

**TOWN OF WEARE,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2021**

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# PLODZIK & SANDERSON

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## ***INDEPENDENT AUDITOR'S REPORT***

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

### **Report on the Financial Statements**

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Weare, 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 Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

#### ***Adverse Opinion on Governmental Activities***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the accompanying financial statements do not present fairly the financial position of the governmental activities of the Town of Weare, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions***

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the Town of Weare, as of December 31, 2021, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Weare, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis for Adverse Opinion on Governmental Activities***

As discussed in Note 14-B to the financial statements, management has not recorded the long-term costs of retirement healthcare costs and obligations for other postemployment benefits for the single employer plan in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

***Responsibilities of Management for the Financial Statements***

The Town of Weare's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Weare'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 the 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 GAAS 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 GAAS, 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 Weare'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 Weare'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 following be presented to supplement the basic financial statements:

- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits,
- Notes to the Required Supplementary Information

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Town of Weare  
Independent Auditor's Report***

Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

**Supplementary Information** – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Weare's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

December 20, 2022

Concord, New Hampshire

*Plodzik & Sanderson  
Professional Association*

## ***BASIC FINANCIAL STATEMENTS***

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

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,458,379
Investments	4,172,096
Taxes receivable (net)	957,994
Account receivable (net)	84,385
Tax deeded property, subject to resale	69,906
Capital assets:	
Land and construction in progress	6,334,302
Other capital assets, net of depreciation	7,172,171
Total assets	<u>32,249,233</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	1,240,002
Amounts related to other postemployment benefits	20,170
Total deferred outflows of resources	<u>1,260,172</u>
<b>LIABILITIES</b>	
Accounts payable	244,669
Accrued salaries and benefits	51,865
Accrued interest payable	44,771
Intergovernmental payable	9,085,299
Long-term liabilities:	
Due within one year	400,015
Due in more than one year	6,625,921
Total liabilities	<u>16,452,540</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	57,942
Unavailable revenue - land use change taxes	35,504
Unavailable revenue - grants	475,867
Amounts related to pensions	1,035,717
Amounts related to other postemployment benefits	3,953
Total deferred inflows of resources	<u>1,608,983</u>
<b>NET POSITION</b>	
Net investment in capital assets	10,833,073
Restricted	4,277,080
Unrestricted	337,729
Total net position	<u>\$ 15,447,882</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

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

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 1,615,485	\$ 103,420	\$ -	\$ (1,512,065)
Public safety	2,650,229	283,423	5,297	(2,361,509)
Highways and streets	2,463,557	-	310,902	(2,152,655)
Sanitation	578,404	181,144	-	(397,260)
Water distribution and treatment	3,889	-	-	(3,889)
Health	3,964	-	-	(3,964)
Welfare	15,337	-	-	(15,337)
Culture and recreation	407,120	16,245	-	(390,875)
Conservation	33,910	9,029	-	(24,881)
Interest on long-term debt	66,825	-	-	(66,825)
Total governmental activities	<u>\$ 7,838,720</u>	<u>\$ 593,261</u>	<u>\$ 316,199</u>	<u>(6,929,260)</u>
General revenues:				
Taxes:				
Property				3,632,167
Other				300,500
Motor vehicle permit fees				2,235,358
Licenses and other fees				105,678
Grants and contributions not restricted to specific programs				705,714
Unrestricted investment earnings				90,395
Miscellaneous				649,600
Total general revenues				<u>7,719,412</u>
Change in net position				790,152
Net position, beginning, as restated (see Note 18)				14,657,730
Net position, ending				<u>\$ 15,447,882</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



**EXHIBIT C-1**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2021**

	General	Permanent	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,401,679	\$ 35,316	\$ 1,021,384	\$ 13,458,379
Investments	149,930	2,439,929	1,582,237	4,172,096
Taxes receivable	1,057,994	-	-	1,057,994
Accounts receivable (net)	12,750	-	71,635	84,385
Interfund receivable	269,734	-	229,179	498,913
Voluntary tax liens	10,885	-	-	10,885
Voluntary tax liens reserved until collected	(10,885)	-	-	(10,885)
Tax dedeed property, subject to resale	69,906	-	-	69,906
Total assets	<u>\$ 13,961,993</u>	<u>\$ 2,475,245</u>	<u>\$ 2,904,435</u>	<u>\$ 19,341,673</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 240,293	\$ -	\$ 4,376	\$ 244,669
Accrued salaries and benefits	51,865	-	-	51,865
Intergovernmental payable	9,085,299	-	-	9,085,299
Interfund payable	229,179	17,728	252,006	498,913
Total liabilities	<u>9,606,636</u>	<u>17,728</u>	<u>256,382</u>	<u>9,880,746</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	191,580	-	-	191,580
Unavailable revenue - land use change taxes	35,504	-	-	35,504
Unavailable revenue - grants	475,867	-	-	475,867
Total deferred inflows of resources	<u>702,951</u>	<u>-</u>	<u>-</u>	<u>702,951</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	69,906	2,204,955	-	2,274,861
Restricted	171,316	252,562	1,648,247	2,072,125
Committed	724,636	-	1,001,518	1,726,154
Assigned	738,954	-	-	738,954
Unassigned (deficit)	1,947,594	-	(1,712)	1,945,882
Total fund balances	<u>3,652,406</u>	<u>2,457,517</u>	<u>2,648,053</u>	<u>8,757,976</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,961,993</u>	<u>\$ 2,475,245</u>	<u>\$ 2,904,435</u>	<u>\$ 19,341,673</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-2**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**December 31, 2021**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds (Exhibit C-1)		\$ 8,757,976
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 23,283,191	
Less accumulated depreciation	<u>(9,776,718)</u>	
		13,506,473
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 1,240,002	
Deferred inflows of resources related to pensions	(1,035,717)	
Deferred outflows of resources related to OPEB	20,170	
Deferred inflows of resources related to OPEB	<u>(3,953)</u>	
		220,502
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (498,913)	
Payables	<u>498,913</u>	
		-
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.		
Deferred property taxes	\$ 133,638	
Allowance for uncollectible taxes	<u>(100,000)</u>	
		33,638
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(44,771)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 2,365,000	
Unamortized bond premium	308,400	
Compensated absences	270,443	
Accrued landfill postclosure care costs	240,000	
Net pension liability	3,530,862	
Other postemployment benefits	<u>311,231</u>	
		<u>(7,025,936)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 15,447,882</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-3**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2021**

	General	Permanent	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,822,259	\$ -	\$ 128,328	\$ 3,950,587
Licenses and permits	2,341,036	-	-	2,341,036
Intergovernmental	986,463	-	-	986,463
Charges for services	220,921	-	372,340	593,261
Miscellaneous	158,999	348,429	268,017	775,445
Total revenues	7,529,678	348,429	768,685	8,646,792
<b>EXPENDITURES</b>				
Current:				
General government	1,536,800	30,387	18,416	1,585,603
Public safety	2,496,029	-	39,307	2,535,336
Highways and streets	2,072,261	-	198,424	2,270,685
Water distribution and treatment	3,889	-	-	3,889
Sanitation	523,826	-	93,940	617,766
Health	4,153	-	-	4,153
Welfare	15,337	-	-	15,337
Culture and recreation	400,004	-	-	400,004
Conservation	660	-	325,838	326,498
Debt service:				
Principal	351,000	-	-	351,000
Interest	111,996	-	-	111,996
Capital outlay	80,895	-	239,506	320,401
Total expenditures	7,596,850	30,387	915,431	8,542,668
Excess (deficiency) of revenues over (under) expenditures	(67,172)	318,042	(146,746)	104,124
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	18,646	-	-	18,646
Transfers out	-	-	(18,646)	(18,646)
Total other financing sources (uses)	18,646	-	(18,646)	-
Net change in fund balances	(48,526)	318,042	(165,392)	104,124
Fund balances, beginning, as restated (see Note 18)	3,700,932	2,139,475	2,813,445	8,653,852
Fund balances, ending	\$ 3,652,406	\$ 2,457,517	\$ 2,648,053	\$ 8,757,976

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-4**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Reconciliation of the Statement of Revenues, Expenditures, and*  
*Changes in Fund Balances - Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended December 31, 2021*

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 104,124
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capitalized capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 801,852	
Disposal of capital assets	(4,729)	
Depreciation expense	<u>(542,277)</u>	
		254,846
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (18,646)	
Transfers out	<u>18,646</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(17,920)
Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Repayment of bond principal	\$ 351,000	
Amortization of bond premium	<u>38,550</u>	
		389,550
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 6,621	
Increase in compensated absences	(11,353)	
Decrease in accrued landfill postclosure care costs	2,000	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	99,834	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(37,550)</u>	
		59,552
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ 790,152</u></u>

**EXHIBIT D**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual (Non-GAAP Budgetary Basis)*  
**General Fund**  
**For the Fiscal Year Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 3,782,359	\$ 3,804,339	\$ 21,980
Licenses and permits	2,232,404	2,341,036	108,632
Intergovernmental	983,236	986,463	3,227
Charges for services	232,055	220,551	(11,504)
Miscellaneous	16,116	60,291	44,175
Total revenues	7,246,170	7,412,680	166,510
<b>EXPENDITURES</b>			
Current:			
General government	1,543,076	1,617,723	(74,647)
Public safety	2,772,052	2,606,690	165,362
Highways and streets	1,541,751	1,443,268	98,483
Water distribution and treatment	3,550	3,889	(339)
Sanitation	426,346	465,702	(39,356)
Health	21,608	4,153	17,455
Welfare	27,718	15,337	12,381
Culture and recreation	319,247	324,898	(5,651)
Conservation	1,589	660	929
Economic development	1	-	1
Debt service:			
Principal	351,000	351,000	-
Interest	111,996	111,996	-
Capital outlay	91,000	79,633	11,367
Total expenditures	7,210,934	7,024,949	185,985
Excess of revenues over expenditures	35,236	387,731	352,495
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	30,000	18,646	(11,354)
Transfers out	(665,236)	(660,000)	5,236
Total other financing sources (uses)	(635,236)	(641,354)	(6,118)
Net change in fund balances	\$ (600,000)	(253,623)	\$ 346,377
Unassigned fund balance, beginning		2,234,855	
Unassigned fund balance, ending		\$ 1,981,232	

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT E-1**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**December 31, 2021**

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9.926	\$ 1,970,684	\$ 1,980,610
Investments	685,760	-	685,760
Intergovernmental receivables	-	9,085,299	9,085,299
Total assets	695,686	11,055,983	11,751,669
<b>LIABILITIES</b>			
Intergovernmental payables:			
School	-	9,085,186	9,085,186
State	-	113	113
Town	3,151	-	3,151
Escrow payable	-	6,240	6,240
Total liabilities	3,151	9,091,539	9,094,690
<b>NET POSITION</b>			
Restricted	\$ 692,535	\$ 1,964,444	\$ 2,656,979

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT E-2**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Fiduciary Funds*  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2021**

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
<b>ADDITIONS</b>			
Contributions	\$ -	\$1,157,799	\$1,157,799
Investment earnings	11,462	2,111	13,573
Change in fair market value	88,882	-	88,882
Tax collections for other governments	-	17,790,700	17,790,700
Other	-	770,242	770,242
Total additions	100,344	19,720,852	19,821,196
<b>DEDUCTIONS</b>			
Payments from trust funds	10,689	24,605	35,294
Payments of taxes to other governments	-	17,790,700	17,790,700
Payments of motor vehicle fees to State	-	770,242	770,242
Payments for escrow purposes	-	4,140	4,140
Total deductions	10,689	18,589,687	18,600,376
Increase in fiduciary net position	89,655	1,131,165	1,220,820
Net position, beginning	602,880	833,279	1,436,159
Net position, ending	\$ 692,535	\$ 1,964,444	\$ 2,656,979

The Notes to the Basic Financial Statements are an integral part of this statement.

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

The financial statements of the Town of Weare, New Hampshire (the Town), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town's accounting policies are described below.

***1-A Reporting Entity***

The Town of Weare is a municipal corporation governed by an elected five-member Board of Selectmen. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

***1-B Basis of Accounting and Measurement Focus***

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

***Government-wide Financial Statements*** – The Town's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position, with the exception of the long-term costs of retirement healthcare and obligations for other postemployment benefits of the Town's single employer plan which have been omitted because the liability and expense have not been determined. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. As in the Statement of Net Position the Town has not recorded other postemployment benefit expense of the Town's single employer plan in this statement. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services and 2) operating grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

***Governmental Fund Financial Statements*** – Include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

**General Fund** – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the library, American Rescue Plan Act (ARPA), and expendable trust funds are consolidated in the general fund.

**Permanent Fund** – are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the Town. These can include legal trusts for which the interest on the corpus provides funds for the Town’s cemetery operations.

Additionally, the Town reports the following fund types:

**Special Revenue Funds** – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** – are used to account for the financial resources and activities relating to specific construction projects.

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

**Fiduciary Fund Financial Statements** – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary funds:

**Private Purpose Trust Funds** – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

**Custodial Funds** – are custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

### ***1-C Cash and Cash Equivalents***

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts.

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

### ***1-D Investments***

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

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Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

**Fair Value Measurements of Investments** – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

**Level 1** – Inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date. Directly held marketable equity securities would be examples of Level 1 investments.

**Level 2** – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2. All of the Town's holdings in fixed income mutual funds would be examples of Level 2 investments.

**Level 3** – Inputs are significant unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, it is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

### ***1-E Receivables***

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

### ***1-F Capital Assets***

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (i.e., easements) which are reported in the government-wide financial statements. The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes:	<u>Years</u>
Infrastructure	40
Land improvements	15 - 20
Buildings and improvements	5 - 50
Vehicles and equipment	3 - 20

***1-G Interfund Activities***

Interfund activities are reported as follows:

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

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

***1-H Property Taxes***

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 17, 2021 and November 18, 2021, and were due on July 1, 2021 and December 22, 2021, respectively. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2020 on May 19, 2021.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Weare School District, John Stark Regional School District, and Merrimack County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2021 utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 1,259,803,153
Total assessment valuation without utilities	\$ 1,226,973,153

The tax rates and amounts assessed for the year ended December 31, 2021 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.04	\$ 3,829,983
School portion:		
State of New Hampshire	\$1.46	1,790,610
Local	\$11.82	14,894,576
County portion	\$0.88	1,105,514
Total	<u>\$17.20</u>	<u>\$21,620,683</u>

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***1-I Accounts Payable***

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2021.

***1-J Deferred Outflows/Inflows of Resources***

*Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Town after the measurement date but before the end of the Town's reporting period.

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year-end.

***1-K Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classification to categorize the financial transactions:

**Direct Placements** – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

***1-L Compensated Absences***

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

***Sick Leave*** – The Town's policy allows certain employees to earn varying amounts of sick time as set forth by the Town's personnel policy. A liability for those amounts is recorded in the government-wide financial statements.

***1-M Defined Benefit Pension Plan***

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No. 73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by the New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

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***1-N Postemployment Benefits Other Than Pensions***

The Town maintains two separate other postemployment benefit plans (OPEB), as follows:

***New Hampshire Retirement System Plan*** – For the purposes of measuring the total other postemployment benefit (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 OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

***Single Employer Plan*** – The Town maintains a single employer plan but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with GASB Statement No. 75.

***1-O Net Position/Fund Balances***

***Government-wide Statements*** – Equity is classified as net position and displayed in three components:

**Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.

**Unrestricted net position** – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

***Fund Balance Classifications*** – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form (such as tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

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

**Committed** – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

**TOWN OF WEARE, NEW HAMPSHIRE**  
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**Unassigned** – Amounts that are available for any purpose. Positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When multiple net position/fund balance classifications are available for use, it is the Town's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

***1-P Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts and taxes receivable, the useful lives of tangible capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, and accrued landfill postclosure care costs, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

***1-Q Material Change in Classification***

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the Eastman Expendable Trust fund and the Road Bond capital project fund, which account for the activity of the Charles and Ethel Eastman trust and construction/renovation of the Town's roads, respectively, did not qualify as major funds for the current fiscal year. As such they were reclassified to the nonmajor governmental funds.

***NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY***

***2-A Budgetary Information***

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as the nonmajor sewer fund. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2021, \$600,000 of the beginning general fund unassigned fund balance was applied for this purpose.

***2-B Budgetary Reconciliation to GAAP Basis***

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the general fund. There are no differences between the budgetary basis of accounting for the nonmajor sewer fund.



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Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$7,431,326
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	99,078
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	17,920
Per Exhibit C-3 (GAAP basis)	<u>\$7,548,324</u>
Expenditures:	
Per Exhibit D (budgetary basis)	\$7,684,949
Adjustment:	
Basis differences:	
Encumbrances, beginning	199,883
Encumbrances, ending	(469,138)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	841,156
To eliminate transfers between general and blended expendable trust funds	(660,000)
Per Exhibit C-3 (GAAP basis)	<u>\$7,596,850</u>

**2-C Deficit Fund Balance**

The Transfer Station special revenue fund had a deficit of \$(1,712) at December 31, 2021. This deficit will be financed through future revenues of the fund.

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$15,438,989 and the bank balances totaled \$15,544,882.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 13,458,379
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	1,980,610
Total cash and cash equivalents	<u>\$ 15,438,989</u>

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**NOTE 4 – INVESTMENTS**

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Since investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements and maturities as of December 31, 2021:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Common stock	Level 1	\$ 2,072,793	\$ 2,072,793
Equity mutual funds	Level 1	954,885	954,885
Fixed income mutual funds	Level 2	1,830,178	1,830,178
Total fair value		<u>\$ 4,857,856</u>	<u>\$ 4,857,856</u>

**Interest Rate Risk** – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town's and Trustees of Trust Funds' investment policies follow the prudent person rule, which requires the preservation of principal and the amount and regularity of the income derived there from.

**Credit Risk** - The Town's and Trustees of Trust Funds' investment policies state that assets will be invested in obligations of the United States Government, public deposit investment pool established pursuant to RSA 383:22, deposits in solvent banks incorporated under the laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or banks recognized by the State of New Hampshire.

**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy states that only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral. The Trustees of Trust Funds' investment policy does not specifically address this risk.

**Concentration of Credit Risk** – The Town places no limit on the amount it may invest in any one issuer. The Trustees of Trust Funds may invest in the following instruments listed up the maximum percentages shown below:

Reserve	0-10%
Fixed income	30-50%
Equity	50-70%
Special Opportunitess	Tactical

**Investment reconciliation:**

Investments per Statement of Net Position (Exhibit A)	\$4,172,096
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	685,760
Total investments	<u>\$4,857,856</u>

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**NOTE 5 – TAXES RECEIVABLE**

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2021. The amount has been reduced by an allowance for an estimated uncollectible amount of \$100,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2021	\$ 768,081	\$ 768,081
Unredeemed (under tax lien):		
Levy of 2020	151,178	151,178
Levy of 2019	86,844	86,844
Levies of 2018 and prior	12,845	12,845
Land use change	39,046	39,046
Less: allowance for estimated uncollectible taxes	(100,000) *	-
Net taxes receivable	<u>\$ 957,994</u>	<u>\$ 1,057,994</u>

\*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the accrual basis of accounting (Exhibits A and B).

**NOTE 6 – OTHER RECEIVABLES**

Receivables at December 31, 2021, consisted of accounts (billings for police details, sewer, ambulance, and other user charges) and intergovernmental amounts arising from taxes. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of December 31, 2021 for the Town's individual major fund, nonmajor funds, and fiduciary funds including applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Funds	Total	Fiduciary Funds
Receivables:				
Accounts	\$ 12,750	\$ 205,068	\$ 217,818	\$ -
Intergovernmental	-	-	-	9,085,299
Liens	10,885	-	10,885	-
Gross receivables	<u>23,635</u>	<u>205,068</u>	<u>228,703</u>	<u>9,085,299</u>
Less: allowance for uncollectibles	<u>(10,885)</u>	<u>(133,433)</u>	<u>(144,318)</u>	<u>-</u>
Net total receivables	<u>\$ 12,750</u>	<u>\$ 71,635</u>	<u>\$ 84,385</u>	<u>\$ 9,085,299</u>

1. Fiduciary Funds – Intergovernmental receivables include property taxes collected on behalf of the Weare and John Stark Regional School Districts. This amount is collected and is part of the Town's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 9.

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 is as follows:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land and easements	\$ 5,802,207	\$ 532,095	\$ -	\$ 6,334,302
Construction in progress	231,913	-	(231,913)	-
Total capital assets not being depreciated	<u>6,034,120</u>	<u>532,095</u>	<u>(231,913)</u>	<u>6,334,302</u>

(Continued)

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*Capital assets continued:*

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
Being depreciated:				
Land improvements	94,074	-	-	94,074
Buildings and building improvements	4,521,954	-	-	4,521,954
Machinery, equipment, and vehicles	7,394,001	269,757	(14,910)	7,648,848
Infrastructure	4,452,100	231,913	-	4,684,013
Total capital assets being depreciated	16,462,129	501,670	(14,910)	16,948,889
Total all capital assets	22,496,249	1,033,765	(246,823)	23,283,191
Less accumulated depreciation:				
Land improvements	(50,354)	(4,703)	-	(55,057)
Buildings and building improvements	(2,040,682)	(102,342)	-	(2,143,024)
Machinery, equipment, and vehicles	(5,446,388)	(307,600)	10,181	(5,743,807)
Infrastructure	(1,707,198)	(127,632)	-	(1,834,830)
Total accumulated depreciation	(9,244,622)	(542,277)	10,181	(9,776,718)
Net book value, capital assets being depreciated	7,217,507	(40,607)	(4,729)	7,172,171
Net book value, all capital assets	\$13,251,627	\$ 491,488	\$ (236,642)	\$ 13,506,473

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 22,831
Public safety	162,232
Highways and streets	308,785
Sanitation	40,637
Culture and recreation	7,792
Total depreciation expense	<u>\$ 542,277</u>

**NOTE 8 – INTERFUND BALANCES AND TRANSFERS**

**Interfund Balances** - The composition of interfund balances as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Permanent fund	\$ 17,728
General	Nonmajor	252,006
Nonmajor	General	229,179
		<u>\$498,913</u>

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

**Interfund Transfers** - During the year, the Town transferred \$18,646 from the Ambulance special revenue fund to the general fund to reimburse for costs incurred for the purchase of various fire apparatus pump components.

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**NOTE 9 – INTERGOVERNMENTAL PAYABLES**

	Governmental Fund General	Fiduciary Funds
Motor vehicle fees due to the State of New Hampshire	\$ 113	\$ 113
Property taxes due to the custodial funds	<sup>2</sup> 9,085,186	-
Property taxes due to the Weare School District	<sup>3</sup> -	5,315,670
Property taxes due to John Stark Regional School District	<sup>3</sup> -	3,769,516
Amounts due to the Town of Weare	-	3,151
Total intergovernmental payables due	<u>\$9,085,299</u>	<u>\$ 9,088,450</u>

2. Property taxes due to the custodial funds represent amounts collected by the Town on behalf of Weare and John Stark Regional School Districts and are reported as a part of general fund cash at year-end.
3. Property taxes due to the Weare and John Stark Regional School Districts represent amounts collected by the Town that will be paid to the School Districts in incremental payments based upon an agreed schedule in the next calendar year.

**NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources at December 31, 2021 consist of amounts related to pensions totaling \$1,240,002 and amounts related to OPEB totaling \$20,170. For further discussion on these amounts, see Note 12 and 14, respectively.

Deferred inflows of resources are as follows:

	Government- wide	General Fund
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$133,638
Deferred property taxes collected in advance of the tax warrant	57,942	57,942
Land use change taxes	35,504	35,504
Federal grant revenue collected in advance of eligible expenditures being made	475,867	475,867
Amounts related to pensions (see Note 12)	1,035,717	-
Amounts related to other postemployment benefits (see Note 14)	3,953	-
Total governmental activities	<u>\$ 1,608,983</u>	<u>\$702,951</u>

**NOTE 11 – LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2021:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year	Due In More Than One Year
Bonds payable:						
Direct placements	\$ 2,716,000	\$ -	\$ (351,000)	\$ 2,365,000	\$ 351,000	\$ 2,014,000
Premium	346,950	-	(38,550)	308,400	38,550	269,850
Total bonds payable	3,062,950	-	(389,550)	2,673,400	389,550	2,283,850
Compensated absences	259,090	11,353	-	270,443	2,465	267,978
Accrued landfill postclosure care costs	242,000	-	(2,000)	240,000	8,000	232,000
Net pension liability	4,309,391	-	(778,529)	3,530,862	-	3,530,862
Net other postemployment benefits	276,597	34,634	-	311,231	-	311,231
Total long-term liabilities	<u>\$ 8,150,028</u>	<u>\$ 45,987</u>	<u>\$ (1,170,079)</u>	<u>\$ 7,025,936</u>	<u>\$ 400,015</u>	<u>\$ 6,625,921</u>

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Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2021	Current Portion
Bonds payable:						
Direct placements:						
DPW garage	\$ 1,360,000	2016	2026	1.85%	\$ 680,000	\$ 136,000
Road preservation	\$ 2,500,000	2019	2029	1.62%	1,685,000	215,000
Total direct placements					2,365,000	351,000
Bond premium					308,400	38,550
Total					\$ 2,673,400	\$ 389,550

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2021, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bonds - Direct Placements		
	Principal	Interest	Total
2022	\$ 351,000	\$ 51,130	\$ 402,130
2023	346,000	48,614	394,614
2024	346,000	46,098	392,098
2025	346,000	43,582	389,582
2026	346,000	41,066	387,066
2027-2029	630,000	115,650	745,650
Totals	\$ 2,365,000	\$ 346,140	\$ 2,711,140

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

**Accrued Landfill Postclosure Care Costs** – The Town ceased operating its landfill in 1988. Federal and State laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future postclosure care costs that will be incurred after the date the landfill no longer accepts waste. The recognition of these landfill postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill postclosure care costs has a balance of \$240,000 as of December 31, 2021, which is based on 100% usage (filled) of the landfill. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time State employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

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**Benefits Provided** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). 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.

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

<b>Years of Creditable Service as of January 1, 2012</b>	<b>Minimum Age</b>	<b>Minimum Service</b>	<b>Benefit Multiplier</b>
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%

Members of both groups may qualify for vested deferred allowances, disability allowances, and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

**Contributions** - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80%, respectively. For the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43% for fire, and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 30.67% for police, 29.78% for fire, and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$437,250, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2021, the Town reported a liability of \$3,530,862 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 an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the Town's proportion was 0.08%, which was an increase of 0.01% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$337,707. At December 31, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 514,889	\$ 11,250
Changes in assumptions	368,779	-
Net difference between projected and actual investment earnings on pension plan investments	-	987,501
Differences between expected and actual experience	98,869	36,966
Contributions subsequent to the measurement date	257,465	-
Total	<u>\$ 1,240,002</u>	<u>\$ 1,035,717</u>

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The \$257,465 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31.	
2022	\$ 44,225
2023	63,974
2024	44,810
2025	(206,189)
Thereafter	-
Totals	<u>\$ (53,180)</u>

**Actuarial Assumptions** – The collective total pension liability was based on the following assumptions:

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on pension plan investment 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 rate 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:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	



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**Discount Rate** – The discount rate used to measure the collective total 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 service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. 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 investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

**Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table 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 (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 5,049,537	\$ 3,530.862	\$ 2,264,040

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

**NOTE 13 – SUPPLEMENTAL RETIREMENT PLAN**

All employees employed by the Town are eligible to participate in a defined contribution pension plan administered by AIG Valic. Participation begins immediately upon employment. The Town has no requirement or obligation under State Statutes to contribute to this plan, however the Town has adopted the Supplemental Retirement Plan 457(b) for its employees. The Town Administrator has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The Town does not contribute to the plan. Employees may make voluntary contributions to the plan. Contributions for the year ended December 31, 2021 were \$63,017 from employees.

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**14-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2021 Annual Comprehensive Financial Report, which can be found on the System's website at [www.nhrs.org](http://www.nhrs.org).

**Benefits Provide** - 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 four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. 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. The OPEB plan is closed to new entrants.

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Maximum medical subsidy rates paid during fiscal year 2021 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$37,895, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At December 31, 2021, the Town reported a liability of \$311,231 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 an actuarial valuation as of June 30, 2020. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the Town's proportion was 0.08%, which was an increase of 0.01% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$75,488. 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 Resources	Deferred Inflows of Resources
Changes in proportion	\$ 532	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	3,888
Differences between expected and actual experience	-	65
Contributions subsequent to the measurement date	19,638	-
Total	<u>\$ 20,170</u>	<u>\$ 3,953</u>

The \$19,638 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2022	\$ (422)
2023	(817)
2024	(916)
2025	(1,266)
Thereafter	-
Totals	<u>\$ (3,421)</u>

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**Actuarial Assumptions** – The collective total OPEB liability was based on the following actuarial assumptions:

Inflation:	2.00%
Salary increases:	5.60% average, including inflation
Wage inflation:	2.75% (2.25% for Teachers)
Investment rate of return:	6.75% 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, 2016 - June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment 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 rate 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:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

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

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the Town's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 338,333	\$ 311,231	\$ 287,651

**TOWN OF WEARE, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption** – GASB Statement No. 75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

**14-B Town of Weare Retiree Health Benefit Program**

The Town provides postemployment benefit options for healthcare to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the Town's contractual agreements. Expenses for the cost of providing health insurance for currently enrolled retirees are recognized in the general fund of the funds financial statements as payments are made.

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The Town has not fully implemented GASB Statement No. 75 at December 31, 2021 or contracted with an actuarial firm to assist in evaluating the impact of this standard on the Town's single employer plan. The amounts that should be recorded as the net OPEB liability and the OPEB expense for the Town's single employer plan are unknown.

**NOTE 15 – ENCUMBRANCES**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2021 and are as follows:

General fund:	
General government	\$ 169,877
Public safety	183,660
Highways and streets	95,601
Sanitation	20,000
Total encumbrances	<u>\$ 469,138</u>

**NOTE 16 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION**

Net position reported on the governmental activities and fiduciary funds Statements of Net Position at December 31, 2021 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all governmental activities capital assets	\$ 13,506,473	\$ -
Less:		
General obligation bonds payable	(2,365,000)	-
Unamortized bond premiums	(308,400)	-
Total net investment in capital assets	<u>10,833,073</u>	<u>-</u>

(Continued)

**TOWN OF WEARE, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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*Governmental activities and fiduciary funds net position continued:*

	Governmental Activities	Fiduciary Funds
Restricted net position:		
Perpetual care - nonexpendable	2,204,955	-
Perpetual care - expendable	252,562	-
Library	171,175	-
Grants	141	-
Capital projects	43,108	-
Special revenue funds	1,605,139	-
Private purpose trust funds	-	692,535
School trust funds	-	1,689,940
Escrows	-	274,504
Total restricted net position	<u>4,277,080</u>	<u>2,656,979</u>
Unrestricted	<u>337,729</u>	<u>-</u>
Total net position	<u>\$ 15,447,882</u>	<u>\$ 2,656,979</u>

**NOTE 17 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Tax deeded property	\$ 69,906	\$ -	\$ -	\$ 69,906
Permanent fund - principal balance	-	2,204,955	-	2,204,955
Total nonspendable fund balance	<u>69,906</u>	<u>2,204,955</u>	<u>-</u>	<u>2,274,861</u>
<b>Restricted:</b>				
Library	171,175	-	-	171,175
Grants	141	-	-	141
Capital projects	-	-	43,108	43,108
Special revenue trust funds	-	-	1,605,139	1,605,139
Permanent - income balance	-	252,562	-	252,562
Total restricted fund balance	<u>171,316</u>	<u>252,562</u>	<u>1,648,247</u>	<u>2,072,125</u>
<b>Committed:</b>				
Expendable trust	724,636	-	-	724,636
Nonmajor special revenue funds	-	-	1,001,518	1,001,518
Total committed fund balance	<u>724,636</u>	<u>-</u>	<u>1,001,518</u>	<u>1,726,154</u>
<b>Assigned:</b>				
Encumbrances	469,138	-	-	469,138
Contingency	269,816	-	-	269,816
Total assigned fund balance	<u>738,954</u>	<u>-</u>	<u>-</u>	<u>738,954</u>
<b>Unassigned (deficit)</b>	<u>1,947,594</u>	<u>-</u>	<u>(1,712)</u>	<u>1,945,882</u>
Total governmental fund balances	<u>\$ 3,652,406</u>	<u>\$ 2,457,517</u>	<u>\$ 2,648,053</u>	<u>\$ 8,757,976</u>

**TOWN OF WEARE, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 18 – PRIOR PERIOD ADJUSTMENTS**

Net position/fund balance at January 1, 2021 was restated to give retroactive effect to the following prior period adjustments:

	Governmental Activities	General Fund
To restate for abatement contingency	\$ 269,816	\$ 269,816
To restate for previously unrecognized capital assets	30,000	-
Net position/fund balance, as previously reported	14,357,914	3,431,116
Net position/fund balance, as restated	<u>\$ 14,657,730</u>	<u>\$ 3,700,932</u>

**NOTE 19 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2021, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex<sup>3</sup>, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The Workers' Compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2021, the Town paid \$158,448 and \$319,406 respectively, to Primex<sup>3</sup> for Workers' Compensation and Property/Liability. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 20 – COVID-19**

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The Town was allotted a total of \$951,734 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$475,867, or 50%, of the funding was received in 2021. The remainder is expected to be received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue, and necessary water, sewer, and broadband investment. For the year ended December 31, 2021, the Town did not spend any of the funds received. The funds are included in deferred inflows of resources until eligible expenditures have been made.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

**NOTE 21 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Town had no material tax abatements or programs for the year ended December 31, 2021.

***TOWN OF WEARE, NEW HAMPSHIRE***  
***NOTES TO THE BASIC FINANCIAL STATEMENTS***  
***AS OF AND FOR THE FISCAL YEAR ENDED***  
***DECEMBER 31, 2021***

***NOTE 22 – SUBSEQUENT EVENTS***

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through December 20, 2022, the date the December 31, 2021 financial statements were available to be issued, and the following occurred that requires recognition or disclosure:

At the 2022 Annual Town Meeting held on March 08, 2022, the residents of the Town approved a warrant article appropriating the use of \$260,000 from the December 31, 2021 unassigned fund balance to purchase a 10-wheel plow truck.

***REQUIRED SUPPLEMENTARY INFORMATION***



**EXHIBIT F**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*

*Unaudited*

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net pension liability	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.08%
Town's proportionate share of the net pension liability	\$ 2,949,906	\$ 3,916,777	\$ 3,338,228	\$ 3,258,579	\$ 3,258,430	\$ 4,309,391	\$ 3,530,862
Town's covered payroll	\$ 1,706,357	\$ 1,754,504	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,171,389
Town's proportionate share of the net pension liability as a percentage of its covered payroll	172.88%	223.24%	195.68%	184.90%	180.12%	211.84%	162.61%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

**EXHIBIT G**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
*Unaudited*

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 253,579	\$ 258,085	\$ 257,919	\$ 297,295	\$ 294,703	\$ 299,307	\$ 437,250
Contributions in relation to the contractually required contributions	253,579	258,085	257,919	297,295	294,703	299,307	437,250
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,706,357	\$ 1,754,504	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,275,428
Contributions as a percentage of covered payroll	14.86%	14.71%	15.12%	16.87%	16.29%	14.71%	19.22%

**TOWN OF WEARE, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

***Schedule of the Town's Proportionate Share of Net Pension Liability and  
Schedule of Town Contributions - Pensions***

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates*** – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**EXHIBIT H**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Town's proportion of the net OPEB liability	0.04%	0.07%	0.07%	0.07%	0.08%
Town's proportionate share of the net OPEB liability (asset)	\$ 197,188	\$ 305,741	\$ 292,515	\$ 276,597	\$ 311,231
Town's covered payroll	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,171,389
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	11.56%	17.35%	16.17%	13.60%	14.33%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%

**EXHIBIT I**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Other Postemployment Benefits*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 25,561	\$ 29,538	\$ 30,449	\$ 29,332	\$ 37,895
Contributions in relation to the contractually required contribution	25,561	29,538	30,449	29,332	37,895
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,275,428
Contributions as a percentage of covered payroll	1.50%	1.68%	1.68%	1.44%	1.67%

**TOWN OF WEARE, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFIT LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

***Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability and  
Schedule of Town Contributions – Other Postemployment Benefits***

***Changes in Benefit Terms*** - There were no changes in benefit terms for the current period.

***Changes in Assumptions*** – There were no changes in assumptions for the current period.

***Methods and Assumptions Used to Determine Contribution Rates***– A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at [www.nhrs.org](http://www.nhrs.org).

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2021. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***

*SCHEDULE 1*  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Major General Fund*  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended December 31, 2021*

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 3,597,962	\$ 3,632,167	\$ 34,205
Land use change	45,000	48,500	3,500
Yield	25,000	32,083	7,083
Excavation	4,397	4,397	-
Interest and penalties on taxes	110,000	87,192	(22,808)
Total from taxes	<u>3,782,359</u>	<u>3,804,339</u>	<u>21,980</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	2,126,000	2,235,358	109,358
Building permits	90,000	88,936	(1,064)
Other	16,404	16,742	338
Total from licenses, permits, and fees	<u>2,232,404</u>	<u>2,341,036</u>	<u>108,632</u>
Intergovernmental:			
State:			
Meals and rooms distribution	660,535	660,535	-
Highway block grant	275,522	275,452	(70)
State and federal forest land reimbursement	5,118	5,118	-
Flood control reimbursement	40,061	40,061	-
Federal:			
Other	2,000	5,297	3,297
Total from intergovernmental	<u>983,236</u>	<u>986,463</u>	<u>3,227</u>
Charges for services:			
Income from departments	<u>232,055</u>	<u>220,551</u>	<u>(11,504)</u>
Miscellaneous:			
Sale of municipal property	414	414	-
Interest on investments	7,500	5,827	(1,673)
Other	8,202	54,050	45,848
Total from miscellaneous	<u>16,116</u>	<u>60,291</u>	<u>44,175</u>
Other financing sources:			
Transfers in	<u>30,000</u>	<u>18,646</u>	<u>(11,354)</u>
Total revenues and other financing sources	<u>7,276,170</u>	<u>\$ 7,431,326</u>	<u>\$ 155,156</u>
Unassigned fund balance used to reduce tax rate	<u>600,000</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 7,876,170</u>		



**SCHEDULE 2**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended December 31, 2021**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 61,649	\$ 70,085	\$ 36,866	\$ (45,302)
Election and registration	-	153,952	151,348	231	2,373
Financial administration	-	164,429	151,407	-	13,022
Revaluation of property	67,513	162,262	231,653	1,696	(3,574)
Legal	-	62,000	35,978	-	26,022
Personnel administration	-	201,489	201,717	-	(228)
Planning and zoning	-	72,083	30,175	-	41,908
General government buildings	7,920	143,421	147,910	131,084	(127,653)
Cemeteries	-	36,310	39,690	-	(3,380)
Insurance, not otherwise allocated	-	476,812	455,099	-	21,713
Advertising and regional associations	-	8,669	8,217	-	452
Total general government	75,433	1,543,076	1,523,279	169,877	(74,647)
Public safety:					
Police	12,308	1,701,629	1,555,895	55,038	103,004
Ambulance	-	9,000	-	-	9,000
Fire	57,191	1,005,606	880,091	88,524	94,182
Building inspection	-	46,228	48,730	40,098	(42,600)
Emergency management	-	4,762	3,600	-	1,162
Other	3,500	4,827	7,713	-	614
Total public safety	72,999	2,772,052	2,496,029	183,660	165,362
Highways and streets:					
Highways and streets	48,334	1,536,351	1,391,504	95,601	97,580
Street lighting	-	5,400	4,497	-	903
Total highways and streets	48,334	1,541,751	1,396,001	95,601	98,483
Sanitation:					
Solid waste disposal	950	426,346	446,652	20,000	(39,356)
Water distribution and treatment	-	3,550	3,889	-	(339)
Health:					
Pest control	-	16,216	2,754	-	13,462
Health agencies	-	5,392	1,399	-	3,993
Total health	-	21,608	4,153	-	17,455
Welfare:					
Administration and direct assistance	-	27,718	15,337	-	12,381
Culture and recreation:					
Parks and recreation	905	59,164	59,615	-	454
Library	-	259,583	259,438	-	145
Patriotic purposes	-	500	6,750	-	(6,250)
Total culture and recreation	905	319,247	325,803	-	(5,651)
Conservation	-	1,589	660	-	929
Economic development	-	1	-	-	1

(Continued)

**SCHEDULE 2**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended December 31, 2021**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	351,000	351,000	-	-
Interest on long-term debt	-	111,996	111,996	-	-
Total debt service	-	462,996	462,996	-	-
Capital outlay	1,262	91,000	80,895	-	11,367
Other financing uses:					
Transfers out	-	665,236	660,000	-	5,236
Total appropriations, expenditures, and encumbrances	<u>\$ 199,883</u>	<u>\$ 7,876,170</u>	<u>\$ 7,415,694</u>	<u>\$ 469,138</u>	<u>\$ 191,221</u>

**SCHEDULE 3**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Changes in Unassigned Fund Balance*  
*For the Fiscal Year Ended December 31, 2021*

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 2,234,855
Changes:		
Unassigned fund balance used to reduce 2021 tax rate		(600,000)
2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 155,156	
Unexpended balance of appropriations (Schedule 2)	191,221	
2021 Budget surplus		346,377
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		1,981,232
<b><i>Reconciliation of Non-GAAP Budgetary Basis to GAAP Basis:</i></b>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(133,638)
Elimination of the allowance for uncollectible taxes		100,000
Unassigned fund balance, ending GAAP basis (Exhibit C-1)		\$ 1,947,594

**SCHEDULE 4**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**December 31, 2021**

	Special Revenue Funds					
	Town Forest	Conservation Commission	Sewer	Ambulance	Police Details	Drug Forfeiture
<b>ASSETS</b>						
Cash and cash equivalents	\$ 170,176	\$ 274,122	\$ -	\$ 487,518	\$ 21,311	\$ 135
Investments	-	-	-	-	-	-
Accounts receivable (net)	-	-	1,315	69,859	461	-
Interfund receivable	-	-	4,584	222,905	1,690	-
Total assets	<u>\$ 170,176</u>	<u>\$ 274,122</u>	<u>\$ 5,899</u>	<u>\$ 780,282</u>	<u>\$ 23,462</u>	<u>\$ 135</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 252	\$ -	\$ 657	\$ 1,988	\$ -	\$ -
Interfund payable	122,985	126,676	-	-	-	-
Total liabilities	<u>123,237</u>	<u>126,676</u>	<u>657</u>	<u>1,988</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted	-	-	-	-	-	-
Committed	46,939	147,446	5,242	778,294	23,462	135
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>46,939</u>	<u>147,446</u>	<u>5,242</u>	<u>778,294</u>	<u>23,462</u>	<u>135</u>
Total liabilities and fund balances	<u>\$ 170,176</u>	<u>\$ 274,122</u>	<u>\$ 5,899</u>	<u>\$ 780,282</u>	<u>\$ 23,462</u>	<u>\$ 135</u>

Special Revenue Funds						
Transfer Station	Mildred Hall Expendable Trust	Eastman Expendable Trust	Buxton Expendable Trust	Capital Project Funds		Total
				DPV Garage	Road Bond	
\$ 457	\$ 461	\$ 20,915	\$ 1,526	\$ 1,816	\$ 42,947	\$ 1,021,384
-	31,849	1,444,991	105,397	-	-	1,582,237
-	-	-	-	-	-	71,635
-	-	-	-	-	-	229,179
<u>\$ 457</u>	<u>\$ 32,310</u>	<u>\$ 1,465,906</u>	<u>\$ 106,923</u>	<u>\$ 1,816</u>	<u>\$ 42,947</u>	<u>\$ 2,904,435</u>
\$ 1,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,376
690	-	-	-	1,655	-	252,006
<u>2,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,655</u>	<u>-</u>	<u>256,382</u>
-	32,310	1,465,906	106,923	161	42,947	1,648,247
-	-	-	-	-	-	1,001,518
<u>(1,712)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,712)</u>
<u>(1,712)</u>	<u>32,310</u>	<u>1,465,906</u>	<u>106,923</u>	<u>161</u>	<u>42,947</u>	<u>2,648,053</u>
<u>\$ 457</u>	<u>\$ 32,310</u>	<u>\$ 1,465,906</u>	<u>\$ 106,923</u>	<u>\$ 1,816</u>	<u>\$ 42,947</u>	<u>\$ 2,904,435</u>

**SCHEDULE 5**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
*Nonmajor Governmental Funds*  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2021**

	Special Revenue Funds					
	Town Forest	Conservation Commission	Sewer	Ambulance	Police Details	Drug Forfeiture
<b>REVENUES</b>						
Taxes	\$ -	\$ 128,328	\$ -	\$ -	\$ -	\$ -
Charges for services	9,029	-	11,792	258,592	7,464	-
Miscellaneous	258	310	-	466	23	-
Total revenues	9,287	128,638	11,792	259,058	7,487	-
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	32,563	5,312	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	16,887	-	-	-
Conservation	29,334	256,504	-	-	-	-
Capital outlay	239,506	-	-	-	-	-
Total expenditures	268,840	256,504	16,887	32,563	5,312	-
Excess (deficiency) of revenues over (under) expenditures	(259,553)	(127,866)	(5,095)	226,495	2,175	-
<b>OTHER FINANCING USES:</b>						
Transfers out	-	-	-	(18,646)	-	-
Net change in fund balances	(259,553)	(127,866)	(5,095)	207,849	2,175	-
Fund balances, beginning	306,492	275,312	10,337	570,445	21,287	135
Fund balances, ending	\$ 46,939	\$ 147,446	\$ 5,242	\$ 778,294	\$ 23,462	\$ 135

Special Revenue Funds						
Transfer Station	Special Revenue Funds			Capital Project Funds		Total
	Mildred Hall Expendable Trust	Eastman Expendable Trust	Buxton Expendable Trust	DPW Garage	Road Bond	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,328
85,463	-	-	-	-	-	372,340
1	9,816	240,879	16,013	2	249	268,017
85,464	9,816	240,879	16,013	2	249	768,685
-	5,652	11,963	801	-	-	18,416
-	-	-	1,432	-	-	39,307
-	-	-	-	-	198,424	198,424
77,053	-	-	-	-	-	93,940
-	-	40,000	-	-	-	325,838
-	-	-	-	-	-	239,506
77,053	5,652	51,963	2,233	-	198,424	915,431
8,411	4,164	188,916	13,780	2	(198,175)	(146,746)
-	-	-	-	-	-	(18,646)
8,411	4,164	188,916	13,780	2	(198,175)	(165,392)
(10,123)	28,146	1,276,990	93,143	159	241,122	2,813,445
\$ (1,712)	\$ 32,310	\$ 1,465,906	\$ 106,923	\$ 161	\$ 42,947	\$ 2,648,053

**SCHEDULE 6**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Fiduciary Net Position**  
**December 31, 2021**

	Custodial Funds				Total
	Taxes	Escrows	State Fees	Trust Funds	
				School	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 280,744	\$ -	\$ 1,689,940	\$ 1,970,684
Intergovernmental receivables	9,085,186	-	113	-	9,085,299
Total assets	9,085,186	280,744	113	1,689,940	11,055,983
<b>LIABILITIES</b>					
Intergovernmental payables:					
School	9,085,186	-	-	-	9,085,186
State	-	-	113	-	113
Escrow payable	-	6,240	-	-	6,240
Total liabilities	9,085,186	6,240	113	-	9,091,539
<b>NET POSITION</b>					
Restricted	\$ -	\$ 274,504	\$ -	\$ 1,689,940	\$ 1,964,444



**SCHEDULE 7**  
**TOWN OF WEARE, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2021**

	Custodial Funds				Total
	Taxes	Escrows	State Fees	Trust Funds School	
<b>Additions:</b>					
Contributions	\$ -	\$ 8,140	\$ -	\$ 1,149,659	\$ 1,157,799
Investment earnings	-	316	-	1,795	2,111
Tax collections for other governments	17,790,700	-	-	-	17,790,700
Other	-	-	770,242	-	770,242
Total additions	<u>17,790,700</u>	<u>8,456</u>	<u>770,242</u>	<u>1,151,454</u>	<u>19,720,852</u>
<b>Deductions:</b>					
Payments from trust funds	-	-	-	24,605	24,605
Payments of taxes to other governments	17,790,700	-	-	-	17,790,700
Payments of motor vehicle fees to State	-	-	770,242	-	770,242
Payments for escrow purposes	-	4,140	-	-	4,140
Total deductions	<u>17,790,700</u>	<u>4,140</u>	<u>770,242</u>	<u>24,605</u>	<u>18,589,687</u>
Increase in fiduciary net position	-	4,316	-	1,126,849	1,131,165
Net position, beginning	-	270,188	-	563,091	833,279
Net position, ending	<u>\$ -</u>	<u>\$ 274,504</u>	<u>\$ -</u>	<u>\$ 1,689,940</u>	<u>\$ 1,964,444</u>