310)	(28,246)	(21,203)	*	*	*	*	*	*
Net change in total OPEB liability	46,690	18,501	104,392	9,730	*	*	*	*	*	*
Total OPEB Liability at beginning of year	618,713	600,212	495,820	486,090	*	*	*	*	*	*
Total OPEB Liability at end of year	\$ 665,403	\$ 618,713	\$ 600,212	\$ 495,820	*	*	*	*	*	*
Covered employee payroll	\$ 2,790,458	\$ 2,722,398	\$ 2,560,953	\$ 2,498,491	*	*	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	23.85%	22.73%	23.44%	19.84%	*	*	*	*	*	*
<b><u>Significant Actuarial Assumptions</u></b>										
Discount rate	2.03%	2.12%	2.74%	4.10%	*	*	*	*	*	*
Health cost trend rates:										
Initial	7.0% - 2020	7.0% - 2020	9.0% - 2018	9.0% - 2018	*	*	*	*	*	*
Ultimate	4.5% - 2025	4.5% - 2025	5.0% - 2022	5.0% - 2022	*	*	*	*	*	*
Mortality data set	RPH-2014	RPH-2014	RP-2000	RP-2000	*	*	*	*	*	*
Mortality improvement scale	MP-2019	MP-2019	AA	AA	*	*	*	*	*	*
Salary increase rate	3.50%	3.50%	3.50%	3.50%	*	*	*	*	*	*
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	*	*	*	*	*	*

\* 10 Year schedule, historical information not available

*See accompanying notes to the required supplementary information*

SCHEDULE 5

**TOWN OF BELMONT, NEW HAMPSHIRE**

**Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability**

For the Year Ended December 31, 2021

<u>For the Measurement Period Ended</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Town's Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2021	0.1365%	\$ 6,048,895	\$ 3,322,809	182.04%	72.22%
June 30, 2020	0.1314%	\$ 8,402,311	\$ 3,150,127	266.73%	58.72%
June 30, 2019	0.1362%	\$ 6,551,469	\$ 3,121,443	209.89%	65.59%
June 30, 2018	0.1401%	\$ 6,745,478	\$ 3,080,426	218.98%	64.73%
June 30, 2017	0.1483%	\$ 7,292,616	\$ 3,037,523	240.08%	62.66%
June 30, 2016	0.1512%	\$ 8,039,602	\$ 3,019,542	266.25%	58.30%
June 30, 2015	0.1518%	\$ 6,014,999	\$ 2,971,157	202.45%	65.47%
June 30, 2014	0.1482%	\$ 5,561,067	\$ 2,830,606	196.46%	66.32%
June 30, 2013	0.1451%	\$ 6,245,778	\$ 2,729,805	228.80%	59.81%
June 30, 2012	*	*	*	*	*

\* 10 Year schedule, historical information not available

**Significant Actuarial Assumptions**

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

*See accompanying notes to the required supplementary information*

SCHEDULE 6  
**TOWN OF BELMONT, NEW HAMPSHIRE**  
**Schedule of Town Pension Contributions**  
For the Year Ended December 31, 2021

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2021	\$ 674,389	\$ (674,389)	\$ -	\$ 3,277,644	20.58%
December 31, 2020	\$ 607,193	\$ (607,193)	\$ -	\$ 3,261,006	18.62%
December 31, 2019	\$ 588,977	\$ (588,977)	\$ -	\$ 3,167,142	18.60%
December 31, 2018	\$ 578,215	\$ (578,215)	\$ -	\$ 3,027,462	19.10%
December 31, 2017	\$ 578,798	\$ (578,798)	\$ -	\$ 3,106,107	18.63%
December 31, 2016	\$ 535,967	\$ (535,967)	\$ -	\$ 2,996,055	17.89%
December 31, 2015	\$ 520,211	\$ (520,211)	\$ -	\$ 2,961,255	17.57%
December 31, 2014	\$ 506,074	\$ (506,074)	\$ -	\$ 2,968,876	17.05%
December 31, 2013	\$ 419,888	\$ (419,888)	\$ -	\$ 2,765,942	15.18%
December 31, 2012	*	*	*	*	*

\* 10 Year schedule, historical information not available

*See accompanying notes to the required supplementary information*

**TOWN OF BELMONT, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended December 31, 2021**

**NOTE 1—BUDGET TO ACTUAL RECONCILIATION**

*General Fund*

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for payroll timing differences, non-budgetary revenues and expenditures, budgetary transfers out, capital lease issuances, and encumbrances as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 10,153,170	\$ 12,663,159
Difference in property taxes meeting susceptible to accrual criteria	(258,842)	
Payroll timing differences - December 31, 2020		68,611
Payroll timing differences - December 31, 2021		(83,699)
Non-budgetary revenues and expenditures	(9,264)	(1,134,648)
Budgetary transfers out		1,148,836
Capital lease issuances	(287,206)	(287,206)
Encumbrances - December 31, 2020		(27,957)
Encumbrances - December 31, 2021		335
Per Schedule 1	<u>\$ 9,597,858</u>	<u>\$ 12,347,431</u>

SCHEDULE A  
**TOWN OF BELMONT, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Governmental Funds - All Nonmajor Funds**  
December 31, 2021

	Conservation <u>Fund</u>	Drug Forfeiture <u>Fund</u>	Ambulance <u>Fund</u>	Recreation Revolving <u>Fund</u>	Forest Management <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS						
Cash and cash equivalents	\$ 327,031	\$ 4,539	\$ 618,778		\$ 9,364	\$ 959,712
Accounts receivable, net			231,794			231,794
Due from other funds	<u>82</u>		<u>25</u>	\$ 28,237		<u>28,344</u>
Total Assets	<u>327,113</u>	<u>4,539</u>	<u>850,597</u>	<u>28,237</u>	<u>9,364</u>	<u>1,219,850</u>
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 327,113</u>	<u>\$ 4,539</u>	<u>\$ 850,597</u>	<u>\$ 28,237</u>	<u>\$ 9,364</u>	<u>\$ 1,219,850</u>
LIABILITIES						
Due to other funds		<u>\$ 152</u>				<u>\$ 152</u>
Total Liabilities	<u>\$ -</u>	<u>152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>152</u>
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted		4,387				4,387
Committed	<u>327,113</u>		<u>850,597</u>	<u>28,237</u>	<u>9,364</u>	<u>1,215,311</u>
Total Fund Balances	<u>327,113</u>	<u>4,387</u>	<u>850,597</u>	<u>28,237</u>	<u>9,364</u>	<u>1,219,698</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 327,113</u>	<u>\$ 4,539</u>	<u>\$ 850,597</u>	<u>\$ 28,237</u>	<u>\$ 9,364</u>	<u>\$ 1,219,850</u>

SCHEDULE B  
**TOWN OF BELMONT, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - All Nonmajor Funds**  
For the Year Ended December 31, 2021

	Conservation <u>Fund</u>	Drug Forfeiture <u>Fund</u>	Ambulance <u>Fund</u>	Recreation Revolving <u>Fund</u>	Forest Management <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:						
Taxes	\$ 67,532					\$ 67,532
Intergovernmental		\$ 9,900				9,900
Charges for services			\$ 163,860			163,860
Interest and investment income	470	17	1,026		\$ 1	1,514
Total Revenues	<u>68,002</u>	<u>9,917</u>	<u>164,886</u>	<u>\$ -</u>	<u>1</u>	<u>242,806</u>
Expenditures:						
Current operations:						
Public safety		9,900				9,900
Conservation	3,576					3,576
Total Expenditures	<u>3,576</u>	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,476</u>
Excess revenues over (under) expenditures	<u>64,426</u>	<u>17</u>	<u>164,886</u>	<u>-</u>	<u>1</u>	<u>229,330</u>
Other financing sources (uses):						
Transfers in	3,445					3,445
Transfers out			(60,776)			(60,776)
Total Other financing sources (uses)	<u>3,445</u>	<u>-</u>	<u>(60,776)</u>	<u>-</u>	<u>-</u>	<u>(57,331)</u>
Net change in fund balances	67,871	17	104,110	-	1	171,999
Fund Balances at beginning of year	<u>259,242</u>	<u>4,370</u>	<u>746,487</u>	<u>28,237</u>	<u>9,363</u>	<u>1,047,699</u>
Fund Balances at end of year	<u>\$ 327,113</u>	<u>\$ 4,387</u>	<u>\$ 850,597</u>	<u>\$ 28,237</u>	<u>\$ 9,364</u>	<u>\$ 1,219,698</u>