

TOWN OF HAMPSTEAD, NEW HAMPSHIRE

Financial Statements

December 31, 2021

and

Independent Auditor's Report

TOWN OF HAMPSTEAD, 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 Hampstead, New Hampshire

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hampstead, New Hampshire (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Permanent Funds	Unmodified
Cable Advisory Board Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Hampstead, New Hampshire, as of December 31, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Hampstead, New Hampshire, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified 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 Hampstead, 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, management has not recorded a liability, deferred outflows of resources, or deferred inflows of resources for the Town's single employer other postemployment benefits plan in governmental activities and, accordingly, has not recorded an expense for the current period change in the liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, deferred outflows and deferred inflows of resources, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, deferred outflows and deferred inflows of resources, net position, and expenses of the governmental activities is not reasonably determinable.

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 Hampstead, 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 Hampstead, 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 Hampstead, 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 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 Hampstead, 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 were derived from and relate 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 taken as a whole.

Vachon Clukay & Company PC

Manchester, New Hampshire
December 28, 2022

Town of Hampstead Management's Discussion and Analysis

As management of the Town of Hampstead we offer readers this narrative overview and analysis of the financial activities of the Town of Hampstead for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Town's financial statements.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Hampstead's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The **Net Position** presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements display information about the Town as a whole and include the financial activities of the primary government with the exception of the fiduciary funds.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the individual parts of the Town government and report the Town's operations in more detail than the government-wide statements. The Town's funds are divided into 2 categories—governmental and fiduciary. For governmental funds, only those funds that are considered Major Funds are reported in individual columns in the Fund Financial Statements with combining schedules in the Supplementary Section to support the non-major activities. Fiduciary Funds are reported by fiduciary type (private-purpose trusts and custodial funds).

Governmental Funds: Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements report using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented in the government-wide financial statements.

An annual appropriated budget is adopted for the general fund and a comparison statement has been provided to demonstrate compliance with the budget.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The fiduciary fund category consists of two classifications: private purpose and custodial funds. The Town's custodial fund accounts for the performance deposits held by the Town for developers, capital reserve funds of the Hampstead School District, property taxes collected on behalf of Hampstead School District and Rockingham County, and motor vehicle fees collected on behalf of the State of New Hampshire. The accounting used for fiduciary funds is much like that used for proprietary funds in that they use the accrual basis of accounting.

Notes to the 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.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the Governmental Accounting Standards Board (GASB). Additional combining statements and schedules are presented immediately following the notes to the financial statements.

B. FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the Town exceeded total liabilities and deferred inflows of resources at fiscal year ending December 31, 2021 with a balance of \$1,647,504 (Total net position) which is a decrease from the balance of 2020 by \$370,752 or about 19%.
- As of the close of the fiscal year 2021, the Town's governmental funds reported a combined ending fund balance of \$2,341,562 which is a decrease of \$258,536 from 2020.

C. **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of condensed government-wide financial data for the current year and prior fiscal year.

		2021	2020
Current Assets		\$ 2,959,058	\$ 2,804,080
Capital Assets		\$ 4,519,202	\$ 4,674,718
Total Assets		\$ 7,478,260	\$ 7,478,798
Deferred Outflows of Resources		\$ 1,279,263	\$ 1,554,484
Current Liabilities		\$ 683,077	\$ 248,581
Other Liabilities		\$ 5,225,913	\$ 6,697,453
Total Liabilities		\$ 5,908,990	\$ 6,946,034
Deferred Inflows of Resources		\$ 1,201,029	\$ 68,992
Net investment in Capital Assets		\$ 4,039,790	\$ 4,153,885
Restricted		\$ 928,444	\$ 887,118
Unrestricted		\$ (3,320,730)	\$ (3,022,747)
Total Net Position		\$ 1,647,504	\$ 2,018,256

Net Position

As stated earlier, the Town's net position (the amount of assets and deferred outflows of resources exceed liabilities and deferred inflows of resources) from governmental activities totaled \$1,647,504 at the end of 2021, a decrease of 370,752 when compared to the end of the previous year.

GASB 34 required the recording of Town's investment in capital assets (land, building, machinery and equipment, vehicles, etc.) at cost, calculating the accumulated depreciation and arriving at net capital assets. The total noncurrent assets at December 31, 2021 amounted to \$4,519,202 which is a net decrease of \$(155,516) from December 31, 2020. The recognition of the capital assets, net accumulated depreciation, is required to be reported in the government-wide statements.

Keeping in mind that net position may serve over time as a useful indicator of a government's financial position, it should be noted that the Town's collections in property tax revenue, taxes and licenses, as well as a 96% property tax collection rate for 2021 property tax billing have also had impact on financial operations.

Statement of Activities

The Town's total revenue for fiscal 2021 of \$7,766,969 did not exceed the total expenses of \$8,137,721 resulting in a net position decrease of \$350,752.

The following is a summary of condensed government-wide financial data of the net position for the current year and the prior year as required under GASB 34 rules.

		2021	2020	Increase (Decrease)	% Change
Revenues:					
<i>Program Revenues:</i>					
Charge for Services		\$373,276	\$476,471	(\$103,195)	-22%
Operating and Capital Grants & Contributions		\$648,276	\$538,714	\$109,562	20%
<i>General Revenues:</i>					
Property & Other Taxes		\$3,230,744	\$3,456,990	(\$226,246)	-7%
Licenses & Permits		\$2,622,526	\$2,545,060	\$77,466	3%
Intergovernmental		\$642,070	\$504,225	\$137,845	27%
Interest & Investment Income		\$92,713	\$151,776	(\$59,063)	-39%
Miscellaneous		\$153,802	\$69,564	\$84,238	121%
Contributions to permanent funds		\$3,562	\$4,446	(\$884)	-20%
Total Revenues		\$7,766,969	\$7,747,246	\$19,723	0%
Expenses:					
General Government		\$1,862,462	\$1,902,762	(\$40,300)	-3%
Public Safety		\$3,512,509	\$3,421,423	\$91,086	3%
Highway & Streets		\$949,009	\$886,134	\$62,875	7%
Sanitation		\$735,424	\$733,842	\$1,582	1%
Health & Welfare		\$118,943	\$113,986	\$4,957	5%
Culture & Recreation		\$916,562	\$811,197	\$105,365	0%
Conservation		\$20,704	\$9,007	\$11,697	130%
Interest and Fiscal Charges		\$22,108	\$24,373	(\$2,265)	-10%
Total Expenses		\$8,137,721	\$7,902,724	\$234,997	3%
Changes in Net Position		(\$370,752)	(\$155,478)	(\$260,875)	-168%
Net Position, Beginning of Year, as restated		\$2,018,256	\$2,173,734	(\$155,478)	-8%
Net Position, End of Year		\$1,647,504	\$2,018,256	(\$370,752)	-19%

Property and other taxes amounted to \$3,230,744 in revenues. Licenses and permits amounted to \$2,622,526 in revenues. Other revenues consisted of municipal aid, rooms and meals tax distribution, interest and investment earnings, and miscellaneous revenues.

The Town's \$8,137,721 in expenses covered a range of services. Highway department and sanitation amounted to \$1,684,433. Public safety amounted to \$3,512,509. General government amounted to \$1,862,462 with Culture and recreation amounted \$916,562, Conservation at \$20,704 and Health and Welfare at \$118,943.

D. FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 fiscal year. As of the end of the current fiscal year, governmental funds reported a combined ending fund balances of \$2,341,562, a decrease of \$258,536 in comparison with the prior year.

The general fund is the chief operating fund of the Town. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. At the end of the current fiscal year, the general fund had an unassigned fund balance of \$212,426.

The goal of the Town of Hampstead is to retain an unreserved fund balance of 8%-15% of total appropriations. For fiscal 2021 total Town appropriations (not including school or county) amounted to \$7,553,106. Setting the unassigned fund balance from the ranges (8% to 15%) would give a fund balance from \$604,248 to \$1,132,965. The unassigned budgetary fund balance as of December 31, 2021 is \$347,322 (see notes to the RSI on page 36). The practice of the Hampstead Board of Selectmen historically is to retain on the lower end of the range.

Other Governmental Funds: Total fund balance in the other governmental funds increased by \$58,183 in fiscal 2021.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The actual budgetary revenues were down overall compared to the budget for estimated revenues by \$ (6,357). Property and other Taxes were less than the budgeted amount by \$(201,207). Intergovernmental revenue was up by \$40,282, Licenses and Permits were up by \$27,952, Charges for Services was also up by \$61,425, and miscellaneous income was up by \$64,977. The Interest income revenue was up slightly by \$214 at year end compared to what was budgeted.

All of the Departments underspent their budget. The total underspent amounted to a combined total of \$329,045.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Town's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$8,662,421. Accumulated depreciation amounts to \$4,143,219, leaving a net book value of \$4,519,202. This investment in capital assets includes vehicles and equipment, land, buildings and improvements.

Additional information on the Town's capital assets can be found in Note 4 of the Notes to the Basic Financial Statements.

Debt Administration: The Town of Hampstead has various equipment lease agreements for items such as for the Highway Department a loader, a truck, and a backhoe. The Sanitation Department has leased rollout cards. The Police Department has leased vehicles. There is also a new lease for a fire truck. All of the leases have an escape clause pending

appropriation. At the December 31, 2021, the balances for the leases are \$614,286. The lease agreements are aged out as far as 2026.

Net Pension Liability & OPEB: For the fiscal year ending December 31, 2015, The Town of Hampstead implemented GASB No. 68. See Note 7 for further information. For the fiscal year ending December 31, 2018, the Town of Hampstead implemented GASB 75, and see Note 6 for further information.

Fair Value Measurement of Investments: The Town of Hampstead implemented GASB Statement 72, *Fair Value Measurement and Application*, which categorized the fair measurements of its investments within the fair value hierarchy established by accounting principles of generally accepted in the United States. There are three levels and the Town of Hampstead has Mutual Funds in the amount of \$746,939 at Level 1.

ECONOMIC FACTORS

The fiscal year 2021 continued with challenges brought on by Covid-19. This worldwide epidemic had its impact on Hampstead by directly impacting the health and safety of our residents and employees. The curtailing or limiting of operations in programs such as the Recreation Summer program, Senior Trips, Library programs, and some normal day to day operations. Through it all we continued to provide the services needed in a safe effective manner. With the changes made in programs and some services, receipt of grants to cover Covid-19 expenses etc. left the town in a good economic situation at the end of the 2021 Fiscal Year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all of Hampstead's citizens, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Hampstead, Selectmen's Office at 11 Main Street, Hampstead, NH 03841.

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

	Governmental <u>Activities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,721,084
Investments	969,760
Taxes receivable, net	192,990
Accounts receivable	40,132
Due from other governments	33,282
Prepaid items	<u>1,810</u>
Total Current Assets	<u>2,959,058</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	654,396
Depreciable capital assets, net	<u>3,864,806</u>
Total Noncurrent Assets	<u>4,519,202</u>
Total Assets	<u>7,478,260</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB liability	22,228
Deferred outflows related to net pension liability	<u>1,257,035</u>
Total Deferred Outflows of Resources	<u>1,279,263</u>
LIABILITIES	
Current Liabilities:	
Accrued liabilities	96,771
Advances from grantors	395,156
Current portion of capital leases payable	<u>191,150</u>
Total Current Liabilities	<u>683,077</u>
Noncurrent Liabilities:	
Capital leases payable	423,136
Compensated absences payable	279,720
OPEB liability	421,056
Net pension liability	<u>4,102,001</u>
Total Noncurrent Liabilities	<u>5,225,913</u>
Total Liabilities	<u>5,908,990</u>
DEFERRED INFLOWS OF RESOURCES	
Uncollected land use change taxes	5,500
Deferred inflows related to OPEB liability	5,348
Deferred inflows related to net pension liability	<u>1,190,181</u>
Total Deferred Inflows of Resources	<u>1,201,029</u>
NET POSITION	
Net investment in capital assets	4,039,790
Restricted	928,444
Unrestricted (deficit)	<u>(3,320,730)</u>
Total Net Position	<u>\$ 1,647,504</u>

See accompanying notes to the basic financial statements

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

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General government	\$ 1,862,462	\$ 71,040	\$ 1,225	\$ (1,790,197)
Public safety	3,512,509	250,417	405,110	(2,856,982)
Highways and streets	949,009		230,620	(718,389)
Sanitation	735,424	26,693		(708,731)
Health and welfare	118,943			(118,943)
Culture and recreation	916,562	25,126	4,944	(886,492)
Conservation	20,704		6,377	(14,327)
Interest and fiscal charges	22,108			(22,108)
Total governmental activities	<u>\$ 8,137,721</u>	<u>\$ 373,276</u>	<u>\$ 648,276</u>	<u>(7,116,169)</u>
General revenues:				
Property and other taxes				3,230,744
Licenses and permits				2,622,526
Grants and contributions:				
Rooms and meals tax distribution				642,070
Interest and investment earnings				92,713
Miscellaneous				153,802
Contributions to permanent fund principal				<u>3,562</u>
Total general revenues and contributions to permanent fund principal				<u>6,745,417</u>
Change in net position				(370,752)
Net Position at beginning of year				<u>2,018,256</u>
Net Position at end of year				<u>\$ 1,647,504</u>

See accompanying notes to the basic financial statements

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

	General Fund	Permanent Funds	Cable Advisory Board Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,013,942	\$ 38,879	\$ 442,543	\$ 225,720	\$ 1,721,084
Investments	296,776	672,984			969,760
Taxes receivable, net	192,990				192,990
Accounts receivable	22,119			18,013	40,132
Due from other governments	33,282				33,282
Due from other funds	5,873			250	6,123
Prepaid items	1,810				1,810
Total Assets	<u>1,566,792</u>	<u>711,863</u>	<u>442,543</u>	<u>243,983</u>	<u>2,965,181</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 1,566,792</u>	<u>\$ 711,863</u>	<u>\$ 442,543</u>	<u>\$ 243,983</u>	<u>\$ 2,965,181</u>
LIABILITIES					
Accrued liabilities	\$ 81,944				\$ 81,944
Due to other funds	250	\$ 5,513	\$ 360		6,123
Advances from grantors	395,156				395,156
Total Liabilities	<u>477,350</u>	<u>5,513</u>	<u>360</u>	<u>\$ -</u>	<u>483,223</u>
DEFERRED INFLOWS OF RESOURCES					
Uncollected property taxes	134,896				134,896
Uncollected land use change taxes	5,500				5,500
Total Deferred Inflows of Resources	<u>140,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,396</u>
FUND BALANCES					
Nonspendable	1,810	588,093			589,903
Restricted	193,167	118,257		28,927	340,351
Committed	444,716		442,183	205,892	1,092,791
Assigned	96,927			9,164	106,091
Unassigned	212,426				212,426
Total Fund Balances	<u>949,046</u>	<u>706,350</u>	<u>442,183</u>	<u>243,983</u>	<u>2,341,562</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,566,792</u>	<u>\$ 711,863</u>	<u>\$ 442,543</u>	<u>\$ 243,983</u>	<u>\$ 2,965,181</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1
TOWN OF HAMPSTEAD, 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)	\$ 2,341,562
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.	4,519,202
Property taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	134,896
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	22,228
Deferred outflows of resources related to net pension liability	1,257,035
Deferred inflows of resources related to OPEB liability	(5,348)
Deferred inflows of resources related to net pension liability	(1,190,181)
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:	
Capital leases payable	(614,286)
Accrued interest on long-term obligations	(14,827)
Compensated absences payable	(279,720)
OPEB liability	(421,056)
Net pension liability	<u>(4,102,001)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 1,647,504</u>

See accompanying notes to the basic financial statements

EXHIBIT D
TOWN OF HAMPSTEAD, 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>	Cable Advisory <u>Board Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:					
Taxes	\$ 3,241,201				\$ 3,241,201
Licenses and permits	2,529,836		\$ 92,690		2,622,526
Intergovernmental	1,290,346				1,290,346
Charges for services	184,040			\$ 189,236	373,276
Interest and investment income	22,671	\$ 69,750	71	221	92,713
Miscellaneous	134,355	3,562		19,447	157,364
Total Revenues	<u>7,402,449</u>	<u>73,312</u>	<u>92,761</u>	<u>208,904</u>	<u>7,777,426</u>
Expenditures:					
Current operations:					
General government	1,928,777				1,928,777
Public safety	3,160,944			237,992	3,398,936
Highways and streets	902,552				902,552
Sanitation	812,627			225	812,852
Health and welfare	118,943				118,943
Culture and recreation	800,814		61,862	7,749	870,425
Conservation	11,624			2,703	14,327
Capital outlay	60,410				60,410
Total Expenditures	<u>7,796,691</u>	<u>-</u>	<u>61,862</u>	<u>248,669</u>	<u>8,107,222</u>
Excess revenues over (under) expenditures	<u>(394,242)</u>	<u>73,312</u>	<u>30,899</u>	<u>(39,765)</u>	<u>(329,796)</u>
Other financing sources (uses):					
Capital lease issuance	71,260				71,260
Transfers in	6,263				6,263
Transfers out		(6,263)			(6,263)
Total Other financing sources (uses)	<u>77,523</u>	<u>(6,263)</u>	<u>-</u>	<u>-</u>	<u>71,260</u>
Net change in fund balances	(316,719)	67,049	30,899	(39,765)	(258,536)
Fund Balances at beginning of year	<u>1,265,765</u>	<u>639,301</u>	<u>411,284</u>	<u>283,748</u>	<u>2,600,098</u>
Fund Balances at end of year	<u>\$ 949,046</u>	<u>\$ 706,350</u>	<u>\$ 442,183</u>	<u>\$ 243,983</u>	<u>\$ 2,341,562</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1

TOWN OF HAMPSTEAD, 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)	\$ (258,536)
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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. Depreciation expense and capital outlays in the current period are as follows:

Capital outlay	176,080
Depreciation expense	(331,596)

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

Property taxes	(10,457)
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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 are as follows:

Capital lease principal paid	176,743
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Proceeds from issuances of long-term obligations are reported as other financing sources in the governmental funds, but a long-term debt issuance increases long-term liabilities in the statement of net position. Current year long-term issuances are as follows:

Capital lease issuances	(71,260)
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In the statement of activities, interest is accrued on long-term obligations, whereas in governmental funds, an interest expenditure is reported when due.

	3,882
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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	(44,249)
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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	(2,204)
Net changes in pension	(9,155)

Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ (370,752)</u>
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See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF HAMPSTEAD, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Private- Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
ASSETS		
Cash and cash equivalents		\$ 14,189,750
Investments	\$ 45,961	
Taxes receivable		643,841
Total Assets	<u>45,961</u>	<u>14,833,591</u>
LIABILITIES		
Due to other governments	<u>424</u>	<u>12,860,825</u>
Total Liabilities	<u>424</u>	<u>12,860,825</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments		1,972,766
Held in trust	<u>45,537</u>	
Total Net Position	<u>\$ 45,537</u>	<u>\$ 1,972,766</u>

See accompanying notes to the basic financial statements

EXHIBIT F
TOWN OF HAMPSTEAD, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Private- Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
ADDITIONS:		
Investment earnings:		
Interest income	\$ 424	\$ 2,011
Realized gain on investments	5,088	
Total Investment earnings	<u>5,512</u>	<u>2,011</u>
Property tax collections for other governments		26,661,985
Motor vehicle fee collections for other governments		680,928
Miscellaneous		622,049
Total Additions	<u>5,512</u>	<u>27,966,973</u>
DEDUCTIONS:		
Beneficiary payments to individuals	424	
Payments to others		24,859
Payments of property tax to other governments		26,661,985
Payments of motor vehicle fees to other governments		680,928
Total Deductions	<u>424</u>	<u>27,367,772</u>
Change in net position	5,088	599,201
Net Position at beginning of year	40,449	1,373,565
Net Position at end of year	<u>\$ 45,537</u>	<u>\$ 1,972,766</u>

See accompanying notes to the basic financial statements

TOWN OF HAMPSTEAD, 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 Hampstead, 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 Hampstead, New Hampshire (the Town) was incorporated in 1749. The Town operates under the Town Meeting/Board of Selectmen form of government and performs local governmental functions as 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 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 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

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

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 two categories of funds: governmental 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* account for the financial transactions related to 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.

The *Cable Advisory Board Fund* accounts for the resources and related expenditures that support the cable advisory board.

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The Town maintains two categories of fiduciary funds known as private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town maintains one private-purpose trust which accounts for school programs. The Town's custodial funds are held and administered by the Town for the benefit of others; assets are not available to support the Town or its programs. The Town's custodial funds account for the performance deposits held by the Town for developers, capital reserve funds of the Hampstead School District, which are held by the Town as required by state law, property taxes collected on behalf of Hampstead School District and Rockingham County, and motor vehicle fees collected on behalf of the State of New Hampshire.

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.

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

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.

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. 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 is recognized in the year for which the taxes are levied (see Note 11). 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 service, 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.

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

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 \$625,000 of unassigned fund balance to reduce taxes.

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 uncollectibles of \$50,000.

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 fund financial statements.

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 \$10,000. The Town's infrastructure consists of traffic lights. The Town is not required to retroactively report its general infrastructure (e.g. roads, bridges, and sidewalks). Infrastructure records have been maintained effective January 1, 2004 and are included in these financial statements. 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.

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

All reported capital assets except for land 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:

<u>Description</u>	<u>Years</u>
Infrastructure	25
Land improvements	20-25
Buildings and improvements	10-40
Vehicles and equipment	3-20

Compensated Absences

Full-time non-union employees earn personal days, based upon length of service, up to a maximum of 34 days per year. Upon termination or retirement, employees shall receive payment for any unused accumulated personal days up to 60 days. Police employees earn vacation time based upon length of service up to 20 days per year. They may carryover up to 20 days and upon termination, retirement or death, they will be paid for all accumulated vacation time at their current rate of pay. Police employees also earn personal time of 12 days per year which can be accumulated up to a maximum of 75 days. Police employees are eligible to receive 50% of their balance of personal time upon termination or retirement.

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

Except for the obligation for certain other post-employment benefits (see Note 2), 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. 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 HAMPSTEAD, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2021

Pensions

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. These components of fund balance are defined as follows:

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact (such as principal of permanent trust or endowment fund).
- *Restricted Fund Balance*: Funds legally restricted for specific purposes such as grant, library, income balance of permanent funds, and capital project funds. Restrictions may be changed or lifted only with the consent of the resource provider (grantors) or enabling legislation (Federal or State law).
- *Committed Fund Balance*: Amounts that can only be used for a specific purpose determined by a formal action of the Town's highest level of decision making authority (Annual Town Meeting): such as expendable trusts (capital reserve), non-lapsing appropriations and other Special Revenue Funds not listed under Restricted can change purposing by a vote at town meetings.
- *Assigned Fund Balance*: Amounts that are not obligated or specifically designated and are available for any purpose. For all government funds other than the General Fund, any remaining positive amounts are to be classified as "assigned". The Selectmen expressly delegates this authority to the Town Administration or Finance Director depending on the situation.
- *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 fund balance of another fund is also classified as "unassigned".

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

Spending Prioritizations

In instances 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 may be applied, committed resources are to be applied first, followed by assigned and unassigned amounts.

Deficit Fund Balance

Pursuant to the Town's policy at year end, if any of the special revenue funds has a deficit unassigned fund balance, the Board of Selectmen is authorized to transfer funds from the General Fund to cover the deficit, providing the General Fund has the resources to do so.

Minimum Level of Unassigned Fund Balance

The Town strives to maintain an unassigned fund balance in its General Fund equal to 8-15% of the total annual appropriations of the community. Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process.

Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

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—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Postemployment Benefits

The Town did not implement the provisions of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as it pertains to its single employer OPEB plan. Statement 75 requires governments to account for certain other postemployment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The single employer provisions of GASB Statement 75 were required to be implemented by the Town during the year ended December 31, 2018. The Town has only implemented the provisions of GASB Statement 75 as it pertains to its cost-sharing multiple-employer defined benefit OPEB plan (see Note 6).

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

NOTE 3—DEPOSITS AND INVESTMENTS

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

Statement of Net Position:	
Cash and cash equivalents	\$ 1,721,084
Investments	969,760
Statement of Fiduciary Net Position:	
Cash and cash equivalents	14,189,750
Investments	45,961
Total deposits and investments	<u>\$ 16,926,555</u>

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

Cash on hand	\$ 65,320
Deposits with financial institutions	15,845,515
Investments	1,015,720
Total deposits and investments	<u>\$ 16,926,555</u>

The Town's investment policy requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Town limits its investments to demand deposits, money market accounts, certificates of deposit and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool, in accordance with New Hampshire State law (RSA 197:23-a). Responsibility for the investments of the Trust Funds is with the Trustees of Trust Funds. Investments of the library funds are at the discretion of the Library Trustees.

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.

As of December 31, 2021, the Town's investments in mutual funds totaling \$746,939 are not rated. At year end, the Town's investment in NHPDIP, an external investment pool, in the amount of \$159,819, had a rating of *Aaa-mf*.

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.

In accordance with the Town's investment policy, all funds must be secured by collateral having a market value of at least equal to 102% of the amount deposited or invested. The collateral shall only consist of securities in which Towns may invest, as provided in New Hampshire State law (RSA 368:57).

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

Of the Town's deposits with financial institutions at year end, \$15,338,906 was collateralized by securities held by the bank in the Town's name and \$15,238 was uninsured and uncollateralized at year end.

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:

	<u>Investment Type</u>	<u>Reported Amount</u>
Mutual funds		<u>\$ 746,939</u>

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>Total</u>
	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	
Mutual funds	\$ 746,939			\$ 746,939
	<u>\$ 746,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746,939</u>

Mutual funds classified as Level 1 are valued using unadjusted quoted prices in active markets for those securities.

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.

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.

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

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.

NOTE 4—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>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 654,396			\$ 654,396
Total capital assets not being depreciated	<u>654,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>654,396</u>
Other capital assets:				
Infrastructure	183,333			183,333
Land improvements	76,129			76,129
Buildings and improvements	4,136,739			4,136,739
Vehicles and equipment	<u>3,435,744</u>	<u>176,080</u>		<u>3,611,824</u>
Total other capital assets at historical cost	<u>7,831,945</u>	<u>176,080</u>	<u>-</u>	<u>8,008,025</u>
Less accumulated depreciation for:				
Infrastructure	(113,052)	(7,333)		(120,385)
Land improvements	(26,435)	(3,606)		(30,041)
Buildings and improvements	(1,797,477)	(108,988)		(1,906,465)
Vehicles and equipment	<u>(1,874,659)</u>	<u>(211,669)</u>		<u>(2,086,328)</u>
Total accumulated depreciation	<u>(3,811,623)</u>	<u>(331,596)</u>	<u>-</u>	<u>(4,143,219)</u>
Total other capital assets, net	<u>4,020,322</u>	<u>(155,516)</u>	<u>-</u>	<u>3,864,806</u>
Total capital assets, net	<u>\$ 4,674,718</u>	<u>\$ (155,516)</u>	<u>\$ -</u>	<u>\$ 4,519,202</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 21,078
Public safety	210,761
Highways and streets	60,684
Culture and recreation	<u>39,073</u>
	<u>\$ 331,596</u>

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

Vehicles and equipment	\$ 793,298
Less accumulated depreciation for:	
Vehicles and equipment	<u>(127,909)</u>
	<u>\$ 665,389</u>

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

NOTE 5—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 1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2021</u>	<u>Current Portion</u>
Governmental activities:					
Capital leases payable	\$ 719,769	\$ 71,260	\$ (176,743)	\$ 614,286	\$ 191,150
Compensated absences payable	235,471	50,258	(6,009)	279,720	
	<u>\$ 955,240</u>	<u>\$ 121,518</u>	<u>\$ (182,752)</u>	<u>\$ 894,006</u>	<u>\$ 191,150</u>

Payments on capital lease obligations are paid out of the General Fund. Compensated absences will be paid from the fund where the employee's salary is paid.

Capital Lease Obligations

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. Following are the outstanding capital lease obligations at December 31, 2021:

Loader, due in annual installments of \$21,335 through June 2022, including interest at 2.96%	\$ 21,022
Police cruisers due in annual installments of \$13,910 through July 2022, including interest at 7.00%	13,000
Rollout carts due in annual installments of \$77,428 through April 2023, including interest at 6.72%	134,874
Fire Truck due in annual installments of \$79,525 through March 2026, including interest at 2.07%	374,130
Chevy Silverado due in annual installments of \$12,694 through April 2025, including interest at 2.97%	47,219
Chevy Colorado due in annual installments of \$6,606 through June 2025, including interest at 3.89%	24,041
	<u>\$ 614,286</u>

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

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 191,150	\$ 20,349	\$ 211,499
2023	157,307	12,495	169,802
2024	92,887	5,938	98,825
2025	95,026	3,799	98,825
2026	77,916	1,609	79,525
	<u>\$ 614,286</u>	<u>\$ 44,190</u>	<u>\$ 658,476</u>

NOTE 6—OTHER POSTEMPLOYMENT BENEFITS

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.

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 HAMPSTEAD, 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 public safety employees and general employees were 3.66% and 0.29% through June 30, 2021, respectively, and 3.21% and 0.31%, respectively, thereafter. Contributions to the OPEB plan for the Town were \$47,217 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 \$421,056 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 0.1051 percent, which was an increase of 0.0075 percentage points from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$49,420. 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		\$ 88
Net difference between projected and actual earnings on OPEB plan investments		5,260
Changes in proportion and differences between Town contributions and proportionate share of contributions	\$ 277	
Town contributions subsequent to the measurement date	<u>21,951</u>	
Totals	<u>\$ 22,228</u>	<u>\$ 5,348</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 \$16,880. The Town reported \$21,951 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:

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NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2021

<u>June 30,</u>	
2022	\$ (1,014)
2023	(1,105)
2024	(1,239)
2025	(1,713)
	<u>\$ (5,071)</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 this single discount rate assumed that employer contributions will be made under the current statutes 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

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

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.

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	Current Discount Rate	1% Increase
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Net OPEB liability	\$ 457,721	\$ 421,056	\$ 389,155

NOTE 7—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.

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

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

the multiplier used in the calculation will change depending on age and years of creditable service as follows:

<u>Years of Creditable Service as of 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 fire employees 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 police officers, fire employees, and general employees were 24.77%, 26.43%, and 10.88% through June 30, 2021, respectively, and 30.67%, 29.78%, and 13.75%, respectively, thereafter. The Town contributed 100% of the employer cost for public safety and general employees 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 funding policy. The Town's pension contributions to the NHRS for the year ending December 31, 2021 were \$467,222.

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

At December 31, 2021, the Town reported a liability of \$4,102,001 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 0.0926 percent, which was an increase of 0.0067 percentage points from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$476,376. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2021

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 114,862	\$ 42,945
Change in assumptions	428,431	
Net difference between projected and actual investment earnings on pension plan investments		1,147,236
Changes in proportion and differences between Town contributions and proportionate share of contributions	459,783	
Town contributions subsequent to the measurement date	<u>253,959</u>	
Totals	<u>\$ 1,257,035</u>	<u>\$ 1,190,181</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$66,854. The Town reported \$253,959 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:

Year Ending <u>June 30,</u>	
2022	\$ 63,941
2023	61,544
2024	(2,107)
2025	<u>(310,483)</u>
	<u>\$ (187,105)</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.

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

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 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 to 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%, 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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Town's proportionate share of the net pension liability	\$ 5,866,331	\$ 4,102,001	\$ 2,630,262

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

NOTE 8—INTERFUND BALANCES AND TRANSFERS

The Town incurs various interfund balances throughout the year as a result of timing differences between when amounts expended are reimbursed by the various funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2021 are as follows:

Due to		Due from			<u>Total</u>
		<u>General Fund</u>	<u>Permanent Funds</u>	<u>Cable Advisory Board Fund</u>	
	General Fund		\$ 5,513	\$ 360	\$ 5,873
	Nonmajor Governmental Funds	\$ 250			250
		<u>\$ 250</u>	<u>\$ 5,513</u>	<u>\$ 360</u>	<u>\$ 6,123</u>

Interfund transfers for the year ended December 31, 2022 consists of a transfer of \$6,263 to the General Fund from the Permanent Funds to distribute income. The transfer was made in accordance with budgetary authorization.

NOTE 9—RESTRICTED NET POSITION

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

Permanent Funds - Principal	\$ 588,093
Permanent Funds - Income	118,257
Police Drug Forfeiture Funds	2,858
Recreation Donation Fund	15,223
Friends of Ordway Park Fund	7,496
Basketball Court Donations Trust Fund	2,882
Police Donation Trust Fund	468
Library Fund	193,167
	<u>\$ 928,444</u>

NOTE 10—COMPONENTS OF FUND BALANCE

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Advisory Board Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>					
Permanent Funds - Principal		\$ 588,093			\$ 588,093
Prepaid items	\$ 1,810				1,810

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

Restricted for:

Permanent Funds - Income	118,257			118,257
Police Drug Forfeiture Funds		\$	2,858	2,858
Friends of Ordway Park			7,496	7,496
Recreation Donations Fund			15,223	15,223
Police Donation Trust Fund			468	468
Basketball Court Donations Trust Fund			2,882	2,882
Library Fund	193,167			193,167

Committed for:

Cable Advisory Board Fund		\$	442,183	442,183
Recreation Revolving Fund			17,288	17,288
Police Special Details Fund			60,581	60,581
Conservation Commission Fund			105,536	105,536
Capital Reserve Fund	49,557			49,557
Expendable Trust Fund	3			3
Recycling Revolving Fund			7,249	7,249
Cemetery Trust Fund			15,238	15,238
Carryforward appropriations	395,156			395,156

Assigned for:

Encumbrances	96,745			96,745
OHRV Fund	182			182
Historic District Commission Fund			6,814	6,814
Trails Fund			2,350	2,350

Unassigned

212,426				212,426
<u>\$ 949,046</u>	<u>\$ 706,350</u>	<u>\$ 442,183</u>	<u>\$ 243,983</u>	<u>\$ 2,341,562</u>

NOTE 11—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$1,339,982,770 as of April 1, 2021) and are due in two installments on July 1, 2021 and December 3, 2021. Taxes paid after the due dates accrue interest at 8% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year-end).

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 deeded to the Town.

In accordance with State law, the Town collects taxes for the Hampstead School District and Rockingham 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 \$25,479,723 and \$1,182,262 for the Hampstead School District and Rockingham County, respectively. These taxes are recognized in these financial statements within the fiduciary funds only. The Town bears responsibility for uncollected taxes.

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

NOTE 12—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.

NOTE 13—COMMITMENTS AND CONTINGENCIES

Sanitation Contract

During the year ended 2018, the Town entered into a long-term contract with an independent company for the collection and disposal of solid waste through December 31, 2023. Terms of the agreement are for a 5-year contract period starting December 31, 2018 with the independent company to provide municipal waste, bulk waste, and recycling services for the Town. The contract costs will be a minimum of \$510,000 for years one through five. The cost for the disposal services for year one is \$65 per ton, which increased \$2 per year for a final cost of \$73 per ton in year five. The cost for the curbside bulky collection is \$26 per sticker, \$186 per haul, and \$101 per ton disposal per year. The cost for containerized services is \$6,950 per year. Total expenditures under this contract for the year ended December 31, 2021 were \$685,550.

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

Litigation

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

NOTE 14—PERFORMANCE BONDS

The Town holds performance bonds from developers until projects have been completed to Town standards. Due to the nature of the bonds they are not included as part of the financial statements. As of December 31, 2021, the performance bonds are comprised of the following:

Letters of credit	<u>\$ 206,768</u>
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NOTE 15—IMPLEMENTATION OF FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, which the Town is required to implement in the year ending December 31, 2022. Management believes that this pronouncement will have an impact on the Town's government-wide financial statements. The Town will be required to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognize as inflows of resources or outflows of resources based on the payment provisions of the contracts.

SCHEDULE 1
TOWN OF HAMPSTEAD, 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</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Taxes	\$ 3,431,951	\$ 3,431,951	\$ 3,230,744	\$ (201,207)
Licenses and permits	2,501,884	2,501,884	2,529,836	27,952
Intergovernmental	857,928	1,245,120	1,285,402	40,282
Charges for services	122,615	122,615	184,040	61,425
Interest income	7,669	7,669	7,883	214
Miscellaneous	25,355	25,355	90,332	64,977
Total Revenues	<u>6,947,402</u>	<u>7,334,594</u>	<u>7,328,237</u>	<u>(6,357)</u>
Expenditures:				
Current operations:				
General government	1,912,372	1,912,372	1,854,363	58,009
Public safety	2,894,093	3,224,600	3,096,104	128,496
Highways and streets	991,634	991,634	978,962	12,672
Sanitation	835,480	835,480	809,227	26,253
Health and welfare	142,488	142,488	118,943	23,545
Culture and recreation	151,340	151,340	72,825	78,515
Conservation	13,179	13,179	11,624	1,555
Capital outlay	-	56,685	56,685	-
Total Expenditures	<u>6,940,586</u>	<u>7,327,778</u>	<u>6,998,733</u>	<u>329,045</u>
Excess revenues over (under) expenditures	<u>6,816</u>	<u>6,816</u>	<u>329,504</u>	<u>322,688</u>
Other financing sources (uses):				
Transfers in			6,112	6,112
Transfers out	<u>(639,112)</u>	<u>(639,112)</u>	<u>(623,280)</u>	<u>15,832</u>
Total Other financing sources (uses)	<u>(639,112)</u>	<u>(639,112)</u>	<u>(617,168)</u>	<u>21,944</u>
Net change in fund balance	(632,296)	(632,296)	(287,664)	344,632
Fund Balance at beginning of year				
- Budgetary Basis	<u>1,031,952</u>	<u>1,031,952</u>	<u>1,031,952</u>	<u>-</u>
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 399,656</u>	<u>\$ 399,656</u>	<u>\$ 744,288</u>	<u>\$ 344,632</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

TOWN OF HAMPSTEAD, NEW HAMPSHIRE

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

For the Year Ended December 31, 2021

<u>Measurement Period Ended</u>	Cost-Sharing Multiple Employer Plan Information Only				
	<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	0.10514385%	\$ 421,056	\$ 2,167,203	19.43%	11.06%
June 30, 2020	0.09756512%	\$ 427,051	\$ 1,958,746	21.80%	7.74%
June 30, 2019	0.10359158%	\$ 454,157	\$ 1,793,689	25.32%	7.75%
June 30, 2018	0.09614094%	\$ 440,177	\$ 1,648,849	26.70%	7.53%
June 30, 2017	0.06142391%	\$ 280,851	\$ 1,542,655	18.21%	7.91%
June 30, 2016	0.06151677%	\$ 297,806	\$ 1,469,991	20.26%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*
June 30, 2013	*	*	*	*	*
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 3
TOWN OF HAMPSTEAD, NEW HAMPSHIRE
Schedule of Town OPEB Contributions
For the Year Ended December 31, 2021

Cost-Sharing Multiple Employer Plan Information Only					
<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	\$ 47,217	\$ (47,217)	\$ -	\$ 2,151,862	2.19%
December 31, 2020	\$ 45,537	\$ (45,537)	\$ -	\$ 1,973,367	2.31%
December 31, 2019	\$ 42,980	\$ (42,980)	\$ -	\$ 1,737,423	2.47%
December 31, 2018	\$ 45,189	\$ (45,189)	\$ -	\$ 1,720,142	2.63%
December 31, 2017	\$ 39,637	\$ (39,637)	\$ -	\$ 1,600,350	2.48%
December 31, 2016	*	*	*	*	*
December 31, 2015	*	*	*	*	*
December 31, 2014	*	*	*	*	*
December 31, 2013	*	*	*	*	*
December 31, 2012	*	*	*	*	*

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 4

TOWN OF HAMPSTEAD, NEW HAMPSHIRE**Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability**

For the Year Ended December 31, 2021

<u>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 (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2021	0.09255586%	\$ 4,102,001	\$ 2,167,203	189.28%	72.22%
June 30, 2020	0.08586266%	\$ 5,491,905	\$ 1,958,746	280.38%	58.72%
June 30, 2019	0.08315517%	\$ 4,001,140	\$ 1,793,689	223.07%	65.59%
June 30, 2018	0.07796001%	\$ 3,753,932	\$ 1,648,849	227.67%	64.73%
June 30, 2017	0.07606989%	\$ 3,741,112	\$ 1,542,655	242.51%	62.66%
June 30, 2016	0.07516664%	\$ 3,997,058	\$ 1,469,991	271.91%	58.30%
June 30, 2015	0.07495207%	\$ 2,969,247	\$ 1,435,275	206.88%	65.47%
June 30, 2014	0.07520567%	\$ 2,822,909	\$ 1,400,468	201.57%	66.32%
June 30, 2013	0.07210311%	\$ 3,103,162	\$ 1,334,314	232.57%	59.81%
June 30, 2012	*	*	*	*	*

* 10 Year schedule, historical information not available

<u>Significant Actuarial Assumptions</u>					
<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 5

TOWN OF HAMPSTEAD, 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	\$ 467,222	\$ (467,222)	\$ -	\$ 2,151,862	21.71%
December 31, 2020	\$ 383,990	\$ (383,990)	\$ -	\$ 1,973,367	19.46%
December 31, 2019	\$ 344,087	\$ (344,087)	\$ -	\$ 1,737,423	19.80%
December 31, 2018	\$ 346,680	\$ (346,680)	\$ -	\$ 1,720,142	20.15%
December 31, 2017	\$ 305,094	\$ (305,094)	\$ -	\$ 1,600,350	19.06%
December 31, 2016	\$ 265,637	\$ (265,637)	\$ -	\$ 1,468,104	18.09%
December 31, 2015	\$ 262,074	\$ (262,074)	\$ -	\$ 1,454,088	18.02%
December 31, 2014	\$ 245,150	\$ (245,150)	\$ -	\$ 1,408,971	17.40%
December 31, 2013	\$ 208,793	\$ (208,793)	\$ -	\$ 1,349,805	15.47%
December 31, 2012	*	*	*	*	*

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

TOWN OF HAMPSTEAD, 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 financing uses were adjusted for encumbrances, non-budgetary activity, capital lease proceeds and budgetary transfers out.

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 7,479,972	\$ 7,796,691
Difference in property taxes meeting susceptible to accrual criteria	(10,457)	
Encumbrances - December 31, 2021		96,745
Encumbrances - December 31, 2020		(91,729)
Capital lease proceeds	(71,260)	(71,260)
Non-budgetary activity	(63,906)	(731,714)
Budgetary transfers out		623,280
Per Schedule 1	<u>\$ 7,334,349</u>	<u>\$ 7,622,013</u>

Major Special Revenue Fund

The Town adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differs from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Cable Advisory Board Fund as the information is neither practical nor meaningful.

NOTE 2—BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the General Fund at December 31, 2021 are as follows:

<i>Nonspendable:</i>	
Prepaid items	\$ 1,810
<i>Committed for:</i>	
Carryforward appropriations	395,156
<i>Unassigned:</i>	
Unassigned - General operations	<u>347,322</u>
	<u>\$ 744,288</u>

SCHEDULE A
TOWN OF HAMPSTEAD, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Special Revenue Funds
December 31, 2021

	Recreation Revolving Fund	Historic District Commission	Trails Fund	Police Special Details Fund	Drug Forfeiture Fund	Conservation Commission	Friends of Ordway Park	Recreation Donation Fund	Police Donation Trust Fund	Basketball Court Donations Trust Fund	Recycling Revolving Fund	Cemetery Trust Fund	Total Nonmajor Special Revenue Funds
ASSETS													
Cash and cash equivalents	\$ 17,288	\$ 6,814	\$ 2,350	\$ 42,568	\$ 2,608	\$ 105,536	\$ 7,496	\$ 15,223	\$ 468	\$ 2,882	\$ 7,249	\$ 15,238	\$ 225,720
Accounts receivable				18,013									18,013
Due from other funds					250								250
Total Assets	<u>17,288</u>	<u>6,814</u>	<u>2,350</u>	<u>60,581</u>	<u>2,858</u>	<u>105,536</u>	<u>7,496</u>	<u>15,223</u>	<u>468</u>	<u>2,882</u>	<u>7,249</u>	<u>15,238</u>	<u>243,983</u>
DEFERRED OUTFLOWS OF RESOURCES													
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 17,288</u>	<u>\$ 6,814</u>	<u>\$ 2,350</u>	<u>\$ 60,581</u>	<u>\$ 2,858</u>	<u>\$ 105,536</u>	<u>\$ 7,496</u>	<u>\$ 15,223</u>	<u>\$ 468</u>	<u>\$ 2,882</u>	<u>\$ 7,249</u>	<u>\$ 15,238</u>	<u>\$ 243,983</u>
LIABILITIES													
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES													
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES													
Restricted					2,858		7,496	15,223	468	2,882			28,927
Committed	17,288			60,581		105,536					7,249	15,238	205,892
Assigned		6,814	2,350										9,164
Total Fund Balances	<u>17,288</u>	<u>6,814</u>	<u>2,350</u>	<u>60,581</u>	<u>2,858</u>	<u>105,536</u>	<u>7,496</u>	<u>15,223</u>	<u>468</u>	<u>2,882</u>	<u>7,249</u>	<u>15,238</u>	<u>243,983</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,288</u>	<u>\$ 6,814</u>	<u>\$ 2,350</u>	<u>\$ 60,581</u>	<u>\$ 2,858</u>	<u>\$ 105,536</u>	<u>\$ 7,496</u>	<u>\$ 15,223</u>	<u>\$ 468</u>	<u>\$ 2,882</u>	<u>\$ 7,249</u>	<u>\$ 15,238</u>	<u>\$ 243,983</u>

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

	Recreation Revolving Fund	Historic District Commission	Trails Fund	Police Special Details Fund	Drug Forfeiture Fund	Conservation Commission	Friends of Ordway Park	Recreation Donation Fund	Police Donation Trust Fund	Basketball Court Donations Trust Fund	Recycling Revolving Fund	Cemetery Trust Fund	Total Nonmajor Special Revenue Funds
Revenues:													
Charges for services	\$ 11,069			\$ 178,167									\$ 189,236
Interest and investment income		\$ 8	\$ 1	58	\$ 3	\$ 101	\$ 9	\$ 18		\$ 3	\$ 8	\$ 12	221
Miscellaneous		200		12,000			265				419	6,563	19,447
Total Revenues	<u>11,069</u>	<u>208</u>	<u>1</u>	<u>190,225</u>	<u>3</u>	<u>101</u>	<u>274</u>	<u>18</u>	<u>\$ -</u>	<u>3</u>	<u>427</u>	<u>6,575</u>	<u>208,904</u>
Expenditures:													
Current operations:													
Public safety				237,992									237,992
Sanitation											225		225
Culture and recreation	7,702						47						7,749
Conservation			1,728			975							2,703
Total Expenditures	<u>7,702</u>	<u>-</u>	<u>1,728</u>	<u>237,992</u>	<u>-</u>	<u>975</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225</u>	<u>-</u>	<u>248,669</u>
Net change in fund balances	3,367	208	(1,727)	(47,767)	3	(874)	227	18	-	3	202	6,575	(39,765)
Fund Balances at beginning of year	<u>13,921</u>	<u>6,606</u>	<u>4,077</u>	<u>108,348</u>	<u>2,855</u>	<u>106,410</u>	<u>7,269</u>	<u>15,205</u>	<u>468</u>	<u>2,879</u>	<u>7,047</u>	<u>8,663</u>	<u>283,748</u>
Fund Balances at end of year	<u>\$ 17,288</u>	<u>\$ 6,814</u>	<u>\$ 2,350</u>	<u>\$ 60,581</u>	<u>\$ 2,858</u>	<u>\$ 105,536</u>	<u>\$ 7,496</u>	<u>\$ 15,223</u>	<u>\$ 468</u>	<u>\$ 2,882</u>	<u>\$ 7,249</u>	<u>\$ 15,238</u>	<u>\$ 243,983</u>