

**TOWN OF ALLENSTOWN,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

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

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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**DECEMBER 31, 2021**

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**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
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# PLODZIK & SANDERSON

*Professional Association/Certified Public Accountants*

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

## *INDEPENDENT AUDITOR'S REPORT*

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

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

#### *Adverse and Unmodified Opinions*

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

#### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
Business-type Activities	Adverse
Sewer Enterprise Fund	Adverse
General Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

#### *Adverse Opinion on Governmental Activities, Business-type Activities, and Proprietary Fund*

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

#### *Unmodified Opinions*

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town of Allenstown 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.

*Town of Allenstown  
Independent Auditor's Report*

***Basis for Adverse Opinion on Governmental Activities, Business-type Activities, and Proprietary Fund***

As discussed in Note 1-B to the financial statements, management has not recorded infrastructure capital assets or related accumulated depreciation in the governmental activities, business-type activities, and proprietary fund, and accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that infrastructure capital assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities, business-type activities, and proprietary fund. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities, business-type activities, and proprietary fund is not reasonably determinable.

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

**Required Supplementary Information** – Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

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

*Town of Allentown  
Independent Auditor's Report*

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

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 Allentown's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

August 31, 2022

*Plodzik & Sanderson  
Professional Association*

***BASIC FINANCIAL STATEMENTS***

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

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,964,336	\$ 4,118,529	\$ 9,082,865
Investments	1,271,684	1,072,391	2,344,075
Taxes receivables (net)	801,551	-	801,551
Account receivables (net)	26,917	357,249	384,166
Internal balances	3,350	(3,350)	-
Prepaid items	2,592	-	2,592
Tax deeded property, subject to resale	4,782	-	4,782
Capital assets:			
Land and construction in progress	2,679,904	2,059,339	4,739,243
Other capital assets, net of depreciation	3,501,783	3,547,985	7,049,768
Total assets	<u>13,256,899</u>	<u>11,152,143</u>	<u>24,409,042</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Amounts related to pensions	555,426	94,969	650,395
Amounts related to other postemployment benefits	13,271	2,269	15,540
Total deferred outflows of resources	<u>568,697</u>	<u>97,238</u>	<u>665,935</u>
<b>LIABILITIES</b>			
Accounts payable	185,588	182,639	368,227
Accrued interest payable	2,801	17,381	20,182
Intergovernmental payable	2,994,015	-	2,994,015
Long-term liabilities:			
Due within one year	97,598	183,147	280,745
Due in more than one year	3,168,521	1,949,879	5,118,400
Total liabilities	<u>6,448,523</u>	<u>2,333,046</u>	<u>8,781,569</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	22,383	-	22,383
Unavailable revenue - ARPA grant	232,777	-	232,777
Amounts related to pensions	725,516	124,051	849,567
Amounts related to other postemployment benefits	2,775	474	3,249
Total deferred inflows of resources	<u>983,451</u>	<u>124,525</u>	<u>1,107,976</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,954,512	3,991,324	9,945,836
Restricted	32,040	-	32,040
Unrestricted	407,070	4,800,486	5,207,556
Total net position	<u>\$ 6,393,622</u>	<u>\$ 8,791,810</u>	<u>\$ 15,185,432</u>

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



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

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
General government	\$ 1,368,501	\$ 37,138	\$ -	\$ (1,331,363)	\$ -	\$ (1,331,363)
Public safety	1,984,857	36,556	10,446	(1,937,855)	-	(1,937,855)
Highways and streets	970,957	-	88,037	(882,920)	-	(882,920)
Sanitation	209,076	11,162	-	(197,914)	-	(197,914)
Health	5,657	-	-	(5,657)	-	(5,657)
Welfare	38,610	-	-	(38,610)	-	(38,610)
Culture and recreation	192,626	-	1,089	(191,537)	-	(191,537)
Conservation	1,180	-	-	(1,180)	-	(1,180)
Economic development	17,341	-	-	(17,341)	-	(17,341)
Total governmental activities	<u>4,788,805</u>	<u>84,856</u>	<u>99,572</u>	<u>(4,604,377)</u>	<u>-</u>	<u>(4,604,377)</u>
<b>Business-type activities:</b>						
Sewer	2,001,067	3,138,174	-	-	1,137,107	1,137,107
Total	<u>\$ 6,789,872</u>	<u>\$ 3,223,030</u>	<u>\$ 99,572</u>	<u>(4,604,377)</u>	<u>1,137,107</u>	<u>(3,467,270)</u>
General revenues:						
Taxes:						
Property				2,476,851	-	2,476,851
Other				86,298	-	86,298
Motor vehicle permit fees				845,521	-	845,521
Licenses and other fees				168,720	-	168,720
Grants and contributions not restricted to specific programs				325,776	-	325,776
Unrestricted investment earnings				17,292	15,310	32,602
Miscellaneous				27,971	(35,464)	(7,493)
Total general revenues				<u>3,948,429</u>	<u>(20,154)</u>	<u>3,928,275</u>
Change in net position				(502,008)	1,116,953	614,945
Net position, beginning, as restated (see Note 18)				6,895,630	7,674,857	14,570,487
Net position, ending				<u>\$ 6,393,622</u>	<u>\$ 8,791,810</u>	<u>\$ 15,185,432</u>

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

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

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,843,552	\$ 120,784	\$ 4,964,336
Investments	1,265,674	6,010	1,271,684
Receivables, net of allowance for uncollectible:			
Taxes	941,551	-	941,551
Accounts	25,522	1,395	26,917
Interfund receivable	41,415	-	41,415
Voluntary tax liens	53,560	-	53,560
Voluntary tax liens reserved until collected	(53,560)	-	(53,560)
Prepaid items	2,592	-	2,592
Tax deeded property, subject to resale	4,782	-	4,782
<b>Total assets</b>	<b>\$ 7,125,088</b>	<b>\$ 128,189</b>	<b>\$ 7,253,277</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 185,588	\$ -	\$ 185,588
Intergovernmental payable	2,994,015	-	2,994,015
Interfund payable	-	38,065	38,065
<b>Total liabilities</b>	<b>3,179,603</b>	<b>38,065</b>	<b>3,217,668</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - Property taxes	217,928	-	217,928
Unavailable revenue - ARPA grant	232,777	-	232,777
<b>Total deferred inflows of resources</b>	<b>450,705</b>	<b>-</b>	<b>450,705</b>
<b>FUND BALANCES</b>			
Nonspendable	7,374	5,313	12,687
Restricted	17,137	9,590	26,727
Committed	990,498	75,221	1,065,719
Assigned	85,382	-	85,382
Unassigned	2,394,389	-	2,394,389
<b>Total fund balances</b>	<b>3,494,780</b>	<b>90,124</b>	<b>3,584,904</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,125,088</b>	<b>\$ 128,189</b>	<b>\$ 7,253,277</b>

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

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

Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total fund balances of governmental funds (Exhibit C-1)		\$	3,584,904
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.			
Cost		\$	9,092,780
Less accumulated depreciation		<u>(2,911,093)</u>	
			6,181,687
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		\$	555,426
Deferred inflows of resources related to pensions		(725,516)	
Deferred outflows of resources related to OPEB		13,271	
Deferred inflows of resources related to OPEB		<u>(2,775)</u>	
			(159,594)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.			
Receivables		\$	(38,065)
Payables		<u>38,065</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		\$	195,545
Allowance for uncollectible taxes		<u>(140,000)</u>	
			55,545
Interest on long-term debt is not accrued in governmental funds.			
Accrued interest payable			(2,801)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.			
Note		\$	28,524
Capital leases		198,651	
Compensated absences		102,865	
Accrued landfill postclosure care costs		132,000	
Net pension liability		2,424,273	
Other postemployment benefits		<u>379,806</u>	
			<u>(3,266,119)</u>
Net position of governmental activities (Exhibit A)		<u>\$</u>	<u>6,393,622</u>

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

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 2,601,849	\$ -	\$ 2,601,849
Licenses and permits	1,014,241	-	1,014,241
Intergovernmental receivable	416,673	-	416,673
Charges for services	56,918	27,938	84,856
Miscellaneous	45,185	8,753	53,938
Total revenues	<u>4,134,866</u>	<u>36,691</u>	<u>4,171,557</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,263,494	226	1,263,720
Public safety	1,781,176	42,114	1,823,290
Highways and streets	731,897	-	731,897
Sanitation	223,156	-	223,156
Health	5,657	-	5,657
Welfare	38,610	-	38,610
Culture and recreation	154,800	-	154,800
Conservation	1,180	-	1,180
Economic development	17,341	-	17,341
Capital outlay	210,469	-	210,469
Total expenditures	<u>4,427,780</u>	<u>42,340</u>	<u>4,470,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(292,914)</u>	<u>(5,649)</u>	<u>(298,563)</u>
<b>OTHER FINANCING SOURCES</b>			
Note proceeds	6,730	-	6,730
Capital leases	102,567	-	102,567
Total other financing sources	<u>109,297</u>	<u>-</u>	<u>109,297</u>
Net change in fund balances	(183,617)	(5,649)	(189,266)
Fund balances, beginning, as restated (see Note 18)	3,678,397	95,773	3,774,170
Fund balances, ending	<u>\$ 3,494,780</u>	<u>\$ 90,124</u>	<u>\$ 3,584,904</u>

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

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (189,266)
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 capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 243,749	
Depreciation expense	<u>(265,604)</u>	(21,855)
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		(38,700)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Proceeds of note	\$ (6,730)	
Inception of capital leases	(102,567)	
Repayment of capital leases	<u>92,577</u>	(16,720)
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	\$ 604	
Increase in compensated absences	(4,211)	
Decrease in accrued landfill postclosure care costs	15,200	
Net change in net pension liability and deferred outflows and inflows of resources related to pensions	(197,838)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(49,222)</u>	(235,467)
Changes in net position of governmental activities (Exhibit B)		<u>\$ (502,008)</u>

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

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,458,404	\$ 2,563,149	\$ 104,745
Licenses and permits	899,400	1,014,241	114,841
Intergovernmental receivable	413,836	416,673	2,837
Charges for services	57,100	56,918	(182)
Miscellaneous	5,000	22,034	17,034
Total revenues	<u>3,833,740</u>	<u>4,073,015</u>	<u>239,275</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,410,380	1,240,249	170,131
Public safety	1,687,930	1,719,486	(31,556)
Highways and streets	605,250	610,659	(5,409)
Sanitation	219,450	223,156	(3,706)
Health	6,400	5,657	743
Welfare	61,550	38,610	22,940
Culture and recreation	129,970	133,058	(3,088)
Conservation	1,410	1,180	230
Economic development	7,000	10,882	(3,882)
Debt service:			
Interest	15,000	-	15,000
Capital outlay	198,400	210,469	(12,069)
Total expenditures	<u>4,342,740</u>	<u>4,193,406</u>	<u>149,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(509,000)</u>	<u>(120,391)</u>	<u>388,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	3,814	3,814
Transfers out	(244,900)	(244,900)	-
Note proceeds	-	6,730	6,730
Total other financing sources (uses)	<u>(244,900)</u>	<u>(234,356)</u>	<u>10,544</u>
Net change in fund balances	<u>\$ (753,900)</u>	<u>(354,747)</u>	<u>\$ 399,153</u>
Decrease in nonspendable fund balance		1,173	
Unassigned fund balance, beginning, as restated (see Note 18)		2,803,508	
Unassigned fund balance, ending		<u>\$ 2,449,934</u>	

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

**EXHIBIT E-1**  
**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Net Position**  
**December 31, 2021**

	Business-type Activities
	Enterprise Fund (Sewer Department)
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,118,529
Investments	1,072,391
Receivables (net)	357,249
Capital assets:	
Land and construction in progress	2,059,339
Other capital assets, net of depreciation	3,547,985
Total assets	11,155,493
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	94,969
Amounts related to other postemployment benefits	2,269
Total deferred outflows of resources	97,238
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	182,639
Accrued interest payable	17,381
Internal balances	3,350
Long term liabilities:	
Due within one year	183,147
Due in more than one year	1,949,879
Total liabilities	2,336,396
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Amounts related to pensions	124,051
Amounts related to other postemployment benefits	474
Total deferred inflows of resources	124,525
<b>NET POSITION</b>	
Net investment in capital assets	3,991,324
Unrestricted	4,800,486
Total net position	\$ 8,791,810

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

**EXHIBIT E-2**  
**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2021**

	Business-type Activities
	Enterprise Fund (Sewer Department)
Operating revenues:	
User charges	\$ 1,902,074
Metered sewer sales	1,016,522
Fees and interest	219,578
Total operating revenues	3,138,174
Operating expenses:	
Salaries and wages	235,442
Operation and maintenance	966,293
Contractual services	259,090
Materials and supplies	286,621
Depreciation	236,240
Total operating expenses	1,983,686
Operating gain	1,154,488
Nonoperating revenue:	
Interest income	15,310
Interest expense	(17,381)
Change in fair market value of investments	(35,464)
Total nonoperating revenues	(37,535)
Change in net position	1,116,953
Net position, beginning	7,674,857
Net position, ending	\$ 8,791,810

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



**EXHIBIT E-3**  
**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended December 31, 2021**

	Business-type Activities
	Enterprise Fund Sewer Department
Cash flows from operating activities:	
Receipts from customers and users	\$ 3,116,945
Payments to employees	(576,869)
Payments to suppliers	(1,425,984)
Net cash provided by operating activities	1,114,092
Cash flows from capital and related financing activities:	
State revolving loan proceeds	1,616,000
Acquisition and construction of fixed assets	(2,016,386)
Net cash used for capital and related financing activities	(400,386)
Cash flows from investing activities:	
Sale of investments	(10,510)
Interest received	15,310
Net cash provided by investing activities	4,800
Net increase in cash	718,506
Cash, beginning	3,400,023
Cash, ending	\$ 4,118,529

***Reconciliation of Operating Gain to Net Cash Provided by Operating Activities***

Operating gain	\$ 1,154,488
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation expense	236,240
Increase in accounts receivables	(21,229)
Decrease in deferred outflows related to pensions	111,139
Increase in deferred outflows related to OPEB	(1,066)
Increase in accounts payable	93,186
Decrease in internal balances	(7,166)
Decrease in net pension liability	(498,098)
Decrease in OPEB	(57,739)
Increase in deferred inflows related to pensions	104,540
Decrease in deferred inflows related to OPEB	(203)
Total adjustments	(40,396)
Net cash provided by operating activities	\$ 1,114,092

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

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

	All Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 74,683
Investments	672,869
Intergovernmental receivable	2,991,498
Total assets	<u>3,739,050</u>
<b>LIABILITIES</b>	
Due to school district	<u>2,991,498</u>
<b>NET POSITION</b>	
Restricted	<u>\$ 747,552</u>

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

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

	All Custodial Funds
<b>ADDITIONS</b>	
Contributions	\$ 266,174
Investment earnings	69
Change in fair market value	(284)
Tax collections for other governments	6,873,001
State fees collected	321,938
Total additions	7,460,898
<b>DEDUCTIONS</b>	
Benefits paid	7,926
Payments of taxes to other governments	6,873,001
Payments of State fees	321,938
Total deductions	7,202,865
Change in net position	258,033
Net position, beginning, as restated (see Note 18)	489,519
Net position, ending	\$ 747,552

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

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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**AS OF AND FOR THE FISCAL YEAR ENDED**  
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*TOWN OF ALLENSTOWN, NEW HAMPSHIRE*  
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**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Allenstown, 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 Allenstown is a municipal corporation governed by an elected 5-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 and business-type activities for the Town accompanied by a total column. 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 infrastructure capital assets and related accumulated depreciation, which have been omitted because they have not been inventoried at historical cost. 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 depreciation expense for its infrastructure capital assets 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 except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**Governmental Fund Financial Statements** – Include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for the major governmental fund 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 the major fund 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.

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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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 fund:

**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, and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the library and expendable trust funds are consolidated in the general fund.

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.

**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.

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 four nonmajor governmental funds.

**Proprietary Fund Financial Statements** – Include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the major proprietary fund.

Proprietary funds are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position, with the exception of the infrastructure capital assets and related accumulated depreciation, which have been omitted because they have not been inventoried at historical cost. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total 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.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town reports the following major proprietary fund:

**Sewer Fund** – accounts for the activities related to the operation of the sewer treatment plant, pumping station, and sewer lines.

**Fiduciary Fund Financial Statements** – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are custodial funds, which are custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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***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. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

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 Statement of Cash Flows***

For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

***1-E 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.

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

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

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

**Level 2** – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2. All of the Town's holdings in New Hampshire Public Deposit Investment Pool (NHPDIP), U.S. government obligations, and corporate bonds would be examples of Level 2 investments.

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, it is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices



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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.

**Investments in Certain External Investment Pools** – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP) are categorized as Level 2. The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the Town in accordance with the NHPDIP’s Information Statement.

***1-F 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-G Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

***1-H Capital Assets***

Capital assets include property, plant, and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund. The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund’s measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position. Capital assets of the proprietary fund are capitalized in the fund and the cost basis for proprietary fund capital assets is the same as that used for general capital assets.

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

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

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

	<u>Years</u>
<b>Capital Asset Classes:</b>	
Land improvements	40
Buildings and building improvements	30 - 40
Machinery, equipment, and vehicles	5 - 40
Infrastructure	20 - 40

***1-I Interfund Balances***

Balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as “internal balances.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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**1-J Property Taxes**

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 10, 2021 and October 5, 2021, and were due on July 1, 2021 and December 9, 2021, respectively. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2020 on June 15, 2021.

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

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

Total assessment valuation with utilities	\$ 300,374,630
Total assessment valuation without utilities	\$ 292,809,330
Commercial/Industrial construction exemption	\$ 204,880
Total assessment with utilities, less commercial/industrial construction exemption	\$ 300,169,750

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

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$8.55	\$ 2,573,367
School portion:		
State of New Hampshire	\$2.04	596,805
Local	\$18.06	5,419,693
County portion	\$2.85	856,503
Total	<u>\$31.50</u>	<u>\$ 9,446,368</u>

**1-K Accounts Payable**

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

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

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

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

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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***1-M Long-term Obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund Statements of Net Position.

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

**Direct Borrowings** – financial transactions for a note or a loan where the Town negotiates certain terms with a single lender and are not offered for public sale.

***1-N Compensated Absences***

General leave for the Town includes vacation 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-O Defined Benefit Pension Plan***

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

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

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

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

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

***Single Employer Plan*** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
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***1-Q 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 notes or other borrowings 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 future project.

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

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

**Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory, 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.

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.

The Town will maintain an appropriate level of unassigned fund balance following the guidelines established by the New Hampshire Government Finance Officers Association, which are as follows:

- 5% to 15% of regular general fund operating revenues, or
- 8 to 17% of regular general fund operating expenditures.

***1-R Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts and taxes receivable, the useful lives of 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.

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***1-S Material Change in Classification***

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the Public Safety Services Revolving fund, which accounts for revenues and expenditures related to public safety, did not qualify as a major fund for the current fiscal year. As such it was reclassified to the nonmajor governmental funds, see Note 18.

***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 and sewer funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2021, \$509,000 of the beginning general fund unassigned fund balance was applied for this purpose and \$244,900 was voted from unassigned fund balance as a transfer to the capital reserve funds.

***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 and other financing sources:	
Per Exhibit D (budgetary basis)	\$4,083,559
Adjustments:	
Basis differences:	
Inception of capital leases	102,567
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	23,151
To eliminate transfers between blended expendable trust and general funds	(3,814)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	38,700
Per Exhibit C-3 (GAAP basis)	<u>\$4,244,163</u>
	<i>(Continued)</i>

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*Budgetary reconciliation to GAAP basis continued:*

Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$4,438,306
Adjustments:	
Basis differences:	
Inception of capital leases	102,567
Encumbrances, beginning	106,320
Encumbrances, ending	(85,382)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	110,869
To eliminate transfers between general and blended expendable trust funds	(248,714)
Per Exhibit C-3 (GAAP basis)	<u>\$4,427,780</u>

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town's deposits are entirely covered by federal depository insurance (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 \$9,157,548 and the bank balances totaled \$9,743,675. Petty cash totaled \$850.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$9,082,865
Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit F-1)	74,683
Total cash and cash equivalents	<u>\$9,157,548</u>

**NOTE 4 – INVESTMENTS**

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

Investments type:	Valuation	Reported	Less Than 1	
	Measurement Method		Balance	Year
Corporate bonds	Level 2	\$ 671,521	\$ -	\$ 671,521
U.S. Government obligations	Level 2	1,843,781	184,590	1,659,191
Total fair value		<u>2,515,302</u>	<u>\$184,590</u>	<u>\$2,330,712</u>
Investments carried at amortized cost:				
New Hampshire Public Deposit Investment Pool		501,642		
Total investments		<u>\$3,016,944</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 Trustees of Trust Funds investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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**Credit Risk** – State law limits investments as explained in Note 1-E. The Trustees of Trust Funds investment policy requires portfolio diversification as a means to control risk. Investments shall be investment grade, with not more than 10% of the portfolio invested in “BBB” securities. Additionally, the investment policy does not permit investments in securities issued in foreign markets. The Town’s investment pool had the following credit structure:

Ratings per Moody's	U.S.		Total
	Corporate Bonds	Government Obligations	
Aaa	\$ 81,639	\$ 1,843,781	\$ 1,925,420
Aa1	64,796	-	64,796
Aa2	109,014	-	109,014
Aa3	144,444	-	144,444
A1	154,217	-	154,217
A2	117,411	-	117,411
	<u>\$ 671,521</u>	<u>\$ 1,843,781</u>	<u>\$ 2,515,302</u>

**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 Trustees of Trust Funds investment policy requires all investment assets to be held in a brokerage account for safekeeping, or other financial institutions that meet or exceed industry guidelines or insurance protection standards.

**Concentration of Credit Risk** – The Trustees of Trust Funds investment policy limits the amount it may invest in any one issuer to not more than 10% of the fund or \$10,000, whichever is greater, except for deposits in any federally or state chartered banks or associations authorized to engage in banking business in New Hampshire; credit unions in New Hampshire; obligations of the United States, the State of New Hampshire and its subdivisions; participation units in the public deposit investment pool established pursuant to RSA 383:22; or in shares of open ended mutual funds selected by the Trustees for investment under RSA 31:25. At December 31, 2021, the Town did not have more than 5% of the total investments in a single issuer.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$2,344,075
Investments per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit F-1)	672,869
Total investments	<u>\$3,016,944</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, 2021. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2021	\$ 538,549	\$ 538,549
Unredeemed (under tax lien):		
Levy of 2020	193,671	193,671
Levy of 2019	141,827	141,827
Levies of 2018 and prior	67,504	67,504
Less: allowance for estimated uncollectible taxes	<u>(140,000) *</u>	<u>-</u>
Net taxes receivable	<u>\$ 801,551</u>	<u>\$ 941,551</u>

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

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**NOTE 6 – OTHER RECEIVABLES**

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

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

	Governmental Activities	Business-type Activities	Governmental Funds		Proprietary	Fiduciary Funds
			General Fund	Nonmajor Funds	Fund Sewer Department	
Receivables:						
Accounts	\$ 26,917	\$ 377,249	\$ 25,522	\$ 1,395	\$ 377,249	\$ -
Intergovernmental	-	-	-	-	-	2,991,498
Liens	53,560	-	53,560	-	-	-
Gross receivables	80,477	377,249	79,082	1,395	377,249	2,991,498
Less: allowance for uncollectibles	(53,560)	(20,000)	(53,560)	-	(20,000)	-
Net total receivables	\$ 26,917	\$ 357,249	\$ 25,522	\$ 1,395	\$ 357,249	\$ 2,991,498

1. Fiduciary Funds – Intergovernmental receivables represent property taxes collected on behalf of the Allenstown School District. These amounts are collected and are part of the Town’s general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 9.

**NOTE 7 – CAPITAL ASSETS**

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

	Balance, beginning	Additions	Deletions	Balance, ending
<b>Governmental activities:</b>				
At cost:				
Not being depreciated:				
Land *	\$2,661,945	\$ 17,959	\$ -	\$ 2,679,904
Being depreciated:				
Buildings and building improvements	3,191,849	-	-	3,191,849
Machinery, equipment, and vehicles	2,708,825	225,790	(28,000)	2,906,615
Infrastructure	314,412	-	-	314,412
Total capital assets being depreciated	6,215,086	225,790	(28,000)	6,412,876
Total all capital assets	8,877,031	243,749	(28,000)	9,092,780
Less accumulated depreciation:				
Buildings and building improvements	(859,479)	(77,802)	-	(937,281)
Machinery, equipment, and vehicles	(1,786,677)	(177,322)	28,000	(1,935,999)
Infrastructure	(27,333)	(10,480)	-	(37,813)
Total accumulated depreciation	(2,673,489)	(265,604)	28,000	(2,911,093)
Net book value, capital assets being depreciated	3,541,597	(39,814)	-	3,501,783
Net book value, all governmental activities capital assets	\$6,203,542	\$ (21,855)	\$ -	\$ 6,181,687

*(Continued)*



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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
<b>Business-type activities:</b>				
At cost:				
Not being depreciated:				
Land	\$ 25,962	\$ -	\$ -	\$ 25,962
Construction in progress	16,991	2,016,386	-	2,033,377
Total capital assets not being depreciated	<u>42,953</u>	<u>2,016,386</u>	<u>-</u>	<u>2,059,339</u>
Being depreciated:				
Land improvements	125,230	-	-	125,230
Buildings and building improvements	1,468,271	-	-	1,468,271
Machinery, equipment, and vehicles	2,364,319	-	-	2,364,319
Infrastructure	4,047,231	-	-	4,047,231
Total capital assets being depreciated	<u>8,005,051</u>	<u>-</u>	<u>-</u>	<u>8,005,051</u>
Total all capital assets	<u>8,048,004</u>	<u>2,016,386</u>	<u>-</u>	<u>10,064,390</u>
Less accumulated depreciation:				
Land improvements	(125,230)	-	-	(125,230)
Buildings and building improvements	(815,072)	(25,574)	-	(840,646)
Machinery, equipment, and vehicles	(1,342,817)	(139,610)	-	(1,482,427)
Infrastructure	(1,937,707)	(71,056)	-	(2,008,763)
Total accumulated depreciation	<u>(4,220,826)</u>	<u>(236,240)</u>	<u>-</u>	<u>(4,457,066)</u>
Net book value, capital assets being depreciated	<u>3,784,225</u>	<u>(236,240)</u>	<u>-</u>	<u>3,547,985</u>
Net book value, all business-type activities capital assets	<u>\$3,827,178</u>	<u>\$1,780,146</u>	<u>\$ -</u>	<u>\$ 5,607,324</u>

\*Included in the total balance is \$1,533,435 of land located in a flood plain, which the Town acquired through a Federal Flood Mitigation Assistance Grant. As the land was acquired to ensure the safety of the public as well as to enhance flood plains capacity, it has been recorded at assessment value rather than acquisition cost. GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, mandates that "capital assets that will no longer be used by the government should be reported at the lower of carrying value or fair value."

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:

<b>Governmental activities:</b>	
General government	\$ 2,541
Public safety	131,460
Highways and streets	76,005
Sanitation	1,120
Culture and recreation	54,478
Total depreciation expense	<u>\$ 265,604</u>
<b>Business-type activities:</b>	
Sewer	<u>\$ 236,240</u>

**NOTE 8 – INTERFUND BALANCES**

The composition of interfund balances as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Sewer	\$ 3,350
General	Nonmajor	38,065
		<u>\$ 41,415</u>

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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.

**NOTE 9 – INTERGOVERNMENTAL PAYABLES**

Amounts due to other governments at December 31, 2021 consist of the following:

	Governmental Activities	Governmental Fund General Fund	Fidciary Funds
Property taxes due to the Allenstown School District	\$ 2,991,498 <sup>2</sup>	\$ 2,991,498 <sup>2</sup>	\$2,991,498 <sup>2</sup>
Fees due to the State of New Hampshire	2,517	2,517	-
Total intergovernmental payables due	\$ 2,994,015	\$ 2,994,015	\$2,991,498

2. Property taxes due to the custodial funds represent amounts collected by the Town on behalf of Allenstown School District and are reported as a component of general fund cash at year-end.

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

Deferred outflows of resources are as follows:

<b>Governmental activities:</b>	
Amounts related to pensions (see Note 13)	\$ 555,426
Amounts related to other postemployment benefits (see Note 14)	13,271
Total governmental activities	568,697
<b>Business-type activities:</b>	
Enterprise fund:	
Sewer department:	
Amounts related to pensions (see Note 13)	94,969
Amounts related to other postemployment benefits (see Note 14)	2,269
Total sewer department	97,238
Total deferred outflows of resources	\$ 665,935

Deferred inflows of resources are as follows:

	Exhibit A	Exhibit C-1
<b>Governmental activities:</b>		
Property taxes levied prior to their due date	\$ 22,383	\$217,928
Unspent ARPA grant	232,777	232,777
Amounts related to pensions (see Note 13)	725,516	-
Amounts related to other postemployment benefits (see Note 14)	2,775	-
Total governmental activities	983,451	\$450,705
<b>Business-type activities:</b>		
Enterprise fund:		
Sewer department:		
Amounts related to pensions (see Note 13)	124,051	
Amounts related to other postemployment benefits (see Note 14)	474	
Total sewer department	124,525	
Total deferred inflows of resources	\$1,107,976	

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**NOTE 11 – CAPITAL LEASE OBLIGATIONS**

The Town has entered into certain capital lease agreements under which the related equipment will become the property of the Town when all the terms of the lease agreements are met.

	<u>Standard Interest Rate</u>	<u>Present Value of Remaining Payments as of December 31, 2021</u>
<b>Governmental activities:</b>		
Capital lease obligations:		
2018 Ford Explorer	4.69%	\$ 10,238
2020 International	2.97%	100,522
2018 Volvo Excavator	2.99%	60,200
2021 Dodge Durango	3.97%	27,691
Total capital lease obligations		<u>\$ 198,651</u>

Leased equipment under the capital leases, included in capital assets, is as follows:

	<u>Governmental Activities</u>
Equipment:	
2018 Ford Explorer	\$ 30,734
2020 International	172,115
2018 Volvo Excavator	60,200
2021 Dodge Durango	42,367
Total equipment	<u>305,416</u>
Less: accumulated depreciation	(73,363)
Total capital lease equipment	<u>\$ 232,053</u>

The annual requirements to amortize the capital leases payable as of December 31, 2021, including interest payments, are as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Governmental Activities</u>
2022	\$ 92,367
2023	81,649
2024	35,517
Total requirements	<u>209,533</u>
Less: interest	(10,882)
Present value of remaining payments	<u>\$ 198,651</u>

Amortization of lease equipment under capital assets is included with depreciation expense.

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**NOTE 12 – LONG-TERM LIABILITIES**

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

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year	Due In More Than One Year
<b>Governmental activities:</b>						
Note payable - direct borrowing *	\$ 21,794	\$ 6,730	\$ -	\$ 28,524	\$ -	\$ 28,524
Capital leases	188,661	102,567	(92,577)	198,651	86,002	112,649
Compensated absences	98,654	27,278	(23,067)	102,865	5,596	97,269
Accrued landfill postclosure care costs	147,200	-	(15,200)	132,000	6,000	126,000
Net pension liability	3,108,682	-	(684,409)	2,424,273	-	2,424,273
Net other postemployment benefits	336,016	44,768	(978)	379,806	-	379,806
Total long-term liabilities	<u>\$ 3,901,007</u>	<u>\$ 181,343</u>	<u>\$ (816,231)</u>	<u>\$ 3,266,119</u>	<u>\$ 97,598</u>	<u>\$ 3,168,521</u>
<b>Business-type activities:</b>						
Note payable - direct borrowing	\$ -	\$ 1,616,000	\$ -	\$ 1,616,000	\$ 183,147	\$ 1,432,853
Net pension liability	912,608	-	(498,098)	414,510	-	414,510
Net other postemployment benefits	160,255	-	(57,739)	102,516	-	102,516
Total long-term liabilities	<u>\$ 1,072,863</u>	<u>\$ 1,616,000</u>	<u>\$ (555,837)</u>	<u>\$ 2,133,026</u>	<u>\$ 183,147</u>	<u>\$ 1,949,879</u>

Long-term notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2021	Current Portion
<b>Governmental activities:</b>						
Note payable - direct borrowing:						
State revolving loan *	\$ 21,794	2021	-	-	<u>\$ 28,524</u>	<u>\$ -</u>
<b>Business-type activities:</b>						
Note payable - direct borrowing:						
State revolving loan	\$ 1,616,000	2021	2036	0.00%	<u>\$ 1,616,000</u>	<u>\$ 183,147</u>

**\*State Revolving Loan Fund Program** - Drawdowns received under a State Revolving Loan Fund Program will be consolidated by promissory notes upon substantial completion of the related project. As of December 31, 2021, drawdowns received to date totaling \$28,524 are recorded on the Town's financial statements, exclusive of any anticipated forgiveness on the loans. The note, plus interest, will be repaid from the general fund.

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

Fiscal Year Ending December 31,	Note payable - Direct Borrowing			
	Principal	Interest	Admin Fees	Total
2022	\$ 183,147	\$ 769	\$ 29,014	\$ 212,930
2023	102,347	-	28,657	131,004
2024	102,347	-	26,610	128,957
2025	102,347	-	24,563	126,910
2026	102,347	-	22,516	124,863
2027-2031	511,733	-	81,877	593,610
2032-2036	511,732	-	30,704	542,436
Totals	<u>\$ 1,616,000</u>	<u>\$ 769</u>	<u>\$ 243,941</u>	<u>\$ 1,860,710</u>

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**Accrued Landfill Postclosure Care Costs** – The Town ceased operating its landfill in past years. 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. The recognition of these landfill postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill postclosure care costs has a balance of \$132,000 as of December 31, 2021. The estimated total current cost of the landfill postclosure care (\$132,000) 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, 2021. 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.

The Town has established a capital reserve fund for landfill postclosure care costs. This fund had a balance of \$35,045 at December 31, 2021.

**Bonds/Notes Authorized and Unissued** – Bonds and notes authorized and unissued as of December 31, 2021 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 10, 2015	Wastewater collection and treatment	\$ 10,458
March 14, 2017	Asset management system	10
March 12, 2019	Asset management system	1,476
		<u>\$ 11,944</u>

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

**Benefits Provided** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

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

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

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.

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**Contributions** - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80%, respectively. For the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43% for fire, and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021 the Town contributed 30.67% for police, 29.78% for fire, and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$344,160 (\$295,612 for governmental activities and \$48,548 for business-type activities), which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2021 the Town reported a liability of \$2,838,783 (\$2,424,273 in the governmental activities and \$414,510 in the business-type activities and major proprietary fund) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the Town’s proportion was 0.06%, which the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$266,120. At December 31, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities and Major Proprietary Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 56,153	\$ 22,122	\$ 9,601	\$ 3,782
Changes in assumptions	253,202	-	43,293	-
Net difference between projected and actual investment earnings on pension plan investments	-	678,014	-	115,929
Differences between expected and actual experience	67,883	25,380	11,607	4,340
Contributions subsequent to the measurement date	178,188	-	30,468	-
Total	<u>\$ 555,426</u>	<u>\$ 725,516</u>	<u>\$ 94,969</u>	<u>\$ 124,051</u>

The \$178,188 in the governmental activities and \$30,468 in the business-type activities and major proprietary fund 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities and Major Proprietary Fund
2022	\$ (55,867)	\$ (9,552)
2023	(38,285)	(6,546)
2024	(43,097)	(7,369)
2025	(211,029)	(36,083)
Thereafter	-	-
Totals	<u>\$ (348,278)</u>	<u>\$ (59,550)</u>

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

Inflation:	2.0%
Salary increases:	5.6% average, including inflation
Wage inflation:	2.75% (2.25% for Teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

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

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

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

**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%
<b>Governmental activities:</b>			
June 30, 2021	\$ 3,466,988	\$ 2,424,273	\$ 1,554,479
<b>Business-type activities and major proprietary fund:</b>			
June 30, 2021	\$ 592,797	\$ 414,510	\$ 265,790

**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 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

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

**Benefits 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 2021 were as follows:

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

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

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan



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based on fund balances. For the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$29,255 (\$28,081 for governmental activities and \$1,174 for business-type activities), which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At December 31, 2021, the Town reported a liability of \$253,065 (\$216,113 for governmental activities and \$36,952 for business-type activities and major proprietary fund) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the Town’s proportion was 0.06%, which was the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$5,735. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-type Activities and Major Proprietary Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 30	\$ -	\$ 5
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,699	-	462
Differences between expected and actual experience	-	46	-	7
Contributions subsequent to the measurement date	13,271	-	2,269	-
Total	<u>\$ 13,271</u>	<u>\$ 2,775</u>	<u>\$ 2,269</u>	<u>\$ 474</u>

The \$13,271 in the governmental activities and \$2,269 in the business-type activities and major proprietary fund reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Governmental Activities	Business-type Activities and Major Proprietary Fund
2021	\$ (693)	\$ (118)
2022	(567)	(97)
2023	(636)	(109)
2024	(879)	(150)
Thereafter	-	-
Totals	<u>\$ (2,775)</u>	<u>\$ (474)</u>

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

- Inflation: 2.0%
- Salary increases: 5.6 % average, including inflation
- Wage inflation: 2.75% (2.25% for Teachers)
- Investment rate of return: 6.75% net of OPEB plan investment expense, including inflation for determining solvency contributions

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

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

**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

Following is a table presenting target allocations and geometric real rates of return for each asset class:

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
<b>Governmental activities:</b>			
June 30, 2021	\$ 234,932	\$ 216,113	\$ 199,740
<b>Business-type activities and major proprietary fund:</b>			
June 30, 2021	\$ 40,170	\$ 36,952	\$ 34,152

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

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

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

**Plan Description** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

**Benefits Provided** – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees. The benefits are provided through the New Hampshire Health Trust.

**Employees Covered by Benefit Terms** – At December 31, 2020, 27 active employees were covered by the benefit terms.

**Total OPEB Liability** – The Town’s total OPEB liability of \$229,257 (\$163,693 in the governmental activities and \$65,564 in the business-type activities and major proprietary fund) was measured as of December 31, 2021 and was determined by an actuarial valuation of January 1, 2021.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$229,257 in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.25%
Healthcare Cost Trend Rates:	
Current Year Trend	7.5%
Second Year Trend	7.0%
Decrement	0.5%
Ultimate Trend	4.5%
Year Ultimate Trend is Reached	2028
Salary Increases:	2.75%

The discount rate was based on the *S&P Municipal Bond 20-Year High Grade Index* as of December 31, 2021.

Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality Table fully generation using Scale MP-2020.

**Changes in the Total OPEB Liability**

	Governmental Activities	Business-type Activities and Major Proprietary Fund
OPEB liability beginning of year	\$ 118,925	\$ 96,524
Changes for the year:		
Service cost	22,373	8,961
Interest	3,657	1,465
Assumption changes and difference between actual and expected experience	26,186	(38,403)
Benefit payments	(7,448)	(2,983)
OPEB liability end of year	\$ 163,693	\$ 65,564

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**Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate** – The January 1, 2021 actuarial valuation was prepared using a discount rate of 2.25%. If the discount rate were 1% lower than what was used, the OPEB liability would increase to \$178,720 in the governmental activities and \$71,543 in the business-type activities and major proprietary fund. If the discount rate were 1% higher than what was used, the OPEB liability would decrease to \$150,187 in the governmental activities and \$60,155 in the business-type activities and major proprietary fund.

	Discount Rate		
	1% Decrease	Baseline 2.25%	1% Increase
<b>Governmental activities:</b>			
Total OPEB Liability	\$ 178,620	\$ 163,693	\$ 150,187
<b>Business-type activities and major proprietary fund:</b>			
Total OPEB Liability	\$ 71,543	\$ 65,564	\$ 60,155

**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The January 1, 2021 actuarial valuation was prepared using an initial healthcare cost trend rate of 7.5%. If the trend rate were 1% lower than what was used, the OPEB liability would decrease to \$143,556 in the governmental activities and \$57,499 in the business-type activities and major proprietary fund. If the trend rate were 1% higher than what was used, the OPEB liability would increase to \$187,907 in the governmental activities and \$75,262 in the business-type activities and major proprietary fund.

	Healthcare Cost Trend Rates		
	1% Decrease 6.5% Year 1 Decreasing to 3.5%	Baseline 7.5% Year 1 Decreasing to 4.5%	1% Increase 8.5% Year 1 Decreasing to 5.5%
<b>Governmental activities:</b>			
Total OPEB Liability	\$ 143,556	\$ 163,693	\$ 187,907
<b>Business-type activities and major proprietary fund:</b>			
Total OPEB Liability	\$ 57,499	\$ 65,564	\$ 75,262

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2021, the Town recognized OPEB expense of \$24,239.

**NOTE 15 – COMMITMENTS/ENCUMBRANCES**

The Town has entered into a construction contract totaling \$597,515 related to the Suncook Pond Wastewater Pump Station. As of December 31, 2021, the remaining unpaid balance of this contract is \$140,275.

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

General fund:	
Highways and streets	<u>\$ 85,382</u>

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**NOTE 16 – GOVERNMENTAL ACTIVITIES, BUSINESS-TYPE ACTIVITIES, PROPRIETARY FUND, AND FIDUCIARY FUNDS NET POSITION**

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

	Government-wide Financial Statements			Fiduciary Funds
	Governmental Activities	Business-type Activities (Proprietary Fund)	Total	
Net investment in capital assets:				
Net book value, all capital assets	\$ 6,181,687	\$ 5,607,324	\$ 11,789,011	\$ -
Less:				
Note payable	(28,524)	(1,616,000)	(1,644,524)	-
Capital leases payable	(198,651)	-	(198,651)	-
Total net investment in capital assets	<u>5,954,512</u>	<u>3,991,324</u>	<u>9,945,836</u>	<u>-</u>
Restricted net position:				
DARE	8,893	-	8,893	-
Library	17,137	-	17,137	-
Perpetual care - nonexpendable	5,313	-	5,313	-
Perpetual care - expendable	697	-	697	-
School trust funds	-	-	-	672,869
Escrow accounts	-	-	-	74,683
Total restricted net position	<u>32,040</u>	<u>-</u>	<u>32,040</u>	<u>747,552</u>
Unrestricted	<u>407,070</u>	<u>4,800,486</u>	<u>5,207,556</u>	<u>-</u>
Total net position	<u>\$ 6,393,622</u>	<u>\$ 8,791,810</u>	<u>\$ 15,185,432</u>	<u>\$ 747,552</u>

**NOTE 17 – GOVERNMENTAL FUND BALANCES**

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

	Total		
	General Fund	Nonmajor Funds	Governmental Funds
<b>Nonspendable:</b>			
Prepaid items	\$ 2,592	\$ -	\$ 2,592
Tax deeded property	4,782	-	4,782
Permanent fund - principal balance	-	5,313	5,313
Total nonspendable fund balance	<u>7,374</u>	<u>5,313</u>	<u>12,687</u>
<b>Restricted:</b>			
Library	17,137	-	17,137
DARE fund	-	8,893	8,893
Permanent - income balance	-	697	697
Total restricted fund balance	<u>17,137</u>	<u>9,590</u>	<u>26,727</u>
<b>Committed:</b>			
Expendable trust	990,498	-	990,498
Conservation commission	-	1,366	1,366
Public safety services revolving fund	-	73,855	73,855
Total committed fund balance	<u>990,498</u>	<u>75,221</u>	<u>1,065,719</u>
<b>Assigned:</b>			
Encumbrances	85,382	-	85,382
<b>Unassigned</b>	<u>2,394,389</u>	<u>-</u>	<u>2,394,389</u>
Total governmental fund balances	<u>\$ 3,494,780</u>	<u>\$ 90,124</u>	<u>\$ 3,584,904</u>

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**NOTE 18 – PRIOR PERIOD ADJUSTMENTS**

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

	Governmental Funds					Fiduciary Funds
	Governmental Activities	General Fund (GAAP Basis)	General Fund (Budgetary Basis)	Public Safety Services Revolving	Nonmajor	
To restate for incorrectly recorded escrow accounts	\$ (50,622)	\$ (50,622)	\$ (50,622)	\$ -	\$ -	\$ 45,540
To reclassify the Public Safety Services Revolving fund as nonmajor	-	-	-	(81,995)	81,995	-
Net position/fund balance/unassigned fund balance, as previously reported	<u>6,946,252</u>	<u>3,729,019</u>	<u>2,854,130</u>	<u>81,995</u>	<u>13,778</u>	<u>443,979</u>
Net position/fund balance/unassigned fund balance, as restated	<u>\$ 6,895,630</u>	<u>\$ 3,678,397</u>	<u>\$ 2,803,508</u>	<u>\$ -</u>	<u>\$ 95,773</u>	<u>\$ 489,519</u>

**NOTE 19 – RISK MANAGEMENT**

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

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex<sup>3</sup>, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2021, the Town paid \$41,103 and \$80,507 to Primex<sup>3</sup> for Workers' Compensation and Property/Liability, respectively. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

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

**NOTE 20 – COVID-19**

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

The Town was allotted a total of \$465,555 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$232,777, or 50%, of the funding was received in 2021. The remainder is expected to be received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue, and necessary water, sewer, and broadband investment. For the year ended December 31, 2021, the Town spent none of the funds received. The funds are included in deferred inflows of resources until eligible expenditures have been made.

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

**NOTE 21 – 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.

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

Management has evaluated subsequent events through August 31, 2022, the date the December 31, 2021 financial statements were available to be issued, and the following occurred that requires recognition or disclosure.

At the March 8, 2022 annual Town election, voters approved eleven (11) warrant articles (numbers 7 through 16 and number 18) totaling \$400,000 to be funded through the use of available unassigned fund balance as of December 31, 2021. In addition, the voters also approved warrant article number 17 which provides the Town with the option of purchasing Allenstown Elementary School to be renovated for use as the Town Hall and/or community center & recreation and/or business space for lease.

***REQUIRED SUPPLEMENTARY INFORMATION***



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

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's:									
Proportion of the net pension liability	0.07%	0.07%	0.07%	0.07%	0.07%	0.06%	0.06%	0.06%	0.06%
Proportionate share of the net pension liability	\$ 2,874,706	\$ 2,504,810	\$ 2,670,973	\$ 3,708,204	\$3,414,090	\$ 3,062,591	\$ 2,997,372	\$ 4,021,290	\$ 2,838,783
Covered payroll	\$ 1,423,472	\$ 1,474,396	\$ 1,509,969	\$ 1,642,728	\$1,477,631	\$ 1,649,788	\$ 1,895,847	\$ 1,608,316	\$ 1,608,316
Proportionate share of the net pension liability as a percentage of its covered payroll	201.95%	169.89%	176.89%	225.73%	231.05%	185.64%	158.10%	250.03%	176.51%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.  
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**EXHIBIT H**  
**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2021*  
**Unaudited**

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contributions	\$ 166,088	\$ 216,492	\$ 226,196	\$ 249,705	\$ 254,317	\$ 268,821	\$ 271,092	\$ 279,297	\$ 294,277
Contributions in relation to the contractually required contributions	(166,088)	(216,492)	(226,196)	(249,705)	(254,317)	(268,821)	(271,092)	(279,297)	(294,277)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,423,472	\$ 1,474,396	\$ 1,509,969	\$ 1,642,728	\$ 1,477,631	\$ 1,649,788	\$ 1,895,847	\$ 1,608,316	\$ 1,628,485
Contributions as a percentage of covered payroll	11.67%	14.68%	14.98%	15.20%	17.21%	16.29%	14.30%	17.37%	18.07%

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

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

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

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

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

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

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

*Unaudited*

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net OPEB liability	0.05%	0.05%	0.07%	0.05%	0.06%	0.06%
Town's proportionate share of the net OPEB liability (asset)	\$ 238,611	\$ 234,503	\$ 320,005	\$ 298,692	\$ 280,822	\$ 253,065
Town's covered payroll	\$ 1,642,728	\$ 1,477,631	\$ 1,649,788	\$ 1,895,847	\$ 1,608,316	\$ 1,608,316
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.53%	15.87%	19.40%	15.76%	17.46%	15.73%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

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

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

*Unaudited*

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 28,640	\$ 30,398	\$ 30,916	\$ 31,092	\$ 29,780	\$ 30,368
Contributions in relation to the contractually required contribution	(28,640)	(30,398)	(30,916)	(31,092)	(29,780)	(30,368)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 1,642,728</u>	<u>\$ 1,477,631</u>	<u>\$ 1,649,788</u>	<u>\$ 1,895,847</u>	<u>\$ 1,608,316</u>	<u>\$ 1,628,485</u>
Contributions as a percentage of covered payroll	1.74%	2.06%	1.87%	1.64%	1.85%	1.86%

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

**EXHIBIT K**  
**TOWN OF ALLENSTOWN, NEW HAMPSHIRE**  
*Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios*  
*Retiree Health Benefit Program*  
*For the Fiscal Year Ended December 31, 2021*  
*Unaudited*

	December 31,			
	2018	2019	2020	2021
OPEB liability, beginning of year	\$ 365,659	\$ 168,304	\$ 167,556	\$ 215,449
Changes for the year:				
Service cost	24,208	16,840	18,668	31,334
Interest	13,096	7,029	6,071	5,122
Assumption changes and difference between actual and expected experience	(216,175)	3,898	23,154	(12,217)
Benefit payments	(18,484)	(28,515)	-	(10,431)
OPEB liability, end of year	<u>\$ 168,304</u>	<u>\$ 167,556</u>	<u>\$ 215,449</u>	<u>\$ 229,257</u>
Covered payroll	<u>\$ 1,107,326</u>	<u>\$ 1,311,205</u>	<u>\$ 1,489,030</u>	<u>\$ 1,394,205</u>
Total OPEB liability as a percentage of covered payroll	15.20%	12.78%	14.47%	16.44%

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

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

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

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

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

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

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

***Schedule of Changes in Town's Total Other Postemployment Benefits Liability and Related Ratios***

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

***Changes in Assumptions*** – For the fiscal year ending December 31, 2021, the discount rate was updated to 2.25% from 2.12% used for the fiscal year ending December 31, 2020. There were no other changes in assumptions for the current period.

As required by GASB Statement No. 75, Exhibit K represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2021. The schedule is 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 ALLENSTOWN, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended December 31, 2021*

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 2,346,404	\$ 2,476,851	\$ 130,447
Yield	1,500	1,327	(173)
Excavation	-	1,514	1,514
Interest and penalties on taxes	110,500	83,457	(27,043)
Total from taxes	<u>2,458,404</u>	<u>2,563,149</u>	<u>104,745</u>
<b>Licenses, permits, and fees:</b>			
Business licenses, permits, and fees	500	1,304	804
Motor vehicle permit fees	740,000	845,521	105,521
Building permits	150,000	158,821	8,821
Other	8,900	8,595	(305)
Total from licenses, permits, and fees	<u>899,400</u>	<u>1,014,241</u>	<u>114,841</u>
<b>Intergovernmental:</b>			
State:			
Meals and rooms distribution	321,108	321,108	-
Highway block grant	88,060	88,037	(23)
State and federal forest land reimbursement	4,668	4,668	-
Other	-	2,860	2,860
Total from intergovernmental	<u>413,836</u>	<u>416,673</u>	<u>2,837</u>
<b>Charges for services:</b>			
Income from departments	54,100	56,072	1,972
Other charges	3,000	846	(2,154)
Total other financing sources	<u>57,100</u>	<u>56,918</u>	<u>(182)</u>
<b>Miscellaneous:</b>			
Sale of municipal property	-	15,519	15,519
Interest on investments	3,000	3,227	227
Other	2,000	3,288	1,288
Total from miscellaneous	<u>5,000</u>	<u>22,034</u>	<u>17,034</u>
<b>Other financing sources:</b>			
Transfers in	-	3,814	3,814
Note proceeds	-	6,730	6,730
Total other financing sources	<u>-</u>	<u>10,544</u>	<u>10,544</u>
Total revenues and other financing sources	3,833,740	<u>\$ 4,083,559</u>	<u>\$ 249,819</u>
Unassigned fund balance used to reduce tax rate	509,000		
Amounts voted from fund balance	244,900		
Total revenues, other financing sources, and use of fund balance	<u>\$ 4,587,640</u>		

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 198,000	\$ 192,143	\$ -	\$ 5,857
Election and registration	-	76,020	73,299	-	2,721
Financial administration	-	151,550	137,927	-	13,623
Revaluation of property	-	44,700	47,447	-	(2,747)
Legal	-	50,000	20,735	-	29,265
Personnel administration	-	781,600	677,503	-	104,097
Planning and zoning	-	15,300	8,445	-	6,855
General government buildings	-	22,900	15,129	-	7,771
Cemeteries	-	10	-	-	10
Insurance, not otherwise allocated	-	65,000	62,379	-	2,621
Advertising and regional associations	-	5,300	5,242	-	58
Total general government	-	1,410,380	1,240,249	-	170,131
Public safety:					
Police	-	1,002,290	1,034,137	-	(31,847)
Ambulance	-	226,000	225,081	-	919
Fire	-	360,040	375,591	-	(15,551)
Building inspection	-	86,000	78,834	-	7,166
Emergency management	-	13,600	5,843	-	7,757
Total public safety	-	1,687,930	1,719,486	-	(31,556)
Highways and streets:					
Administration	-	364,850	346,476	-	18,374
Highways and streets	106,320	224,800	274,371	85,382	(28,633)
Street lighting	-	15,600	10,750	-	4,850
Total highways and streets	106,320	605,250	631,597	85,382	(5,409)
Sanitation:					
Administration	-	20,450	17,395	-	3,055
Solid waste collection	-	124,000	122,342	-	1,658
Solid waste disposal	-	75,000	83,419	-	(8,419)
Total sanitation	-	219,450	223,156	-	(3,706)
Health:					
Administration	-	6,300	5,657	-	643
Pest control	-	100	-	-	100
Total health	-	6,400	5,657	-	743
Welfare:					
Administration and direct assistance	-	37,050	14,110	-	22,940
Vendor payments and other	-	24,500	24,500	-	-
Total welfare	-	61,550	38,610	-	22,940

(Continued)

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	69,600	73,722	-	(4,122)
Library	-	58,020	59,336	-	(1,316)
Patriotic purposes	-	50	-	-	50
Other	-	2,300	-	-	2,300
Total culture and recreation	-	129,970	133,058	-	(3,088)
Conservation	-	1,410	1,180	-	230
Economic development	-	7,000	10,882	-	(3,882)
Debt service:					
Interest on tax anticipation notes	-	15,000	-	-	15,000
Capital outlay	-	198,400	210,469	-	(12,069)
Other financing uses:					
Transfers out	-	244,900	244,900	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 106,320	\$ 4,587,640	\$ 4,459,244	\$ 85,382	\$ 149,334

See Independent Auditor's Report.

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

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis) as restated (see Note 18)		\$2,803,508
Changes:		
Unassigned fund balance used to reduce 2021 tax rate		(509,000)
Amounts voted from fund balance		(244,900)
2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 249,819	
Unexpended balance of appropriations (Schedule 2)	149,334	
2021 Budget surplus		399,153
Decrease in nonspendable fund balance		1,173
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,449,934
<b><i>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</i></b>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(195,545)
Elimination of the allowance for uncollectible taxes		140,000
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u>\$2,394,389</u>

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

	Special Revenue Funds				Total
	Conservation	DARE	Public Safety	Permanent	
	Commission		Services		
			Revolving		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,366	\$ 8,893	\$ 110,525	\$ -	\$ 120,784
Investments	-	-	-	6,010	6,010
Accounts receivable	-	-	1,395	-	1,395
Total assets	<u>\$ 1,366</u>	<u>\$ 8,893</u>	<u>\$ 111,920</u>	<u>\$ 6,010</u>	<u>\$ 128,189</u>
<b>LIABILITIES</b>					
Interfund payable	\$ -	\$ -	\$ 38,065	\$ -	\$ 38,065
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	5,313	5,313
Restricted	-	8,893	-	697	9,590
Committed	1,366	-	73,855	-	75,221
Total fund balances	<u>1,366</u>	<u>8,893</u>	<u>73,855</u>	<u>6,010</u>	<u>90,124</u>
Total liabilities and fund balances	<u>\$ 1,366</u>	<u>\$ 8,893</u>	<u>\$ 111,920</u>	<u>\$ 6,010</u>	<u>\$ 128,189</u>

See Independent Auditor's Report.

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

	Special Revenue Funds				Total
	Conservation		Public Safety		
	Commission	DARE	Services Revolving	Permanent Fund	
<b>REVENUES</b>					
Charges for services	\$ -	\$ -	\$ 27,938	\$ -	\$ 27,938
Miscellaneous	1	8,564	102	86	8,753
Total revenues	1	8,564	28,040	86	36,691
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	226	226
Public safety	-	5,934	36,180	-	42,114
Total expenditures	-	5,934	36,180	226	42,340
Net change in fund balances	1	2,630	(8,140)	(140)	(5,649)
Fund balances, beginning, as restated (see Note 18)	1,365	6,263	81,995	6,150	95,773
Fund balances, ending	\$ 1,366	\$ 8,893	\$ 73,855	\$ 6,010	\$ 90,124

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

	Custodial Funds				Total
	School and County Taxes	School District Trust Funds	Escrows	State Fees	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 74,683	\$ -	\$ 74,683
Investments	-	672,869	-	-	672,869
Intergovernmental receivables	2,991,498	-	-	-	2,991,498
Total assets	<u>2,991,498</u>	<u>672,869</u>	<u>74,683</u>	<u>-</u>	<u>3,739,050</u>
<b>LIABILITIES</b>					
Due to school district	2,991,498	-	-	-	2,991,498
<b>NET POSITION</b>					
Restricted	<u>\$ -</u>	<u>\$ 672,869</u>	<u>\$ 74,683</u>	<u>\$ -</u>	<u>\$ 747,552</u>

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

	Custodial Funds				Total
	School and County Taxes	School District Trust Funds	Escrows	State Fees	
<b>Additions:</b>					
Contributions	\$ -	\$ 237,100	\$ 29,074	\$ -	\$ 266,174
Investment earnings	-	-	69	-	69
Change in fair market value	-	(284)	-	-	(284)
Tax collections for other governments	6,873,001	-	-	-	6,873,001
State fees collected	-	-	-	321,938	321,938
Total additions	<u>6,873,001</u>	<u>236,816</u>	<u>29,143</u>	<u>321,938</u>	<u>7,460,898</u>
<b>Deductions</b>					
Benefits paid	-	7,926	-	-	7,926
Payments of taxes to other governments	6,873,001	-	-	-	6,873,001
Payments of State fees	-	-	-	321,938	321,938
Total deductions	<u>6,873,001</u>	<u>7,926</u>	<u>-</u>	<u>321,938</u>	<u>7,202,865</u>
Change in net position	-	228,890	29,143	-	258,033
Net position, beginning, as restated (see Note 18)	-	443,979	45,540	-	489,519
Net position, ending	<u>\$ -</u>	<u>\$ 672,869</u>	<u>\$ 74,683</u>	<u>\$ -</u>	<u>\$ 747,552</u>

See Independent Auditor's Report.