

**TOWN OF WEARE,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022**

TOWN OF WEARE, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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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, 2022, 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 financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Weare, as of December 31, 2022, or 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 on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the Town of Weare as of December 31, 2022, 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 Adverse and Unmodified 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.

Matter Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 15-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.

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of 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.

Change in Accounting Principle

As discussed in Note 2-D to the financial statements, in fiscal year 2022 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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, and
- Notes to the Required Supplementary Information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

Town of Weare
Independent Auditor's Report

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.

Management's Discussion and Analysis – 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 accompanying 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.

September 26, 2023
Concord, New Hampshire

Plodzik & Sanderson
Professional Association

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF WEARE, NEW HAMPSHIRE
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,912,141
Investments	3,397,651
Taxes receivable (net)	1,022,333
Account receivable (net)	85,968
Prepaid items	58,470
Tax deeded property, subject to resale	69,906
Capital assets:	
Land and construction in progress	6,405,752
Other capital assets, net of depreciation	6,850,721
Total assets	<u>31,802,942</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	1,751,983
Amounts related to other postemployment benefits	6,655
Total deferred outflows of resources	<u>1,758,638</u>
LIABILITIES	
Accounts payable	182,666
Accrued salaries and benefits	45,525
Intergovernmental payable	9,151,105
Long-term liabilities:	
Due within one year	270,990
Due in more than one year	8,056,398
Total liabilities	<u>17,706,684</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	19,054
Unavailable revenue - land use change taxes	1,519
Unavailable revenue - bridge aid	326,966
Unavailable revenue - highway block grant	239,376
Unavailable revenue - ARPA	951,734
Amounts related to pensions	26,727
Total deferred inflows of resources	<u>1,565,376</u>
NET POSITION	
Net investment in capital assets	11,108,623
Restricted	3,511,329
Unrestricted	<u>(330,432)</u>
Total net position	<u><u>\$ 14,289,520</u></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, 2022

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 1,639,513	\$ 81,145	\$ -	\$ (1,558,368)
Public safety	3,335,746	261,704	37,883	(3,036,159)
Highways and streets	2,486,886	-	279,331	(2,207,555)
Sanitation	588,763	185,329	-	(403,434)
Water distribution and treatment	4,091	-	-	(4,091)
Health	4,109	750	-	(3,359)
Welfare	8,747	-	-	(8,747)
Culture and recreation	437,888	14,326	44,916	(378,646)
Conservation	18,837	302	-	(18,535)
Interest on long-term debt	62,743	-	-	(62,743)
Total governmental activities	<u>\$ 8,587,323</u>	<u>\$ 543,556</u>	<u>\$ 362,130</u>	<u>(7,681,637)</u>
General revenues:				
Taxes:				
Property				3,651,089
Other				224,569
Motor vehicle permit fees				2,203,106
Licenses and other fees				78,928
Grants and contributions not restricted to specific programs				896,181
Unrestricted investment earnings				86,645
Unrealized loss on investments				(734,941)
Miscellaneous				41,095
Total general revenues				<u>6,446,672</u>
Change in net position				<u>(1,234,965)</u>
Net position, beginning, as restated (see Note 19)				<u>15,524,485</u>
Net position, ending				<u>\$ 14,289,520</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, 2022

	General	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,799,021	\$ 60,754	\$ 1,052,366	\$ 13,912,141
Investments	121,176	1,987,578	1,288,897	3,397,651
Taxes receivable	1,122,333	-	-	1,122,333
Accounts receivable (net)	14,185	-	71,783	85,968
Interfund receivable	109,189	-	269,871	379,060
Voluntary tax liens	10,885	-	-	10,885
Voluntary tax liens reserved until collected	(10,885)	-	-	(10,885)
Prepaid items	242,019	-	-	242,019
Tax deceded property, subject to resale	69,906	-	-	69,906
Total assets	<u>\$ 14,477,829</u>	<u>\$ 2,048,332</u>	<u>\$ 2,682,917</u>	<u>\$ 19,209,078</u>
LIABILITIES				
Accounts payable	\$ 175,705	\$ -	\$ 6,961	\$ 182,666
Accrued salaries and benefits	45,525	-	-	45,525
Intergovernmental payable	9,151,105	-	-	9,151,105
Interfund payable	269,871	20,821	88,368	379,060
Total liabilities	<u>9,642,206</u>	<u>20,821</u>	<u>95,329</u>	<u>9,758,356</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	149,329	-	-	149,329
Unavailable revenue - land use change taxes	1,519	-	-	1,519
Unavailable revenue - bridge aid	326,966	-	-	326,966
Unavailable revenue - highway block grant	239,376	-	-	239,376
Unavailable revenue - ARPA	951,734	-	-	951,734
Total deferred inflows of resources	<u>1,668,924</u>	<u>-</u>	<u>-</u>	<u>1,668,924</u>
FUND BALANCES (DEFICIT)				
Nonspendable	311,925	1,770,263	-	2,082,188
Restricted	155,214	257,248	1,328,604	1,741,066
Committed	727,859	-	1,261,759	1,989,618
Assigned	676,587	-	-	676,587
Unassigned (deficit)	1,295,114	-	(2,775)	1,292,339
Total fund balances	<u>3,166,699</u>	<u>2,027,511</u>	<u>2,587,588</u>	<u>7,781,798</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,477,829</u>	<u>\$ 2,048,332</u>	<u>\$ 2,682,917</u>	<u>\$ 19,209,078</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, 2022

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 7,781,798
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 23,403,308	
Less accumulated depreciation	<u>(10,146,835)</u>	
		13,256,473
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	\$ 1,751,983	
Deferred inflows of resources related to pensions	(26,727)	
Deferred outflows of resources related to OPEB	<u>6,655</u>	
		1,731,911
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (379,060)	
Payables	<u>379,060</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	\$ 130,275	
Allowance for uncollectible taxes	<u>(100,000)</u>	
		30,275
Repayment of long-term liabilities not due until subsequent year are recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements.		(183,549)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 1,878,000	
Unamortized bond premium	269,850	
Compensated absences	296,815	
Accrued landfill postclosure care costs	240,000	
Net pension liability	5,288,249	
Other postemployment benefits	<u>354,474</u>	
		(8,327,388)
Net position of governmental activities (Exhibit A)		<u><u>\$ 14,289,520</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, 2022

	General	Permanent	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 3,793,280	\$ -	\$ 85,741	\$ 3,879,021
Licenses and permits	2,282,034	-	-	2,282,034
Intergovernmental	1,204,416	-	-	1,204,416
Charges for services	207,632	-	335,924	543,556
Miscellaneous	92,688	46,290	42,657	181,635
Unrealized loss on investments	-	(434,692)	(300,249)	(734,941)
Total revenues	<u>7,580,050</u>	<u>(388,402)</u>	<u>164,073</u>	<u>7,355,721</u>
EXPENDITURES				
Current:				
General government	1,577,391	41,604	12,115	1,631,110
Public safety	2,926,283	-	51,619	2,977,902
Highways and streets	2,225,395	-	43,060	2,268,455
Water distribution and treatment	4,091	-	-	4,091
Sanitation	425,950	-	99,902	525,852
Health	3,625	-	-	3,625
Welfare	8,747	-	-	8,747
Culture and recreation	416,332	-	-	416,332
Conservation	995	-	17,842	18,837
Debt service:				
Principal	351,000	-	-	351,000
Interest	98,515	-	-	98,515
Capital outlay	27,433	-	-	27,433
Total expenditures	<u>8,065,757</u>	<u>41,604</u>	<u>224,538</u>	<u>8,331,899</u>
Net change in fund balances	(485,707)	(430,006)	(60,465)	(976,178)
Fund balances, beginning	3,652,406	2,457,517	2,648,053	8,757,976
Fund balances, ending	<u>\$ 3,166,699</u>	<u>\$ 2,027,511</u>	<u>\$ 2,587,588</u>	<u>\$ 7,781,798</u>

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, 2022

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (976,178)
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. Depreciation expense exceeded capitalized capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 264,601	
Disposal of capital assets	(26,412)	
Depreciation expense	<u>(564,792)</u>	
		(326,603)
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		(3,363)
Prepaid debt consumes current financial resources of governmental funds, but reduces net position on the government-wide statements.		
Prepaid bond principal, current year	\$ (136,000)	
Prepaid bond interest, current year	<u>(47,549)</u>	
		(183,549)
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	\$ 487,000	
Amortization of bond premium	<u>38,550</u>	
		525,550
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	\$ 44,771	
Increase in compensated absences	(26,372)	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(236,416)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(52,805)</u>	
		(270,822)
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ (1,234,965)</u></u>

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

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, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,826,701	\$ 3,789,917	\$ (36,784)
Licenses and permits	2,341,217	2,282,034	(59,183)
Intergovernmental	1,156,210	1,204,416	48,206
Charges for services	251,561	207,632	(43,929)
Miscellaneous	29,890	36,915	7,025
Total revenues	<u>7,605,579</u>	<u>7,520,914</u>	<u>(84,665)</u>
EXPENDITURES			
Current:			
General government	1,585,398	1,423,244	162,154
Public safety	2,894,074	2,797,516	96,558
Highways and streets	1,562,994	1,571,159	(8,165)
Water distribution and treatment	3,550	4,091	(541)
Sanitation	407,097	405,950	1,147
Health	21,166	3,625	17,541
Welfare	28,201	8,747	19,454
Culture and recreation	338,994	345,297	(6,303)
Conservation	1,589	995	594
Economic development	1	-	1
Debt service:			
Principal	351,000	351,000	-
Interest	98,515	98,515	-
Capital outlay	275,000	254,599	20,401
Total expenditures	<u>7,567,579</u>	<u>7,264,738</u>	<u>302,841</u>
Excess of revenues over expenditures	<u>38,000</u>	<u>256,176</u>	<u>218,176</u>
OTHER FINANCING USES			
Transfers out	<u>(670,000)</u>	<u>(670,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (632,000)</u>	<u>(413,824)</u>	<u>\$ 218,176</u>
Increase in nonspendable fund balance		(242,019)	
Unassigned fund balance, beginning		1,981,232	
Unassigned fund balance, ending		<u>\$ 1,325,389</u>	

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, 2022

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 17,075	\$ 1,983,738	\$ 2,000,813
Investments	558,624	-	558,624
Intergovernmental receivables	-	9,070,461	9,070,461
Total assets	<u>575,699</u>	<u>11,054,199</u>	<u>11,629,898</u>
LIABILITIES			
Intergovernmental payables:			
School	-	9,070,461	9,070,461
Escrow payable	-	9,232	9,232
Total liabilities	<u>-</u>	<u>9,079,693</u>	<u>9,079,693</u>
NET POSITION			
Restricted	<u>\$ 575,699</u>	<u>\$ 1,974,506</u>	<u>\$ 2,550,205</u>

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, 2022

	Private Purpose Trust Funds	Custodial Funds	Total Fiduciary Funds
ADDITIONS			
Contributions	\$ -	\$ 123,009	\$ 123,009
Investment earnings	15,133	3,846	18,979
Change in fair market value	(123,816)	-	(123,816)
Tax collections for other governments	-	18,352,166	18,352,166
Other	-	768,773	768,773
Total additions	(108,683)	19,247,794	19,139,111
DEDUCTIONS			
Payments from trust funds	8,153	-	8,153
Payments of taxes to other governments	-	18,352,166	18,352,166
Payments of motor vehicle fees to State	-	768,773	768,773
Payments for escrow purposes	-	116,793	116,793
Total deductions	8,153	19,237,732	19,245,885
Net increase (decrease) in fiduciary net position	(116,836)	10,062	(106,774)
Net position, beginning	692,535	1,964,444	2,656,979
Net position, ending	\$ 575,699	\$ 1,974,506	\$ 2,550,205

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

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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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 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 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 Funds – 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. 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 Fund – 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 Fund – are custodial in nature and do not involve the measurement of operating results. 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.

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.

Level 3 – Inputs are significant unobservable inputs, using assumptions in determining the fair value of investments and derivative instruments.

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 Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, and expenses/expenditures as the items are used. Under the full accrual basis of accounting used for the government-wide financial statements, prepayments of debt are recognized as they occurred (see Note 7). The nonspendable fund balance at the governmental fund level includes the amount of inventories at year-end to indicate the portion of the governmental fund balance that is nonspendable.

1-G Capital Assets

Capital assets are reported in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The Town has established a threshold of \$5,000 or more and an estimate useful life in excess of one year for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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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-H Interfund Receivables and Payables

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

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 25, 2022 and November 10, 2022, and were due on July 1, 2022 and December 1, 2022, respectively. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at December 31, 2022 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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, 2022 utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 1,282,284,826
Total assessment valuation without utilities	\$ 1,240,214,726

The tax rates and amounts assessed for the year ended December 31, 2022 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.05	\$ 3,913,734
School portion:		
State of New Hampshire	\$1.09	1,346,758
Local	\$12.38	15,873,703
County portion	\$0.88	1,131,705
Total	<u>\$17.40</u>	<u>\$ 22,265,900</u>

TOWN OF WEARE, NEW HAMPSHIRE
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1-J 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, 2022.

1-K 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. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

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. The Town has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. In addition, unavailable revenues from grants arise when the related eligible expenditures will not be made until the subsequent period.

1-L Compensated Absences

General leave for the Town includes vacation, sick, and retirement stipend pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the Town's personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

1-M Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Director 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-N 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 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-O Postemployment Benefits Other Than Pensions (OPEB)

The Town maintains two separate other postemployment benefit plans, 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 OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

1-P 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 the nature and extent of the constraints placed on a government's fund balances 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 prepaid items or 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.

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.

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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-Q 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/expenditures during the period reported. These estimates include assessing the collectability of receivables, the useful lives of 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.

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 ambulance, town forest, and sewer funds. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

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 2022, \$372,000 of the beginning general fund unassigned fund balance was applied for this purpose and \$260,000 was voted from unassigned fund balance to purchase a new, fully equipped, 10-wheel plow truck for the highway department.

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

Revenues:	
Per Exhibit D (budgetary basis)	\$ 7,520,914
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	55,773
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	3,363
Per Exhibit C-3 (GAAP basis)	<u>\$ 7,580,050</u>
	(Continued)

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Budgetary reconciliation to GAAP basis continued:

Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 7,934,738
Adjustment:	
Basis differences:	
Encumbrances, beginning	469,138
Encumbrances, ending	(406,771)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	738,652
To eliminate transfers between general and blended expendable trust funds	(670,000)
Per Exhibit C-3 (GAAP basis)	<u><u>\$ 8,065,757</u></u>

2-C Deficit Fund Balances

At December 31, 2022, the nonmajor transfer station and sewer special revenue funds had deficit fund balances of \$(2,770) and \$(5), respectively. These deficits will be financed through future revenues of the funds.

2-D Accounting Change

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 87 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by the 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 \$15,912,954 and the bank balances totaled \$16,173,934.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 13,912,141
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	2,000,813
Total cash and cash equivalents	<u><u>\$ 15,912,954</u></u>

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. Because 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.

TOWN OF WEARE, NEW HAMPSHIRE
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The Town has the following recurring fair value measurements and maturities as of December 31, 2022:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Common stock	Level 1	\$ 1,609,589	\$ 1,609,589
Equity mutual funds	Level 1	746,870	746,870
Fixed income mutual funds	Level 2	1,599,816	1,599,816
Total fair value		<u>\$ 3,956,275</u>	<u>\$ 3,956,275</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, 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 396:57 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 to the maximum percentages shown below:

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

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 3,397,651
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	558,624
Total investments	<u>\$ 3,956,275</u>

NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2022. The amount in the governmental activities has been reduced by an allowance for an estimated uncollectible amount of \$100,000. Taxes receivable by year are as follows:

	Governmental Activities	General Fund
Property:		
Levy of 2022	\$ 819,562	\$ 819,562
Unredeemed (under tax lien):		
Levy of 2021	197,146	197,146
Levy of 2020	74,391	74,391
Levies of 2019 and prior	23,951	23,951
		(Continued)

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Receivables continued:

	Governmental Activities	General Fund
Yield	5,257	5,257
Land use change	2,026	2,026
Less: allowance for estimated uncollectible taxes	(100,000) *	-
Net taxes receivable	<u>\$ 1,022,333</u>	<u>\$ 1,122,333</u>

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting in the governmental funds due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting in the governmental activities.

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2022, consisted of accounts receivable for items such as billings for police details, sewer, ambulance, and other miscellaneous amounts. 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, 2022 for the Town, including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Governmental Funds			Fiduciary Funds
		General	Nonmajor	Total	
Receivables:					
Accounts	\$ 289,513	\$ 14,185	\$ 275,328	\$ 289,513	\$ -
Intergovernmental	-	-	-	-	9,070,461 ¹
Liens	10,885	10,885	-	10,885	-
Gross receivables	300,398	25,070	275,328	300,398	9,070,461
Less: allowance for uncollectibles	(214,430)	(10,885)	(203,545)	(214,430)	-
Net total receivables	<u>\$ 85,968</u>	<u>\$ 14,185</u>	<u>\$ 71,783</u>	<u>\$ 85,968</u>	<u>\$ 9,070,461</u>

¹ Fiduciary Funds - Intergovernmental receivables represent property taxes collected on behalf of the Weare and John Stark Regional School Districts. This amount is collected and is a 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 10.

NOTE 7 – PREPAID ITEMS

Prepaid items at December 31, 2022 consisted of the following:

	Governmental Activities	General Fund
Health insurance	\$ 37,314	\$ 37,314
Principal on long-term debt	-	136,000
Interest on long-term debt	-	47,549
Subscriptions, dues, and fees	8,267	8,267
Software	12,174	12,174
Miscellaneous	715	715
Total	<u>\$ 58,470</u>	<u>\$ 242,019</u>

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NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 is as follows:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land and easements	\$ 6,334,302	\$ -	\$ -	\$ 6,334,302
Construction in progress	-	71,450	-	71,450
Total capital assets not being depreciated	6,334,302	71,450	-	6,405,752
Being depreciated:				
Land improvements	94,074	-	-	94,074
Buildings and building improvements	4,521,954	-	(44,571)	4,477,383
Machinery, equipment, and vehicles	7,648,848	193,151	(99,913)	7,742,086
Infrastructure	4,684,013	-	-	4,684,013
Total capital assets being depreciated	16,948,889	193,151	(144,484)	16,997,556
Total all capital assets	23,283,191	264,601	(144,484)	23,403,308
Less accumulated depreciation:				
Land improvements	(55,057)	(4,022)	-	(59,079)
Buildings and building improvements	(2,143,024)	(101,230)	18,166	(2,226,088)
Machinery, equipment, and vehicles	(5,667,204)	(327,270)	99,906	(5,894,568)
Infrastructure	(1,834,830)	(132,270)	-	(1,967,100)
Total accumulated depreciation	(9,700,115)	(564,792)	118,072	(10,146,835)
Net book value, capital assets being depreciated	7,248,774	(371,641)	(26,412)	6,850,721
Net book value, all capital assets	\$ 13,583,076	\$ (300,191)	\$ (26,412)	\$ 13,256,473

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	\$ 26,443
Public safety	137,882
Highways and streets	333,839
Sanitation	58,728
Culture and recreation	7,900
Total depreciation expense	<u>\$ 564,792</u>

NOTE 9 – INTERFUND BALANCES

The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General	Permanent fund	\$ 20,821
General	Nonmajor	88,368
Nonmajor	General	269,871
		<u>\$ 379,060</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.

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NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at December 31, 2022 consist of the following:

	Governmental Fund General	Fiduciary Funds
Motor vehicle fees due to the State of New Hampshire	\$ 113	\$ -
Balance due to the New Hampshire Retirement System	80,531	-
Property taxes due to the custodial funds	² 9,070,461	-
Property taxes due to the Weare School District	³ -	5,501,198
Property taxes due to John Stark Regional School District	³ -	3,569,263
Total intergovernmental payables due	<u>\$ 9,151,105</u>	<u>\$ 9,070,461</u>

² Property taxes due to the custodial fund represent amounts collected by the Town on behalf of the Weare and John Stark Regional School Districts and are reported as a component 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 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources in the governmental activities at December 31, 2022 consist of amounts related to pensions totaling \$1,751,983 and amounts related to OPEB totaling \$6,655. For further discussion on these amounts, see Notes 13 and 15, respectively.

Deferred inflows of resources are as follows:

	Governmental Activities	General Fund
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 130,275
Deferred property taxes collected in advance of the tax warrant	19,054	19,054
Land use change taxes	1,519	1,519
State bridge aid collected in advance of eligible expenditures being made	326,966	326,966
State highway block grant collected in advance of eligible expenditures being made	239,376	239,376
Federal ARPA grant collected in advance of eligible expenditures being made	951,734	951,734
Amounts related to pensions (see Note 13)	26,727	-
Total governmental activities	<u>\$ 1,565,376</u>	<u>\$ 1,668,924</u>

NOTE 12 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Bonds payable:						
Direct placements	\$ 2,365,000	\$ -	\$ (487,000)	\$ 1,878,000	\$ 210,000	\$ 1,668,000
Premium	308,400	-	(38,550)	269,850	38,550	231,300
Total bonds payable	2,673,400	-	(525,550)	2,147,850	248,550	1,899,300
Compensated absences	270,443	36,067	(9,695)	296,815	14,440	282,375
Accrued landfill postclosure care costs	240,000	-	-	240,000	8,000	232,000
Net pension liability	3,530,862	1,757,387	-	5,288,249	-	5,288,249
Net other postemployment benefits	311,231	-	43,243	354,474	-	354,474
Total long-term liabilities	<u>\$ 7,025,936</u>	<u>\$ 1,793,454</u>	<u>\$ (492,002)</u>	<u>\$ 8,327,388</u>	<u>\$ 270,990</u>	<u>\$ 8,056,398</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, 2022	Current Portion
Bonds payable:						
Direct placements:						
DPW garage	\$ 1,360,000	2016	2026	1.85%	\$ 408,000	\$ -
Road preservation	\$ 2,500,000	2019	2029	1.62%	1,470,000	210,000
Total direct placements					1,878,000	210,000
Bond premium					269,850	38,550
Total					\$ 2,147,850	\$ 248,550

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2022, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bonds - Direct Placements		
	Principal	Interest	Total
2023	\$ 210,000	\$ 38,550	\$ 248,550
2024	346,000	46,098	392,098
2025	346,000	43,582	389,582
2026	346,000	41,066	387,066
2027	210,000	38,550	248,550
2028-2029	420,000	77,100	497,100
Totals	\$ 1,878,000	\$ 284,946	\$ 2,162,946

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 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 estimated liability for landfill postclosure care costs has a balance of \$240,000 as of December 31, 2022, which is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2022. 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 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one 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.

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.

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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:

Years of Creditable Service as of January 1, 2012	Minimum Age	Minimum Service	Benefit Multiplier
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 members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2022, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$555,931, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2022, the Town reported a liability of \$5,288,249 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 participants, actuarially determined. At June 30, 2022, the Town's proportion was 0.09%, which was an increase of 0.01% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized pension expense of \$792,404. At December 31, 2022, 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	\$ 891,372	\$ 6,426
Changes in assumptions	281,293	-
Net difference between projected and actual investment earnings on pension plan investments	200,418	-
Differences between expected and actual experience	99,251	20,301
Contributions subsequent to the measurement date	279,649	-
Total	<u>\$ 1,751,983</u>	<u>\$ 26,727</u>

The \$279,649 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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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,	
2023	\$ 463,221
2024	441,066
2025	152,978
2026	388,342
Thereafter	-
Totals	<u>\$ 1,445,607</u>

Actuarial Assumptions – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly, apply to 2022 measurements:

Inflation:	2.0%
Salary increases:	5.4% 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 Health 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, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – 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 long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	<u>50.00%</u>	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	<u>20.00%</u>	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	<u>100.00%</u>	7.30%

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.

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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, 2022	\$ 7,095,496	\$ 5,288,249	\$ 3,785,689

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 14 – 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. Contribution for the year ended December 31, 2022 were \$93,429 from employees.

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

15-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2022 Comprehensive Annual Financial Report, which can be found on the System's website at www.nhrs.org.

Benefits Provided - Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b), and members are designated in statute by type. The 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.

Maximum medical subsidy rates paid during fiscal year 2022 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.

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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 2022, 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 fiscal year 2022, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$40,091, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2022, the Town reported a liability of \$354,474 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. 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 participants, actuarially determined. At June 30, 2022, the Town's proportion was 0.09%, which was an increase of 0.01% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$78,354. At December 31, 2022, 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
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 969	\$ -
Contributions subsequent to the measurement date	5,686	-
Total	<u>\$ 6,655</u>	<u>\$ -</u>

The \$5,686 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, 2023. 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,	
2023	\$ 161
2024	42
2025	(381)
2026	1,147
Thereafter	-
Totals	<u>\$ 969</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

Mortality rates were based on the Pub-2010 Health 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, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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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 long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	
Inflation	0.00%	2.25%
Total	100.00%	7.30%

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. 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, 2022	\$ 384,842	\$ 354,474	\$ 328,026

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.

15-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, 2022 or contracted with an actuarial firm to assist in evaluating the impact of this standard on the Town. The amounts that should be recorded as the net OPEB liability and the OPEB expense is unknown.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

NOTE 16 - ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2022 are as follows:

General fund:	
General government	\$ 55,391
Public safety	54,893
Highways and streets	46,688
Capital outlay	249,799
Total encumbrances	<u>\$ 406,771</u>

NOTE 17 - GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2022 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all governmental activities capital assets	\$ 13,256,473	\$ -
Less:		
General obligation bonds payable	(1,878,000)	-
Unamortized bond premiums	(269,850)	-
Total net investment in capital assets	<u>11,108,623</u>	<u>-</u>
Restricted net position:		
Perpetual care - nonexpendable	1,770,263	-
Perpetual care - expendable	257,248	-
Library	148,597	-
Grants	6,617	-
Capital projects	174	-
Special revenue funds	1,328,430	-
Private purpose trust funds	-	575,699
School trust funds	-	1,691,631
Escrows	-	282,875
Total restricted net position	<u>3,511,329</u>	<u>2,550,205</u>
Unrestricted	(330,432)	-
Total net position	<u>\$ 14,289,520</u>	<u>\$ 2,550,205</u>

NOTE 18 - GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	General Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 242,019	\$ -	\$ -	\$ 242,019
Tax deeded property	69,906	-	-	69,906
Permanent fund - principal balance	-	1,770,263	-	1,770,263
Total nonspendable fund balance	<u>311,925</u>	<u>1,770,263</u>	<u>-</u>	<u>2,082,188</u>

(Continued)

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

Governmental fund balances continued:

	General Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Restricted:				
Library	148,597	-	-	148,597
Grants	6,617	-	-	6,617
Nonmajor capital projects	-	-	174	174
Nonmajor special revenue funds	-	-	1,328,430	1,328,430
Permanent - income balance	-	257,248	-	257,248
Total restricted fund balance	155,214	257,248	1,328,604	1,741,066
Committed:				
Expendable trust	727,859	-	-	727,859
Nonmajor special revenue funds	-	-	1,261,759	1,261,759
Total committed fund balance	727,859	-	1,261,759	1,989,618
Assigned:				
Encumbrances	406,771	-	-	406,771
Contingency	269,816	-	-	269,816
Total assigned fund balance	676,587	-	-	676,587
Unassigned (deficit)	1,295,114	-	(2,775)	1,292,339
Total governmental fund balances	\$ 3,166,699	\$ 2,027,511	\$ 2,587,588	\$ 7,781,798

NOTE 19 – PRIOR PERIOD ADJUSTMENT

Net position at January 1, 2022 was restated to give retroactive effect to the following prior period adjustment:

	Governmental Activities
To restate for accumulated depreciation on machinery, equipment, and vehicles	\$ 76,603
Net position, as previously reported	15,447,882
Net position, as restated	<u>\$ 15,524,485</u>

NOTE 20 – 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 2022, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2022 to December 31, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. 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 Primex³ 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 fiscal year 2022, the Town's contributions to Primex³ were \$167,163 and \$363,165 for Workers' Compensation and Property/Liability, respectively. At this time, Primex³ 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.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

NOTE 21 – COVID-19

As a result of the spread of 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 the second half of the total award, was 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, 2022, 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 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 September 26, 2023, the date the December 31, 2022 financial statements were available to be issued, and the following events occurred that require recognition or disclosure:

At the 2023 Annual Town Meeting held on March 14, 2023, the residents of the Town approved Warrant Article 11, which appropriates the use of \$241,941 from the December 31, 2022 unassigned fund balance as a transfer to the highway truck and equipment capital reserve fund.

At the 2023 Annual Town Meeting held on March 14, 2023, the residents of the Town approved Warrant Article 12, which appropriates the use of \$30,000 from the December 31, 2022 unassigned fund balance as a transfer to the government building and maintenance capital reserve fund.

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, 2022
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	December 31, 2022
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net pension liability	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.08%	0.09%
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	\$ 5,288,249
Town's covered payroll (as of the measurement date)	\$ 1,706,357	\$ 1,754,504	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,171,389	\$ 2,551,452
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%	207.26%
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%	65.12%

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, 2022
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	December 31, 2022
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 253,579	\$ 258,085	\$ 257,919	\$ 297,295	\$ 294,703	\$ 299,307	\$ 437,250	\$ 555,931
Contributions in relation to the contractually required contributions	253,579	258,085	257,919	297,295	294,703	299,307	437,250	555,931
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$ 1,706,357	\$ 1,754,504	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,275,428	\$ 2,711,329
Contributions as a percentage of covered payroll	14.86%	14.71%	15.12%	16.87%	16.29%	14.71%	19.22%	20.50%

TOWN OF WEARE, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

***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 – Salary increases changed to 5.4% from 5.6% in 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.

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, 2022. 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, 2022
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.04%	0.07%	0.07%	0.07%	0.08%	0.09%
Town's proportionate share of the net OPEB liability (asset)	\$ 197,188	\$ 305,741	\$ 292,515	\$ 276,597	\$ 311,231	\$ 354,474
Town's covered payroll (as of the measurement date)	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,171,389	\$ 2,551,452
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%	13.89%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

The Note to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

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, 2022
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 25,561	\$ 29,538	\$ 30,449	\$ 29,332	\$ 37,895	\$ 40,091
Contributions in relation to the contractually required contribution	25,561	29,538	30,449	29,332	37,895	40,091
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$ 1,705,993	\$ 1,762,360	\$ 1,809,081	\$ 2,034,260	\$ 2,275,428	\$ 2,711,329
Contributions as a percentage of covered payroll	1.50%	1.68%	1.68%	1.44%	1.67%	1.48%

The Note to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

TOWN OF WEARE, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

***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 – Salary increases changed to 5.4% from 5.6% in 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.

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, 2022. 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, 2022

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 3,679,108	\$ 3,651,089	\$ (28,019)
Land use change	25,000	19,325	(5,675)
Yield	28,000	28,272	272
Excavation	4,593	4,593	-
Interest and penalties on taxes	90,000	86,638	(3,362)
Total from taxes	<u>3,826,701</u>	<u>3,789,917</u>	<u>(36,784)</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	2,250,556	2,203,106	(47,450)
Building permits	75,000	64,276	(10,724)
Other	15,661	14,652	(1,009)
Total from licenses, permits, and fees	<u>2,341,217</u>	<u>2,282,034</u>	<u>(59,183)</u>
Intergovernmental:			
State:			
Meals and rooms distribution	803,614	803,614	-
Highway block grant	280,420	279,331	(1,089)
State and federal forest land reimbursement	5,157	5,157	-
Flood control reimbursement	40,061	40,061	-
Other	24,958	27,523	2,565
Federal:			
Other	2,000	48,730	46,730
Total from intergovernmental	<u>1,156,210</u>	<u>1,204,416</u>	<u>48,206</u>
Charges for services:			
Income from departments	159,398	137,365	(22,033)
Other charges	92,163	70,267	(21,896)
Total from charges for services	<u>251,561</u>	<u>207,632</u>	<u>(43,929)</u>
Miscellaneous:			
Sale of municipal property	5,000	2,458	(2,542)
Interest on investments	16,000	15,800	(200)
Other	8,890	18,657	9,767
Total from miscellaneous	<u>29,890</u>	<u>36,915</u>	<u>7,025</u>
Total revenues	7,605,579	<u>\$ 7,520,914</u>	<u>\$ (84,665)</u>
Unassigned fund balance used to reduce tax rate	372,000		
Amounts voted from fund balance	260,000		
Total revenues and use of fund balance	<u>\$ 8,237,579</u>		

See Independent Auditor's Report.

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, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ 36,866	\$ 63,465	\$ 106,718	\$ -	\$ (6,387)
Election and registration	231	158,349	160,988	-	(2,408)
Financial administration	-	181,530	129,524	414	51,592
Revaluation of property	1,696	167,438	186,253	-	(17,119)
Legal	-	62,000	32,463	-	29,537
Personnel administration	-	208,127	177,545	17,627	12,955
Planning and zoning	-	79,277	69,081	-	10,196
General government buildings	131,084	143,421	221,768	37,350	15,387
Cemeteries	-	36,310	42,650	-	(6,340)
Insurance, not otherwise allocated	-	476,812	402,099	-	74,713
Advertising and regional associations	-	8,669	8,641	-	28
Total general government	169,877	1,585,398	1,537,730	55,391	162,154
Public safety:					
Police	55,038	1,746,900	1,728,165	35,526	38,247
Ambulance	-	9,000	-	48	8,952
Fire	88,524	1,079,970	1,065,261	19,076	84,157
Building inspection	40,098	48,507	124,466	243	(36,104)
Emergency management	-	4,870	3,892	-	978
Other	-	4,827	4,499	-	328
Total public safety	183,660	2,894,074	2,926,283	54,893	96,558
Highways and streets:					
Highways and streets	95,601	1,557,594	1,615,672	46,688	(9,165)
Street lighting	-	5,400	4,400	-	1,000
Total highways and streets	95,601	1,562,994	1,620,072	46,688	(8,165)
Sanitation:					
Solid waste disposal	20,000	407,097	425,950	-	1,147
Water distribution and treatment	-	3,550	4,091	-	(541)
Health:					
Pest control	-	16,302	522	-	15,780
Health agencies	-	4,864	3,103	-	1,761
Total health	-	21,166	3,625	-	17,541
Welfare:					
Administration and direct assistance	-	28,201	8,747	-	19,454
Culture and recreation:					
Parks and recreation	-	63,988	64,292	-	(304)
Library	-	274,506	274,505	-	1
Patriotic purposes	-	500	6,500	-	(6,000)
Total culture and recreation	-	338,994	345,297	-	(6,303)
Conservation	-	1,589	995	-	594
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, 2022

	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	-	98,515	98,515	-	-
Total debt service	-	449,515	449,515	-	-
Capital outlay	-	275,000	4,800	249,799	20,401
Other financing uses:					
Transfers out	-	670,000	670,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 469,138</u>	<u>\$ 8,237,579</u>	<u>\$ 7,997,105</u>	<u>\$ 406,771</u>	<u>\$ 302,841</u>

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF WEARE, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2022

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 1,981,232
Changes:		
Unassigned fund balance used to reduce 2022 tax rate		(372,000)
Amounts voted from fund balance		(260,000)
2022 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (84,665)	
Unexpended balance of appropriations (Schedule 2)	<u>302,841</u>	
2022 Budget surplus		218,176
Increase in nonspendable fund balance		<u>(242,019)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		1,325,389
Reconciliation of Non-GAAP Budgetary Basis to GAAP Basis:		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(130,275)
Elimination of the allowance for uncollectible taxes		<u>100,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 1,295,114</u></u>

SCHEDULE 4
TOWN OF WEARE, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds					
	Town Forest	Conservation Commission	Sewer	Ambulance	Police Details	Drug Forfeiture
ASSETS						
Cash and cash equivalents	\$ 46,397	\$ 232,775	\$ -	\$ 708,195	\$ 23,176	\$ 136
Investments	-	-	-	-	-	-
Accounts receivable (net)	-	-	553	69,238	1,992	-
Interfund receivable	-	1,500	1,023	185,139	82,209	-
Total assets	<u>\$ 46,397</u>	<u>\$ 234,275</u>	<u>\$ 1,576</u>	<u>\$ 962,572</u>	<u>\$ 107,377</u>	<u>\$ 136</u>
LIABILITIES						
Accounts payable	\$ 418	\$ 2,000	\$ 1,581	\$ 1,193	\$ -	\$ -
Interfund payable	14,117	-	-	-	71,134	-
Total liabilities	<u>14,535</u>	<u>2,000</u>	<u>1,581</u>	<u>1,193</u>	<u>71,134</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted	-	-	-	-	-	136
Committed	31,862	232,275	-	961,379	36,243	-
Unassigned (deficit)	-	-	(5)	-	-	-
Total fund balances (deficit)	<u>31,862</u>	<u>232,275</u>	<u>(5)</u>	<u>961,379</u>	<u>36,243</u>	<u>136</u>
Total liabilities and fund balances	<u>\$ 46,397</u>	<u>\$ 234,275</u>	<u>\$ 1,576</u>	<u>\$ 962,572</u>	<u>\$ 107,377</u>	<u>\$ 136</u>

Special Revenue Funds						
Transfer Station	Mildred Hall Expendable Trust	Eastman Expendable Trust	Buxton Expendable Trust	Capital Project Funds		Total
				DPW Garage	Road Bond	
\$ 461	\$ 793	\$ 35,980	\$ 2,624	\$ 1,829	\$ -	\$ 1,052,366
-	25,944	1,177,096	85,857	-	-	1,288,897
-	-	-	-	-	-	71,783
-	-	-	-	-	-	269,871
<u>\$ 461</u>	<u>\$ 26,737</u>	<u>\$ 1,213,076</u>	<u>\$ 88,481</u>	<u>\$ 1,829</u>	<u>\$ -</u>	<u>\$ 2,682,917</u>
\$ 1,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,961
1,462	-	-	-	1,655	-	88,368
3,231	-	-	-	1,655	-	95,329
-	26,737	1,213,076	88,481	174	-	1,328,604
-	-	-	-	-	-	1,261,759
(2,770)	-	-	-	-	-	(2,775)
(2,770)	26,737	1,213,076	88,481	174	-	2,587,588
<u>\$ 461</u>	<u>\$ 26,737</u>	<u>\$ 1,213,076</u>	<u>\$ 88,481</u>	<u>\$ 1,829</u>	<u>\$ -</u>	<u>\$ 2,682,917</u>

See Independent Auditor's Report.

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, 2022

	Special Revenue Funds					
	Town Forest	Conservation Commission	Sewer	Ambulance	Police Details	Drug Forfeiture
REVENUES						
Taxes	\$ -	\$ 85,741	\$ -	\$ -	\$ -	\$ -
Charges for services	302	-	16,886	193,855	48,174	-
Miscellaneous	426	1,125	-	5,282	174	1
Unrealized loss on investments	-	-	-	-	-	-
Total revenues	<u>728</u>	<u>86,866</u>	<u>16,886</u>	<u>199,137</u>	<u>48,348</u>	<u>1</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	16,052	35,567	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	22,133	-	-	-
Conservation	15,805	2,037	-	-	-	-
Total expenditures	<u>15,805</u>	<u>2,037</u>	<u>22,133</u>	<u>16,052</u>	<u>35,567</u>	<u>-</u>
Net change in fund balances	(15,077)	84,829	(5,247)	183,085	12,781	1
Fund balances, beginning	46,939	147,446	5,242	778,294	23,462	135
Fund balances, ending	<u>\$ 31,862</u>	<u>\$ 232,275</u>	<u>\$ (5)</u>	<u>\$ 961,379</u>	<u>\$ 36,243</u>	<u>\$ 136</u>

Special Revenue Funds						
Transfer Station	Mildred Hall Expendable Trust	Eastman Expendable Trust	Buxton Expendable Trust	Capital Project Funds		Total
				DPW Garage	Road Bond	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,741
76,707	-	-	-	-	-	335,924
4	571	32,676	2,272	13	113	42,657
-	(5,949)	(274,361)	(19,939)	-	-	(300,249)
76,711	(5,378)	(241,685)	(17,667)	13	113	164,073
-	195	11,145	775	-	-	12,115
-	-	-	-	-	-	51,619
-	-	-	-	-	43,060	43,060
77,769	-	-	-	-	-	99,902
-	-	-	-	-	-	17,842
77,769	195	11,145	775	-	43,060	224,538
(1,058)	(5,573)	(252,830)	(18,442)	13	(42,947)	(60,465)
(1,712)	32,310	1,465,906	106,923	161	42,947	2,648,053
\$ (2,770)	\$ 26,737	\$ 1,213,076	\$ 88,481	\$ 174	\$ -	\$ 2,587,588

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF WEARE, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
December 31, 2022

	Custodial Funds				Total
	Taxes	Escrows	State Fees	Trust Funds School	
ASSETS					
Cash and cash equivalents	\$ -	\$ 292,107	\$ -	\$ 1,691,631	\$ 1,983,738
Intergovernmental receivables	9,070,461	-	-	-	9,070,461
Total assets	9,070,461	292,107	-	1,691,631	11,054,199
LIABILITIES					
Intergovernmental payables:					
School	9,070,461	-	-	-	9,070,461
Escrow payable	-	9,232	-	-	9,232
Total liabilities	9,070,461	9,232	-	-	9,079,693
NET POSITION					
Restricted	\$ -	\$ 282,875	\$ -	\$ 1,691,631	\$ 1,974,506

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF WEARE, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022

	Custodial Funds				Total
	Taxes	Escrows	State Fees	Trust Funds School	
Additions:					
Contributions	\$ -	\$ 123,009	\$ -	\$ -	\$ 123,009
Investment earnings	-	2,155	-	1,691	3,846
Tax collections for other governments	18,352,166	-	-	-	18,352,166
Other	-	-	768,773	-	768,773
Total additions	<u>18,352,166</u>	<u>125,164</u>	<u>768,773</u>	<u>1,691</u>	<u>19,247,794</u>
Deductions:					
Payments of taxes to other governments	18,352,166	-	-	-	18,352,166
Payments of motor vehicle fees to State	-	-	768,773	-	768,773
Payments for escrow purposes	-	116,793	-	-	116,793
Total deductions	<u>18,352,166</u>	<u>116,793</u>	<u>768,773</u>	<u>-</u>	<u>19,237,732</u>
Increase in fiduciary net position	-	8,371	-	1,691	10,062
Net position, beginning	-	274,504	-	1,689,940	1,964,444
Net position, ending	<u>\$ -</u>	<u>\$ 282,875</u>	<u>\$ -</u>	<u>\$ 1,691,631</u>	<u>\$ 1,974,506</u>