



TOWN OF BELMONT, NEW HAMPSHIRE

Financial Statements

December 31, 2023

and

Independent Auditor's Report

TOWN OF BELMONT, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Belmont, New Hampshire

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belmont, New Hampshire, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Belmont, New Hampshire's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belmont, New Hampshire, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Belmont, New Hampshire, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Belmont, New Hampshire's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Belmont, New Hampshire's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Belmont, New Hampshire's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Vachon Clukay & Company PC

Manchester, New Hampshire
April 15, 2025

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

Presented herewith, please find the Management Discussion and Analysis Report for the Town of Belmont, New Hampshire for the year ended December 31, 2023. The responsibility for accuracy of the data, the completeness and fairness of this documentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material aspects. This report and its content have been designed to fairly present the Town's financial position, including the results of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader in acquiring an accurate understanding of the Town's financial activities have been included.

The Town's management is responsible for establishing accounting and internal control structures designed to ensure that the physical, data, informational, intellectual, and human resource assets of the Town are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Management also strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable assurances that these objectives are attained.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Town of Belmont, New Hampshire using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to the Town of Belmont, New Hampshire's financial statements. The basic financial statements are comprised of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to most private-sector companies.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remaining difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

The government-wide financial statements have separate columns for the following two fund types:

Governmental activities – Represent most of the Town's basic services.

Business-type activities – Account for the Town's water and sewer operations and receive the majority of their revenue from user fees.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain the control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town maintains three fund types: governmental, proprietary, and fiduciary funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, our readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund and Permanent Funds, which are considered major funds. Other governmental funds are aggregated and reported as nonmajor governmental funds.

The Town adopts an annual appropriation budget for its governmental funds. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds provide water and sewer services to customers and charge a user fee. They are presented on the accrual basis of accounting.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund, the Town's only major governmental fund with an adopted budget. It also includes the schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability and schedule of Town pension contributions.

Other Supplementary Information

Other supplementary information includes combining financial statements for the nonmajor governmental funds.

Government-Wide Financial Analysis

As illustrated below, the implementation of GASB Statements No. 68 and No. 75 during the years ended December 31, 2015, and 2018, respectively, have created deficit unrestricted net position balances at both year ends. This is a result of differences between how the Town budgets for Pension and OPEB benefits, based on statutorily required contributions, compared to how they are recognized for financial reporting purposes. A deficit unrestricted net position balance is expected to continue into subsequent years.

Governmental Activities

Statement of Net position

Net position of the governmental activities as of December 31, 2023 and 2022 is as follows:

	2023	2022
Capital assets, net	\$ 20,176,334	\$ 19,951,917
Other assets	12,676,545	11,473,553
Total Assets	32,852,879	31,425,470
 Total Deferred Outflows of Resources	 1,463,838	 1,445,835
 Long-term liabilities	 12,632,351	 11,853,936
Other liabilities	1,316,312	1,815,288
Total Liabilities	13,948,663	13,669,224
 Total Deferred Inflows of Resources	 526,016	 742,593

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

Net Position:		
Net investment in capital assets	16,166,140	16,123,712
Restricted	3,786,090	3,330,083
Unrestricted (deficit)	<u>(110,192)</u>	<u>(994,307)</u>
Total Net Position	<u>\$ 19,842,038</u>	<u>\$ 18,459,488</u>

The Town's net position for its governmental activities totaled \$19,842,038 as of December 31, 2023, an increase of \$1,382,550 when compared to the previous year.

Statement of Activities

Changes in net position of the governmental activities for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues:		
Charges for services	\$ 585,895	\$ 496,373
Operating grants and contributions	539,896	695,580
Capital grants and contributions	-	138,455
General revenues:		
Property and other taxes	7,515,184	6,977,482
Licenses and permits	1,911,929	1,858,871
Intergovernmental	697,689	646,612
Interest and investment earnings (losses)	602,138	(376,772)
Miscellaneous	<u>127,356</u>	<u>30,742</u>
Total revenues	<u>11,980,087</u>	<u>10,467,343</u>
Expenses		
General government	2,137,305	1,983,633
Public safety	4,699,063	4,218,994
Highways and streets	2,051,185	1,772,575
Sanitation	664,838	463,890
Water distribution and treatment	14,907	10,160
Health and welfare	246,016	183,161
Culture and recreation	463,576	376,197
Conservation	233,823	13,598
Interest and fiscal charges	<u>86,824</u>	<u>86,692</u>
Total expenses	<u>10,597,537</u>	<u>9,108,900</u>
Excess before contributions to permanent fund principal	1,382,550	1,358,443
Contributions to permanent fund principal	<u>-</u>	<u>6,450</u>
Change in net position	1,382,550	1,364,893
Net Position, beginning of year	<u>18,459,488</u>	<u>17,094,595</u>
Net Position, end of year	<u>\$ 19,842,038</u>	<u>\$ 18,459,488</u>

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

As shown in the above statement the Town's governmental activities experienced an improvement in financial position of \$1,382,550 on the full accrual basis of accounting.

Business-type Activities

Statement of Net position

Net position of the business type activities as of December 31, 2023 and 2022 are as follows:

	2023	2022
Capital assets, net	\$ 4,677,709	\$ 4,938,866
Other assets	1,947,408	1,966,904
Total Assets	6,625,117	6,905,770
Total Deferred Outflows of Resources	29,538	17,745
Long-term liabilities	499,547	447,836
Other liabilities	19,025	263,442
Total Liabilities	518,572	711,278
Total Deferred Inflows of Resources	13,097	10,234
Net Position:		
Net investment in capital assets	4,349,700	4,427,938
Unrestricted	1,773,286	1,774,065
Total Net Position	\$ 6,122,986	\$ 6,202,003

The largest portion of the Town's net position for its business-type activities reflects its net investment in capital assets, primarily utility plants (Water and Wastewater) in service and equipment, less any related outstanding debt used to acquire those assets. These assets are not available for future spending.

Statement of Activities

Changes in net position of the business-type activities for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Revenues		
Program revenues:		
Charges for services	\$ 959,586	\$ 802,720
Capital grants and contributions	17,345	20,471
General revenues:		
Interest and investment earnings (losses)	33,217	8,601
Miscellaneous	3,614	-
Total revenues	1,013,762	831,792

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

Expenses		
Water Department	351,875	284,776
Sewer Department	<u>740,904</u>	<u>436,461</u>
Total expenses	<u>1,092,779</u>	<u>721,237</u>
Change in net position	(79,017)	110,555
Net Position, beginning of year	<u>6,202,003</u>	<u>6,091,448</u>
Net Position, end of year	<u>\$ 6,122,986</u>	<u>\$ 6,202,003</u>

The main funding source for the business-type activities is charges for services. Overall net position decreased by \$79,017 from the previous year, largely as a result of sewer expenses in excess of revenues generated for those services.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund and Budgetary Highlights

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the General Fund had a fund balance of \$6,421,578 on the modified accrual basis of accounting, an increase of \$1,038,472. This increase was largely a result of expenditures less than amounts budgeted for General Government, Public Safety and Highways and Streets activities, as well as additional revenues above estimates in Licenses and Permits. For more detailed comparison of budget versus actual expenditures refer to the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budgetary Basis) – General Fund.

Permanent Funds

Permanent funds account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs. At December 31, 2023, a balance of \$2,818,191 was non-spendable for principal and \$495,443 was restricted for income. The total fund balance in the permanent funds increased \$255,677 from the prior year end, due primarily to current year investment gains resulting from market improvements.

Nonmajor Governmental Funds

At December 31, 2023, the Nonmajor Governmental Funds had a total fund balance of \$1,137,444 which represents a decrease of \$197,528 from the prior year, primarily resulting from Conservation Fund expenditures in excess of revenues of \$127,523 due to non-recurring conservation activities.

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

Proprietary Funds

The focus of the Town's proprietary funds is on total economic resources, and changes to net position, much as it might be for a private-sector business. The Town's proprietary funds (Water and Sewer Funds) had total unrestricted net position of \$1,773,286 as of December 31, 2023, which represents a decrease of \$779 which approximated the unrestricted net position as of December 31, 2022.

Capital Assets

The Town of Belmont considers a capital asset to be an asset whose costs exceed or equal \$15,000 and has a useful life of greater than one year. Assets are depreciated using the straight-line method over the course of their estimated useful life. During the year the Town's net capital assets for governmental activities increased by a total of \$224,417. Significant additions during the current year included the fire and police department vehicles and major road reconstruction. The Town's net capital assets for the proprietary funds decreased by (\$261,157) due to depreciation expense. Additional information on capital assets can be found in Note 4 of the Notes to the Basic Financial Statements.

Long-Term Liabilities

During the year ended 2023, the Town had a net decrease in general obligation debt payable for governmental activities of (\$274,275) due to scheduled payments made on existing obligations. General obligation debt for business-type activities decreased during the year by (\$182,919) due to scheduled payments made on existing obligations, including bond premium amortization and principal forgiveness. Finance purchase obligations for governmental activities increased during the year by 480,807, due to new obligations entered into of \$645,409 net of scheduled repayments on existing obligations of \$164,602. The compensated absences for governmental activities had a net decrease in balances accrued by (\$239,106) for the year.

Under GASB Statement #68 – *Accounting and Financial Reporting for Pensions*, the Town reports a net pension liability, as well as the related deferred outflows and inflows of resources related to pension. The Town's proportionate share of the New Hampshire Retirement System's (NHRS) unfunded pension liability as of December 31, 2023 is \$7,421,547 for governmental activities and \$143,041 for business-type activities, for a total liability of \$7,564,588.

GASB Statement #75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requires the Town to account for its single employer other post-employment benefits (OPEB) plan on an accrual basis rather than a pay-as-you-go basis. Although the Town is not required to fund this contribution, it is recognized as a liability in these financial statements. Additionally, the Town is required to report its proportionate share of the NHRS unfunded OPEB liability. The net OPEB obligation as of December 31, 2023 is \$1,022,639 for governmental activities and \$28,497 for business-type activities, for a total liability of \$1,051,136.

TOWN OF BELMONT, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending December 31, 2023

Contacting the Town of Belmont's Financial Management

This financial report is intended to provide our citizens and creditors with a general overview of the Town's finances and to show a measure of accountability for the money it receives. If you have any questions about this report or need to get additional information, contact the Board of Selectmen at, PO Box 310, Belmont, NH 03220, telephone number (603) 267-8300.

EXHIBIT A
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,304,960	\$ 1,352,863	\$ 4,657,823
Investments	7,926,976	635,217	8,562,193
Taxes receivable, net	711,206		711,206
Accounts receivable, net	298,086	193,434	491,520
Unbilled charges for services		84,234	84,234
Due from other governments	66,977		66,977
Internal balances	368,340	(368,340)	-
Total Current Assets	<u>12,676,545</u>	<u>1,897,408</u>	<u>14,573,953</u>
Noncurrent Assets:			
Due from other governments		50,000	50,000
Capital assets:			
Non-depreciable capital assets	4,636,688	32,972	4,669,660
Depreciable capital assets, net	15,539,646	4,644,737	20,184,383
Total Noncurrent Assets	<u>20,176,334</u>	<u>4,727,709</u>	<u>24,904,043</u>
Total Assets	<u>32,852,879</u>	<u>6,625,117</u>	<u>39,477,996</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	105,035	3,349	108,384
Deferred outflows related to pension liability	1,358,803	26,189	1,384,992
Total Deferred Outflows of Resources	<u>1,463,838</u>	<u>29,538</u>	<u>1,493,376</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	452,941	19,025	471,966
Accrued liabilities	169,666		169,666
Retainage payable	13,560		13,560
Advances from grantors	673,775		673,775
Deposits	6,370		6,370
Current portion of bonds payable	50,595	43,117	93,712
Current portion of notes payable	180,648		180,648
Current portion of financed purchase obligations payable	205,206		205,206
Total Current Liabilities	<u>1,752,761</u>	<u>62,142</u>	<u>1,814,903</u>
Noncurrent Liabilities:			
Bonds payable		284,892	284,892
Notes payable	2,973,291		2,973,291
Financed purchase obligations payable	600,454		600,454
Compensated absences payable	177,971		177,971
OPEB liability	1,022,639	28,497	1,051,136
Net pension liability	7,421,547	143,041	7,564,588
Total Noncurrent Liabilities	<u>12,195,902</u>	<u>456,430</u>	<u>12,652,332</u>
Total Liabilities	<u>13,948,663</u>	<u>518,572</u>	<u>14,467,235</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability	169,214	6,220	175,434
Deferred inflows related to pension liability	356,802	6,877	363,679
Total Deferred Inflows of Resources	<u>526,016</u>	<u>13,097</u>	<u>539,113</u>
NET POSITION			
Net investment in capital assets	16,166,140	4,349,700	20,515,840
Restricted	3,786,090		3,786,090
Unrestricted (deficit)	(110,192)	1,773,286	1,663,094
Total Net Position	<u>\$ 19,842,038</u>	<u>\$ 6,122,986</u>	<u>\$ 25,965,024</u>

See accompanying notes to the basic financial statements

EXHIBIT B
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,137,305	\$ 22,453			\$ (2,114,852)		\$ (2,114,852)
Public safety	4,699,063	508,963	\$ 199,694		(3,990,406)		(3,990,406)
Highways and streets	2,051,185		291,402		(1,759,783)		(1,759,783)
Sanitation	664,838	7,624	36,228		(620,986)		(620,986)
Water distribution and treatment	14,907		12,572		(2,335)		(2,335)
Health and welfare	246,016				(246,016)		(246,016)
Culture and recreation	463,576	46,855			(416,721)		(416,721)
Conservation	233,823				(233,823)		(233,823)
Interest and fiscal charges	86,824				(86,824)		(86,824)
Total governmental activities	<u>10,597,537</u>	<u>585,895</u>	<u>539,896</u>	<u>\$ -</u>	<u>(9,471,746)</u>	<u>\$ -</u>	<u>(9,471,746)</u>
Business-type activities:							
Sewer Department	740,904	615,984		2,397		(122,523)	(122,523)
Water Department	351,875	343,602		14,948		6,675	6,675
Total business-type activities	<u>1,092,779</u>	<u>959,586</u>	<u>-</u>	<u>17,345</u>	<u>-</u>	<u>(115,848)</u>	<u>(115,848)</u>
Total primary government	<u>\$ 11,690,316</u>	<u>\$ 1,545,481</u>	<u>\$ 539,896</u>	<u>\$ 17,345</u>	<u>(9,471,746)</u>	<u>(115,848)</u>	<u>(9,587,594)</u>
General revenues:							
Property and other taxes					7,515,184		7,515,184
Licenses and permits					1,911,929		1,911,929
Grants and contributions:							
Rooms and meals tax distribution					697,681		697,681
State and federal forest land reimbursement					8		8
Interest and investment earnings					602,138	33,217	635,355
Miscellaneous					127,356	3,614	130,970
Total general revenues					<u>10,854,296</u>	<u>36,831</u>	<u>10,891,127</u>
Change in Net Position					1,382,550	(79,017)	1,303,533
Total Net Position at beginning of year					<u>18,459,488</u>	<u>6,202,003</u>	<u>24,661,491</u>
Total Net Position at end of year					<u>\$ 19,842,038</u>	<u>\$ 6,122,986</u>	<u>\$ 25,965,024</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF BELMONT, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2023

	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 2,454,335		\$ 850,625	\$ 3,304,960
Investments	4,613,342	\$ 3,313,634		7,926,976
Taxes receivable, net	711,206			711,206
Accounts receivable, net	12,205		285,881	298,086
Due from other governments	13,620		53,357	66,977
Due from other funds	<u>535,251</u>		<u>114,492</u>	<u>649,743</u>
Total Assets	<u>8,339,959</u>	<u>3,313,634</u>	<u>1,304,355</u>	<u>12,957,948</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 8,339,959</u>	<u>\$ 3,313,634</u>	<u>\$ 1,304,355</u>	<u>\$ 12,957,948</u>
LIABILITIES				
Accounts payable	\$ 452,941			\$ 452,941
Accrued liabilities	132,242			132,242
Retainage payable	13,560			13,560
Advances from grantors	673,775			673,775
Due to other funds	114,492		\$ 166,911	281,403
Deposits	<u>6,370</u>			<u>6,370</u>
Total Liabilities	<u>1,393,380</u>	<u>\$ -</u>	<u>166,911</u>	<u>1,560,291</u>
DEFERRED INFLOWS OF RESOURCES				
Uncollected property taxes	500,617			500,617
Uncollected land use change tax	<u>24,384</u>			<u>24,384</u>
Total Deferred Inflows of Resources	<u>525,001</u>	<u>-</u>	<u>-</u>	<u>525,001</u>
FUND BALANCES				
Nonspendable		2,818,191		2,818,191
Restricted	460,108	495,443	12,348	967,899
Committed	3,525,201		1,163,561	4,688,762
Assigned	217,217			217,217
Unassigned (deficit)	<u>2,219,052</u>		<u>(38,465)</u>	<u>2,180,587</u>
Total Fund Balances	<u>6,421,578</u>	<u>3,313,634</u>	<u>1,137,444</u>	<u>10,872,656</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,339,959</u>	<u>\$ 3,313,634</u>	<u>\$ 1,304,355</u>	<u>\$ 12,957,948</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1
TOWN OF BELMONT, NEW HAMPSHIRE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 10,872,656
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,176,334
Property and land use change taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	525,001
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB liability	105,035
Deferred outflows of resources related to net pension liability	1,358,803
Deferred inflows of resources related to OPEB liability	(169,214)
Deferred inflows of resources related to net pension liability	(356,802)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(50,595)
Notes payable	(3,153,939)
Financed purchase obligations payable	(805,660)
Accrued interest on long-term obligations	(37,424)
Compensated absences payable	(177,971)
OPEB liability	(1,022,639)
Net pension liability	<u>(7,421,547)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 19,842,038</u>

See accompanying notes to the basic financial statements

EXHIBIT D
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General <u>Fund</u>	Permanent <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:				
Taxes	\$ 7,344,761		\$ 91,328	\$ 7,436,089
Licenses and permits	1,911,929			1,911,929
Intergovernmental	1,068,177		169,408	1,237,585
Charges for services	320,669		265,226	585,895
Interest and investment income	304,897	\$ 295,117	2,124	602,138
Miscellaneous	127,690	1,650	1,106	130,446
Total Revenues	<u>11,078,123</u>	<u>296,767</u>	<u>529,192</u>	<u>11,904,082</u>
Expenditures:				
Current operations:				
General government	2,132,800	35,098		2,167,898
Public safety	4,578,246	189	195,301	4,773,736
Highways and streets	2,046,521			2,046,521
Sanitation	664,838			664,838
Water distribution and treatment	2,335		12,572	14,907
Health and welfare	247,420			247,420
Culture and recreation	363,497	5,803	1,547	370,847
Conservation	14,629		219,194	233,823
Capital outlay	574,234			574,234
Debt service:				
Principal retirement	274,275			274,275
Interest and fiscal charges	84,371			84,371
Total Expenditures	<u>10,983,166</u>	<u>41,090</u>	<u>428,614</u>	<u>11,452,870</u>
Excess revenues over (under) expenditures	<u>94,957</u>	<u>255,677</u>	<u>100,578</u>	<u>451,212</u>
Other financing sources (uses):				
Issuance of financed purchase obligations	645,409			645,409
Transfers in	298,106			298,106
Transfers out			(298,106)	(298,106)
Total Other financing sources (uses)	<u>943,515</u>	<u>-</u>	<u>(298,106)</u>	<u>645,409</u>
Net change in fund balances	1,038,472	255,677	(197,528)	1,096,621
Fund Balances at beginning of year	<u>5,383,106</u>	<u>3,057,957</u>	<u>1,334,972</u>	<u>9,776,035</u>
Fund Balances at end of year	<u>\$ 6,421,578</u>	<u>\$ 3,313,634</u>	<u>\$ 1,137,444</u>	<u>\$ 10,872,656</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1
TOWN OF BELMONT, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balances - Governmental Funds (Exhibit D) \$ 1,096,621

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlays and depreciation expense in the current period are as follows:

Capital outlays	932,801
Depreciation expense	(741,671)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the net loss of disposed capital assets reduced by the actual proceeds received from the sale of capital assets.

Net loss on disposal	(3,090)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

79,095

Proceeds from issuances of long-term obligations are reported as other financing sources in the governmental funds, but long-term debt issuances increase long-term liabilities in the statement of net position. Current year long-term issuances are as follows:

Financed purchase obligation issuance	(645,409)
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Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Repayments in the current year are as follows:

Bond principal paid	97,088
Note principal paid	177,187
Financed purchase obligation principal paid	164,602

In the statement of activities, interest is accrued on outstanding long-term debt obligations, whereas in governmental funds, an interest expenditure is reported when due.

(2,452)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These expenses are from the following activities:

Compensated absences	239,106
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Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.

Net changes in OPEB	37,970
Net changes in pension	(49,298)

Change in Net Position of Governmental Activities (Exhibit B) \$ 1,382,550

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities		
	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 196,815	\$ 1,156,048	\$ 1,352,863
Investments	305,171	330,046	635,217
Accounts receivable	82,709	110,725	193,434
Unbilled charges for services	30,218	54,016	84,234
Due from other funds		6,197	6,197
Total Current Assets	<u>614,913</u>	<u>1,657,032</u>	<u>2,271,945</u>
Noncurrent Assets:			
Due from other governments		50,000	50,000
Capital assets:			
Non-depreciable capital assets	17,963	15,009	32,972
Depreciable capital assets, net	1,689,213	2,955,524	4,644,737
Total Noncurrent Assets	<u>1,707,176</u>	<u>3,020,533</u>	<u>4,727,709</u>
Total Assets	<u>2,322,089</u>	<u>4,677,565</u>	<u>6,999,654</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB liability	162	3,187	3,349
Deferred outflows related to pension liability	7,527	18,662	26,189
Total Deferred Outflows of Resources	<u>7,689</u>	<u>21,849</u>	<u>29,538</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,123	17,902	19,025
Due to other funds	167,100	207,437	374,537
Current portion of bonds payable	23,117	20,000	43,117
Total Current Liabilities	<u>191,340</u>	<u>245,339</u>	<u>436,679</u>
Noncurrent Liabilities:			
Bonds payable	38,936	245,956	284,892
OPEB liability	2,881	25,616	28,497
Net pension liability	41,112	101,929	143,041
Total Noncurrent Liabilities	<u>82,929</u>	<u>373,501</u>	<u>456,430</u>
Total Liabilities	<u>274,269</u>	<u>618,840</u>	<u>893,109</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB liability		6,220	6,220
Deferred inflows related to pension liability	1,977	4,900	6,877
Total Deferred Inflows of Resources	<u>1,977</u>	<u>11,120</u>	<u>13,097</u>
NET POSITION			
Net investment in capital assets	1,645,123	2,704,577	4,349,700
Unrestricted	408,409	1,364,877	1,773,286
Total Net Position	<u>\$ 2,053,532</u>	<u>\$ 4,069,454</u>	<u>\$ 6,122,986</u>

See accompanying notes to the basic financial statements

EXHIBIT F
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities		
	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 343,602	\$ 615,984	\$ 959,586
Miscellaneous	3,614		3,614
Total Operating revenues	<u>347,216</u>	<u>615,984</u>	<u>963,200</u>
Operating expenses:			
Personnel services	27,151	204,230	231,381
Contractual services	188,435	316,111	504,546
Materials and supplies	12,067	40,350	52,417
Utilities	23,385	11,957	35,342
Depreciation	99,214	161,943	261,157
Total Operating expenses	<u>350,252</u>	<u>734,591</u>	<u>1,084,843</u>
Operating income (loss)	<u>(3,036)</u>	<u>(118,607)</u>	<u>(121,643)</u>
Non-operating revenues (expenses):			
Interest revenue	11,857	21,360	33,217
Interest expense	<u>(1,623)</u>	<u>(6,313)</u>	<u>(7,936)</u>
Net Non-operating revenues (expenses)	<u>10,234</u>	<u>15,047</u>	<u>25,281</u>
Income (Loss) before capital contributions	7,198	(103,560)	(96,362)
Capital contributions	<u>14,948</u>	<u>2,397</u>	<u>17,345</u>
Change in Net Position	22,146	(101,163)	(79,017)
Total Net Position at beginning of year	<u>2,031,386</u>	<u>4,170,617</u>	<u>6,202,003</u>
Total Net Position at end of year	<u>\$ 2,053,532</u>	<u>\$ 4,069,454</u>	<u>\$ 6,122,986</u>

See accompanying notes to the basic financial statements

EXHIBIT G
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities		
	Water Fund	Sewer Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 295,345	\$ 586,114	\$ 881,459
Other operating cash receipts	3,614		3,614
Cash paid to suppliers	(232,431)	(394,680)	(627,111)
Cash paid to employees	(35,073)	(85,021)	(120,094)
Net cash provided by operating activities	<u>31,455</u>	<u>106,413</u>	<u>137,868</u>
Cash flows from capital and related financing activities:			
Capital contributions		6,197	6,197
Principal paid on long-term debt	(22,259)	(142,740)	(164,999)
Interest paid on long-term debt	(1,623)	(12,100)	(13,723)
Net cash used for capital and related financing activities	<u>(23,882)</u>	<u>(148,643)</u>	<u>(172,525)</u>
Cash flows from investing activities:			
Purchase of investments	(111,392)	(519,058)	(630,450)
Redemption of investments	33,560	594,777	628,337
Interest on investments	11,857	21,360	33,217
Net cash provided (used) by investing activities	<u>(65,975)</u>	<u>97,079</u>	<u>31,104</u>
Net increase (decrease) in cash and cash equivalents	(58,402)	54,849	(3,553)
Cash and cash equivalents at beginning of year	88,117	899,959	988,076
Cash and cash equivalents at end of year	<u>\$ 29,715</u>	<u>\$ 954,808</u>	<u>\$ 984,523</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (3,036)	\$ (118,607)	\$ (121,643)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	99,214	161,943	261,157
Change in deferred outflows related to OPEB	1,180	(2,622)	(1,442)
Change in deferred outflows related to pension	973	(11,324)	(10,351)
Change in deferred inflows related to OPEB	(2,625)	5,345	2,720
Change in deferred inflows related to pension	(1,637)	1,780	143
Changes in assets and liabilities:			
Accounts receivable	(39,086)	(20,441)	(59,527)
Accounts payable	(1,252)	17,032	15,780
OPEB liability	(8,905)	19,923	11,018
Net pension liability	(4,200)	62,813	58,613
Net cash provided by operating activities	<u>\$ 31,455</u>	<u>\$ 106,413</u>	<u>\$ 137,868</u>
Noncash transactions affecting financial position:			
Amortization on bond premium		\$ 2,972	\$ 2,972
Principal forgiveness on debt	\$ 14,948		14,948
	<u>\$ 14,948</u>	<u>\$ 2,972</u>	<u>\$ 17,920</u>

See accompanying notes to the basic financial statements

EXHIBIT H
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Custodial <u>Funds</u>
ASSETS	
Cash and cash equivalents	\$ 7,662,317
Investments	1,833,566
Taxes receivable	<u>631,943</u>
Total Assets	<u>10,127,826</u>
LIABILITIES	
Due to other governments	<u>8,163,856</u>
Total Liabilities	<u>8,163,856</u>
NET POSITION	
Restricted for:	
School District	1,833,566
Others	<u>130,404</u>
Total Net Position	<u><u>\$ 1,963,970</u></u>

See accompanying notes to the basic financial statements

EXHIBIT I
TOWN OF BELMONT, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial Funds
ADDITIONS:	
Contributions:	
Miscellaneous	\$ 215,654
Total Contributions	<u>215,654</u>
Investment earnings:	
Investment income	116,640
Total Investment earnings	<u>116,640</u>
Property tax collections for other governments	15,050,162
Motor vehicle fee collections for other governments	<u>581,915</u>
Total Additions	<u>15,964,371</u>
DEDUCTIONS:	
Beneficiary payments to other governments	75,132
Beneficiary payments to others	27,919
Payments of property tax to other governments	15,050,162
Payments of motor vehicle fees to other governments	<u>581,915</u>
Total Deductions	<u>15,735,128</u>
Change in Net Position	229,243
Net Position at beginning of year	<u>1,734,727</u>
Net Position at end of year	<u>\$ 1,963,970</u>

See accompanying notes to the basic financial statements

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

Basis of Presentation

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

1. Government-Wide Financial Statements:

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

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

2. Fund Financial Statements:

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

Fund Accounting

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

1. Governmental Funds:

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

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

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

2. Proprietary Funds:

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

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

3. Fiduciary Funds:

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Measurement Focus

1. Government-Wide Financial Statements:

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

2. Fund Financial Statements:

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

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

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

Basis of Accounting

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

1. Revenues – Exchange and Non-exchange Transactions:

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 10). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

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

2. Expenses/Expenditures:

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

Budgetary Data

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

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended December 31, 2023, the Town applied \$300,000 of its unappropriated fund balance to reduce taxes.

Cash and Cash Equivalents

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

	Water <u>Fund</u>	Sewer <u>Fund</u>	<u>Totals</u>
Cash and cash equivalents	\$ 196,815	\$ 1,156,048	\$ 1,352,863
Due from/(to) other funds, net	<u>(167,100)</u>	<u>(201,240)</u>	<u>(368,340)</u>
Total cash and cash equivalents	<u>\$ 29,715</u>	<u>\$ 954,808</u>	<u>\$ 984,523</u>

Investments

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

Taxes Receivable

Taxes levied during the current year and prior and uncollected at December 31, 2023 are recorded as receivables net of reserves for estimated uncollectible taxes of \$422,000.

Accounts Receivable

Charges for services billed during the current year and prior and uncollected at December 31, 2023 are recorded as receivables net of reserves for estimated uncollectibles of \$119,800 in the Ambulance Fund, a Nonmajor Governmental Fund.

Capital Assets

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

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

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

Bond Premiums

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Postemployment Benefits Other Than Pensions (OPEB)

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Net Pension Liability

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

Net Position

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

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

Fund Balance Policy

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

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Spending Prioritizations

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

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

Minimum Level of Unassigned Fund Balance

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

Interfund Activity

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

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

Operating Revenues and Expenses

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

Estimates

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

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Grants Fund, a Nonmajor Governmental Fund, has a deficit fund balance of \$38,465 as of December 31, 2023. This deficit is expected to be funded through future grant awards.

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

NOTE 3—DEPOSITS AND INVESTMENTS

Deposits and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 4,657,823
Investments	8,562,193
Statement of Fiduciary Net Position:	
Cash and cash equivalents	7,662,317
Investments	<u>1,833,566</u>
Total deposits and investments	<u>\$ 22,715,899</u>

Deposits and investments as of December 31, 2023 consist of the following:

Cash on hand	\$ 1,075
Deposits with financial institutions	2,753,489
Investments	<u>19,961,335</u>
Total deposits and investments	<u>\$ 22,715,899</u>

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

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

Interest Rate Risk

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Remaining Maturity (In Years)</u>		
		<u>0-1 Years</u>	<u>1-5 Years</u>	<u>> 5 Years</u>
US Government notes & obligations	\$ 308,789		\$ 191,016	\$ 117,773
US Government agency obligations	325,260	\$ 19,868	305,392	
Fixed income mutual funds	372,226		372,226	
Corporate bonds & notes	749,245	114,277	328,956	306,012
	<u>\$ 1,755,520</u>	<u>\$ 134,145</u>	<u>\$ 1,197,590</u>	<u>\$ 423,785</u>

Credit Risk

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

The following are the actual ratings as of December 31, 2023, for each investment type:

	<u>Investment Type</u>				<u>Totals</u>
	<u>US Government agency obligations</u>	<u>Corporate bonds & notes</u>	<u>Fixed income mutual funds</u>	<u>State investment pool</u>	
Ratings as of year end					
AAA		\$ 41,282		\$ 6,356,345	\$ 6,397,627
AA+	\$ 325,260				325,260
AA-		180,158			180,158
A+		14,975			14,975
A		153,125			153,125
A-		45,630			45,630
BBB+		314,075			314,075
Unrated			\$ 372,226		372,226
Total Fair Value	<u>\$ 325,260</u>	<u>\$ 749,245</u>	<u>\$ 372,226</u>	<u>\$ 6,356,345</u>	<u>\$ 7,803,076</u>

Custodial Credit Risk

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Of the Town’s deposits with financial institutions at year end, \$1,921,461 was collateralized by securities held by the bank in the bank’s name.

As of December 31, 2023, Town investments in the following investment types were held by the same counterparty that was used to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
US Government notes & obligations	\$ 308,789
US Government agency obligations	325,260
Corporate bonds & notes	749,245
Equity securities	1,564,111
Fixed income mutual funds	372,226
Equity mutual funds & ETF's	669,438
Overnight repurchase agreement (Commercial Sweep)	9,615,921
	<u>\$ 13,604,990</u>

Investment in NHPDIP

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

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

Fair Value Measurement of Investments

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

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

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

As of December 31, 2023, the Town's investments measured at fair value, by type, were as follows:

<u>Investment Type</u>	<u>Fair Value Measurements Using:</u>			<u>Totals</u>
	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>	
US Government notes & obligations		\$ 308,789		\$ 308,789
US Government agency obligations		325,260		325,260
Corporate bonds & notes		749,245		749,245
Equity securities	\$ 1,564,111			1,564,111
Fixed income mutual funds	372,226			372,226
Equity mutual funds & ETF's	669,438			669,438
	<u>\$ 2,605,775</u>	<u>\$ 1,383,294</u>	<u>\$ -</u>	<u>\$ 3,989,069</u>

NOTE 4—CAPITAL ASSETS

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

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2023</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 3,634,326			\$ 3,634,326
Intangible assets	109,975			109,975
Construction in progress	4,773,182	\$ 496,053	\$ (4,376,848)	892,387
Total capital assets not being depreciated	<u>8,517,483</u>	<u>496,053</u>	<u>(4,376,848)</u>	<u>4,636,688</u>
Other capital assets:				
Land improvements	313,501			313,501
Infrastructure	11,574,771	701,548		12,276,319
Buildings and improvements	2,794,136	3,675,300		6,469,436
Vehicles and equipment	4,944,028	473,125	(580,259)	4,836,894
Computer software	62,290			62,290
Total other capital assets at historical cost	<u>19,688,726</u>	<u>4,849,973</u>	<u>(580,259)</u>	<u>23,958,440</u>
Less accumulated depreciation for:				
Land improvements	(137,299)	(18,579)		(155,878)
Infrastructure	(2,332,167)	(312,335)		(2,644,502)
Buildings and improvements	(2,424,604)	(68,456)		(2,493,060)
Vehicles and equipment	(3,297,932)	(342,301)	577,169	(3,063,064)
Computer software	(62,290)			(62,290)
Total accumulated depreciation	<u>(8,254,292)</u>	<u>(741,671)</u>	<u>577,169</u>	<u>(8,418,794)</u>
Total other capital assets, net	<u>11,434,434</u>	<u>4,108,302</u>	<u>(3,090)</u>	<u>15,539,646</u>
Total capital assets, net	<u>\$ 19,951,917</u>	<u>\$ 4,604,355</u>	<u>\$ (4,379,938)</u>	<u>\$ 20,176,334</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Depreciation expense was charged to governmental functions as follows:

General government	\$ 67,622
Public safety	231,398
Highways and streets	352,384
Culture and recreation	<u>90,267</u>
Total governmental activities depreciation expense	<u>\$ 741,671</u>

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

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2023</u>
Business-type activities:				
Capital assets not depreciated:				
Land	\$ 15,009			\$ 15,009
Construction in progress	<u>17,963</u>			<u>17,963</u>
Total capital assets not being depreciated	<u>32,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>32,972</u>
Other capital assets:				
Water infrastructure	3,470,657			3,470,657
Sewer infrastructure	7,591,161			7,591,161
Vehicles and equipment	<u>91,198</u>		<u>(22,727)</u>	<u>68,471</u>
Total other capital assets at historical cost	<u>11,153,016</u>	<u>-</u>	<u>(22,727)</u>	<u>11,130,289</u>
Less accumulated depreciation for:				
Water infrastructure	(1,682,230)	(99,214)		(1,781,444)
Sewer infrastructure	(4,494,098)	(154,948)		(4,649,046)
Vehicles and equipment	<u>(70,794)</u>	<u>(6,995)</u>	<u>22,727</u>	<u>(55,062)</u>
Total accumulated depreciation	<u>(6,247,122)</u>	<u>(261,157)</u>	<u>22,727</u>	<u>(6,485,552)</u>
Total other capital assets, net	<u>4,905,894</u>	<u>(261,157)</u>	<u>-</u>	<u>4,644,737</u>
Total capital assets, net	<u>\$ 4,938,866</u>	<u>\$ (261,157)</u>	<u>\$ -</u>	<u>\$ 4,677,709</u>

Depreciation expense was charged to the proprietary funds as follows:

Water Fund	\$ 99,214
Sewer Fund	<u>161,943</u>
Total business-type activities depreciation expense	<u>\$ 261,157</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

NOTE 5—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town’s long-term obligations for the year ended December 31, 2023 are as follows:

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2023</u>	Due Within <u>One Year</u>
<i>Governmental activities:</i>					
Bonds payable	\$ 147,683		\$ (97,088)	\$ 50,595	\$ 50,595
Notes payable	3,331,126		(177,187)	3,153,939	180,648
Financed purchase obligations	324,853	\$ 645,409	(164,602)	805,660	205,206
Compensated absences payable	417,077	41,790	(280,896)	177,971	-
Total governmental activities	<u>\$ 4,220,739</u>	<u>\$ 687,199</u>	<u>\$ (719,773)</u>	<u>\$ 4,188,165</u>	<u>\$ 436,449</u>
<i>Business-type activities:</i>					
Bonds payable	\$ 492,000		\$ (179,947)	\$ 312,053	\$ 43,117
Unamortized bond premium	18,928		(2,972)	15,956	
Total Bonds payable	<u>510,928</u>	<u>\$ -</u>	<u>(182,919)</u>	<u>328,009</u>	<u>43,117</u>
Total business-type activities	<u>\$ 510,928</u>	<u>\$ -</u>	<u>\$ (182,919)</u>	<u>\$ 328,009</u>	<u>\$ 43,117</u>

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

General Obligation Bonds

Governmental Activities

Bonds payable at December 31, 2023 is comprised of the following individual issue:

<u>Description</u>	Original <u>Issue</u>	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance at <u>12/31/2023</u>
<i>Direct Placements:</i>				
2010 Pleasant Valley Project Bond	<u>\$ 1,150,000</u>	3.36%	June 2024	<u>\$ 50,595</u>

Debt service requirements to retire general obligation bonds outstanding for governmental activities at December 31, 2023 are as follows:

Year Ending <u>December 31,</u>	<u>Direct Placements</u>		
<u>2024</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
	<u>\$ 50,595</u>	<u>\$ 635</u>	<u>\$ 51,230</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Business-type Activities

Bonds payable at December 31, 2023 are comprised of the following individual issues:

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 12/31/2023</u>
<i>Direct Borrowings:</i>				
2015 Water Meter Replacement Bond	\$ 336,332	1.64%	April 2025	\$ <u>62,053</u>
<i>Direct Placements:</i>				
2012 Sewer Refunding Bond	432,000	3.12%	August 2033	250,000
			<i>Add: Unamortized bond premium</i>	<u>15,956</u>
				<u>265,956</u>
			Total Bonds payable	<u>\$ 328,009</u>

Debt service requirements to retire general obligation bonds outstanding for business-type activities at December 31, 2023, net of annual principal forgiveness from the State of New Hampshire (to be forgiven over a period of 10 years from the start of the related State Revolving Loan debt) are as follows:

<u>Year Ending December 31,</u>	<u>Direct Borrowings and Placements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 43,117	\$ 12,527	\$ 55,644
2025	44,988	10,905	55,893
2026	22,000	9,462	31,462
2027	24,000	8,363	32,363
2028	24,000	7,642	31,642
2029-2033	<u>139,000</u>	<u>19,420</u>	<u>158,420</u>
	297,105	68,319	365,424
<i>Add: Principal forgiveness</i>	<u>14,948</u>	<u>-</u>	<u>14,948</u>
Sub-total Bonds payable	312,053	68,319	380,372
<i>Add: Unamortized bond premium</i>	<u>15,956</u>	<u>-</u>	<u>15,956</u>
Total Bonds payable	<u>\$ 328,009</u>	<u>\$ 68,319</u>	<u>\$ 396,328</u>

General Obligation Notes

Governmental Activities

Notes payable at December 31, 2023 are comprised of the following individual issues:

<u>Description</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 12/31/2023</u>
<i>Direct Borrowings:</i>				
2016 Hoadley Road Bridge Note	\$ 330,000	2.90%	June 2026	\$ <u>99,000</u>
<i>Direct Placements:</i>				
2020 Police Station Note	3,500,000	2.40%	August 2040	<u>3,054,939</u>
			Total Notes payable	<u>\$ 3,153,939</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Debt service requirements to retire the general obligation notes outstanding for governmental activities at December 31, 2023 are as follows:

Year Ending December 31,	Direct Borrowings and Placements		
	Principal	Interest	Totals
2024	\$ 180,648	\$ 76,190	\$ 256,838
2025	184,191	71,689	255,880
2026	187,820	67,103	254,923
2027	158,535	62,431	220,966
2028	162,340	58,626	220,966
2029-2033	872,048	232,783	1,104,831
2034-2038	981,839	122,992	1,104,831
2039-2040	426,518	15,415	441,933
	<u>\$ 3,153,939</u>	<u>\$ 707,229</u>	<u>\$ 3,861,168</u>

Financed Purchase Obligations

Governmental Activities

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

The following are the individual financed purchase obligations outstanding for governmental activities at December 31, 2023:

<u>Description</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Balance 12/31/2023</u>
Vehicle	2.65%	12/2028	\$ 168,262
Vehicle	4.00%	09/2028	446,053
Vehicle	2.96%	12/2025	116,360
Vehicle	6.30%	04/2025	74,985
			<u>\$ 805,660</u>

Debt service requirements to retire financed purchase obligations outstanding for governmental activities at December 31, 2023 are as follows:

Year Ending December 31,	Principal	Interest	Totals
2024	\$ 205,206	\$ 38,019	\$ 243,225
2025	214,580	28,645	243,225
2026	122,570	18,807	141,377
2027	128,522	12,855	141,377
2028	134,782	6,595	141,377
	<u>\$ 805,660</u>	<u>\$ 104,921</u>	<u>\$ 910,581</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

NOTE 6—OTHER POSTEMPLOYMENT BENEFITS

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

	<u>Deferred</u> <u>Outflows</u>	<u>OPEB</u> <u>Liability</u>	<u>Deferred</u> <u>Inflows</u>	<u>OPEB</u> <u>Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 29,838	\$ 530,026		\$ 68,017
Single Employer Plan	78,546	521,110	\$ 175,434	6,998
Total	<u>\$ 108,384</u>	<u>\$ 1,051,136</u>	<u>\$ 175,434</u>	<u>\$ 75,015</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as a decrease to unrestricted net position in the amount of \$67,050.

COST-SHARING MULTIPLE EMPLOYER PLAN

Plan Description

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

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

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

Benefits Provided

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

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Funding Policy

Per RSA-100-A:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contribution rates for the covered payroll of general employees and public safety employees were 0.31% and 3.21%, respectively, through June 30, 2023, and 0.26% and 2.60%, respectively, thereafter. Contributions to the OPEB plan for the Town were \$63,282 for the year ended December 31, 2023. Employees are not required to contribute to the OPEB plan.

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

At December 31, 2023, the Town reported a liability of \$530,026 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2022. The Town's proportion of the net OPEB liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the Town's proportion was approximately 0.1551 percent, which was an increase of 0.0147 percentage points from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$68,017. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 637	
Town contributions subsequent to the measurement date	<u>29,201</u>	<u> </u>
Totals	<u>\$ 29,838</u>	<u>\$ -</u>

The Town reported \$29,201 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2024	\$ (105)
2025	(805)
2026	1,722
2027	<u>(175)</u>
	<u>\$ 637</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, average, including inflation
Investment rate of return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments, adjusted 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, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public equity	50%	5.40-5.65%
Private market equity	20%	4.00-6.65%
Private debt	5%	5.05%
Fixed income	25%	2.15%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and RSA 100-A:53. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 575,660	\$ 530,026	\$ 490,211

SINGLE EMPLOYER PLAN

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered By Benefit Terms

At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>53</u>
	<u><u>65</u></u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Total OPEB Liability

The Town's total OPEB liability of \$521,110 was measured as of December 31, 2023 and was determined by a roll forward of the actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs for OPEB

The total OPEB liability in the January 1, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Participant salary increases	3.50%
Payroll growth rate	2.50%
Discount rate	3.26%
Healthcare cost trend rates	6.5% for 2023, decreasing 0.50% per year to an ultimate rate of 4.50% for 2027 and later years

The discount rate was based on the Bond Buyer's 20 Bond Index as of December 31, 2023.

The mortality rates used are from the RPH-2014 headcount-weighted fully generational table with projection scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB
	<u>Liability</u>
Balance at December 31, 2022	\$ 470,847
Changes for the year:	
Service cost	31,137
Interest	18,292
Changes of assumptions or other inputs	21,534
Benefit payments	<u>(20,700)</u>
Net changes	<u>50,263</u>
Balance at December 31, 2023	<u><u>\$ 521,110</u></u>

Changes in Assumptions

The healthcare cost trend rate was updated to 6.5% in 2023, grading down 0.5% per annum to an ultimate trend rate of 4.5% in years 2027 and later. The discount rate decreased from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023.

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 571,804	\$ 521,110	\$ 475,663

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 452,971	\$ 521,110	\$ 603,994

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

For the year ended December 31, 2023, the Town recognized OPEB expense of \$6,998. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 87,820
Changes of assumptions	<u>\$ 78,546</u>	<u>87,614</u>
Totals	<u>\$ 78,546</u>	<u>\$ 175,434</u>

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

<u>December 31,</u>	
2024	\$ (42,431)
2025	(42,431)
2026	(31,290)
2027	7,463
2028	2,884
Thereafter	<u>8,917</u>
	<u>\$ (96,888)</u>

**TOWN OF BELMONT, NEW HAMPSHIRE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 For the Year Ended December 31, 2023**

NOTE 7—DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

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

Benefits Provided

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

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

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

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

Funding Policy

Covered police officers and fire employees are required to contribute 11.55% and 11.80%, respectively, of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town’s contribution rates for the covered payroll of general employees, police officers, and firefighters were 13.75%, 30.67%, and 29.78%,

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

respectively, through June 30, 2023, and 13.27%, 28.68%, and 27.75%, respectively, thereafter. The Town contributes 100% of the employer cost for general employees and public safety employees of the Town.

Per RSA 100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the year ended December 31, 2023 were \$818,624.

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

At December 31, 2023, the Town reported a liability of \$7,564,588 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2022. The Town's proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the Town's proportion was approximately 0.1351 percent, which was an increase of 0.0091 percentage points from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$916,323. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 193,292	\$ 3,040
Change in assumptions	199,096	
Net difference between projected and actual investment earnings on pension plan investments	109,397	
Changes in proportion and differences between Town contributions and proportionate share of contributions	474,218	360,639
Town contributions subsequent to the measurement date	<u>408,989</u>	
Totals	<u>\$ 1,384,992</u>	<u>\$ 363,679</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$1,021,313. The Town reported \$408,989 as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in the measurement periods as follows:

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

<u>June 30,</u>	
2024	\$ 256,695
2025	(107,924)
2026	404,224
2027	59,329
	<u>\$ 612,324</u>

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40%, average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public equity	50%	5.40-5.65%
Private market equity	20%	4.00-6.65%
Private debt	5%	5.05%
Fixed income	25%	2.15%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the collective pension liability as of June 30, 2023 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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportionate share of the net pension liability	\$ 10,264,231	\$ 7,564,588	\$ 5,257,909

NOTE 8—INTERFUND BALANCES AND TRANSFERS

The Town maintains separate cash accounts for its governmental and proprietary funds; however, most cash transactions flow through the General Fund. For accounting and reporting purposes, the portion of cash applicable to a particular fund is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2023 are as follows:

	Due from				<u>Totals</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
General Fund		\$ 166,911	\$ 160,903	\$ 207,437	\$ 535,251
Nonmajor Governmental Funds	\$ 114,492				114,492
Sewer Fund			6,197		6,197
	<u>\$ 114,492</u>	<u>\$ 166,911</u>	<u>\$ 167,100</u>	<u>\$ 207,437</u>	<u>\$ 655,940</u>

During the year, an interfund transaction occurred between funds. The transfer was made in accordance with budgetary authorization. For the year ended December 31, 2023, the Ambulance Fund, a Nonmajor Governmental Fund, made a transfer to the General Fund in the amount of \$298,106.

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

NOTE 9—RESTRICTED NET POSITION

Net position of governmental activities is restricted for specific purposes at December 31, 2023 as follows:

Permanent Funds - Principal	\$ 2,818,191
Permanent Funds - Income	495,443
State of NH Supplemental Highway Aid	143,578
State of NH Supplemental Bridge Aid	41,267
State of NH Highway Block Grant	195,269
Library funds	61,158
Drug Forfeiture funds	12,348
Miscellaneous Grants	18,836
	<u>\$ 3,786,090</u>

NOTE 10—COMPONENTS OF FUND BALANCE

The components of the Town's fund balance for its governmental funds at December 31, 2023 are as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Permanent funds - Principal		\$ 2,818,191		\$ 2,818,191
Restricted for:				
State of NH Supplemental Highway Aid	\$ 143,578			143,578
State of NH Supplemental Bridge Aid	41,267			41,267
State of NH Highway Block Grant	195,269			195,269
Miscellaneous Grants	18,836			18,836
Library	61,158			61,158
Permanent funds - Income		495,443		495,443
Drug forfeiture			\$ 12,348	12,348
Committed for:				
Continuing appropriations	2,501			2,501
Capital reserves	3,332,058			3,332,058
Expendable trusts	190,642			190,642
Conservation			225,445	225,445
Ambulance revolving			899,252	899,252
Recreation revolving			29,498	29,498
Forest management			9,366	9,366
Assigned for:				
Encumbrances	71,371			71,371
Heritage Commission	40,846			40,846
Subsequent year appropriation	105,000			105,000
Unassigned:				
Unassigned - Grants fund (deficit)			(38,465)	(38,465)
Unassigned - General operations	2,219,052			2,219,052
	<u>\$ 6,421,578</u>	<u>\$ 3,313,634</u>	<u>\$ 1,137,444</u>	<u>\$ 10,872,656</u>

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

NOTE 11—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1st (\$1,297,547,309 as of April 1, 2023) and are due in two installments on July 4, 2023 and December 18, 2023. Taxes paid after the due dates accrue interest at 8% per annum. Property taxes are recognized as revenue on the modified accrual basis of accounting when received in cash or if available to finance current period operations (within sixty days of year-end).

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

In accordance with State law, the Town collects taxes for the Shaker Regional School District and Belknap County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire education taxes, which are remitted directly to the School District. Total taxes appropriated during the year were \$13,888,313 and \$1,161,849 for the Shaker Regional School District and Belknap County, respectively. These taxes are recognized in the financial statements within the fiduciary funds only. The Town bears responsibility for uncollected taxes.

NOTE 12—RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the Town was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2023.

Property and Liability Insurance

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

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

Worker's Compensation

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

NOTE 13—PERFORMANCE DEPOSITS

The Town holds letters of credit and performance bonds from developers until projects have been completed to Town standards. Due to the nature of these deposits, these letters of credit and performance bonds are not included as part of the financial statements. At December 31, 2023, the Town held performance deposits totaling \$888,624.

NOTE 14—CONTINGENCIES

Litigation

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

Federal Grants

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

NOTE 15—CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

For the year ended December 31, 2023, the Town implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Under Statement No. 94, the Town is required to record a receivable for installment payments and a deferred inflow of resources for the consideration received or to be received as part of the availability payment arrangement. Governmental fund revenue would be recognized in a systematic and rational manner over the term of the arrangement. No such arrangements have been identified by the Town. Accordingly, management has determined that the effect of implementing GASB Statement No. 94 on its financial statements to be immaterial.

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended December 31, 2023

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. GASB Statement No. 96 defines a subscription-based information technology arrangement (SBITA) as a contract to use another party's software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, governments generally recognize a right-to-use subscription asset (intangible asset) and a corresponding subscription liability for each SBITA agreement greater than one year in length. The Town has entered into various SBITA agreements for office and financial software. Management has determined that the effect of implementing GASB Statement No. 96 related to these SBITA agreements is immaterial on its financial statements.

SCHEDULE 1
TOWN OF BELMONT, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 7,393,716	\$ 7,393,716	\$ 7,399,472	\$ 5,756
Licenses and permits	1,782,000	1,782,000	1,911,929	129,929
Intergovernmental	1,092,602	1,172,071	1,068,177	(103,894)
Charges for services	305,705	305,705	320,669	14,964
Interest income	140,000	140,000	145,727	5,727
Miscellaneous	117,600	118,035	124,453	6,418
Total Revenues	<u>10,831,623</u>	<u>10,911,527</u>	<u>10,970,427</u>	<u>58,900</u>
Expenditures:				
Current operations:				
General government	2,155,769	2,155,003	1,962,369	192,634
Public safety	5,125,004	4,974,004	4,566,065	407,939
Highways and streets	1,570,445	1,286,431	1,155,666	130,765
Sanitation	682,908	682,908	664,838	18,070
Water distribution and treatment	-	-	2,335	(2,335)
Health and welfare	249,680	249,680	247,484	2,196
Culture and recreation	376,905	369,169	304,282	64,887
Conservation	16,874	16,874	15,362	1,512
Capital outlay	147,017	128,181	128,181	-
Debt service:				
Principal retirement	274,275	274,275	274,275	-
Interest and fiscal charges	84,372	84,372	84,371	1
Total Expenditures	<u>10,683,249</u>	<u>10,220,897</u>	<u>9,405,228</u>	<u>815,669</u>
Excess revenues over (under) expenditures	<u>148,374</u>	<u>690,630</u>	<u>1,565,199</u>	<u>874,569</u>
Other financing sources (uses):				
Transfers in	438,957	298,152	298,106	(46)
Transfers out	(1,281,088)	(1,281,088)	(1,276,588)	4,500
Total Other financing sources (uses)	<u>(842,131)</u>	<u>(982,936)</u>	<u>(978,482)</u>	<u>4,454</u>
Net change in fund balance	(693,757)	(292,306)	586,717	879,023
Fund Balance at beginning of year				
- Budgetary Basis	<u>2,782,867</u>	<u>2,782,867</u>	<u>2,782,867</u>	<u>-</u>
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 2,089,110</u>	<u>\$ 2,490,561</u>	<u>\$ 3,369,584</u>	<u>\$ 879,023</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

TOWN OF BELMONT, NEW HAMPSHIRE

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

For the Year Ended December 31, 2023

Cost-Sharing Multiple Employer Plan Information Only					
<u>Measurement Period Ended</u>	<u>Town's Proportion of the Net OPEB Liability</u>	<u>Town's Proportionate Share of the Net OPEB Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2023	0.1551%	\$ 530,026	\$ 3,558,310	14.90%	12.80%
June 30, 2022	0.1404%	\$ 530,706	\$ 3,275,311	16.20%	10.64%
June 30, 2021	0.1456%	\$ 583,221	\$ 3,322,809	17.55%	11.06%
June 30, 2020	0.1392%	\$ 609,331	\$ 3,150,127	19.34%	7.74%
June 30, 2019	0.1540%	\$ 675,073	\$ 3,121,443	21.63%	7.75%
June 30, 2018	0.1621%	\$ 742,399	\$ 3,080,426	24.10%	7.53%
June 30, 2017	0.1150%	\$ 525,992	\$ 3,037,523	17.32%	7.91%
June 30, 2016	0.1162%	\$ 562,503	\$ 3,019,542	18.63%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

* 10 Year schedule, historical information not available

Significant Actuarial Assumptions					
<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

See accompanying notes to the required supplementary information

SCHEDULE 3
TOWN OF BELMONT, NEW HAMPSHIRE
Schedule of Town OPEB Contributions
For the Year Ended December 31, 2023

Cost-Sharing Multiple Employer Plan Information Only					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 63,282	\$ (63,282)	\$ -	\$ 3,715,345	1.70%
December 31, 2022	\$ 62,959	\$ (62,959)	\$ -	\$ 3,383,493	1.86%
December 31, 2021	\$ 64,017	\$ (64,017)	\$ -	\$ 3,277,644	1.95%
December 31, 2020	\$ 67,486	\$ (67,486)	\$ -	\$ 3,261,006	2.07%
December 31, 2019	\$ 67,025	\$ (67,025)	\$ -	\$ 3,167,142	2.12%
December 31, 2018	\$ 69,316	\$ (69,316)	\$ -	\$ 3,027,462	2.29%
December 31, 2017	\$ 71,501	\$ (71,501)	\$ -	\$ 3,106,107	2.30%
December 31, 2016	\$ 67,111	\$ (67,111)	\$ -	\$ 2,996,055	2.24%
December 31, 2015	*	*	*	*	*
December 31, 2014	*	*	*	*	*

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 4

TOWN OF BELMONT, NEW HAMPSHIRE

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

For the Year Ended December 31, 2023

<u>Single Employer Plan Information Only</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total OPEB Liability:										
Service cost	\$ 31,137	\$ 41,504	\$ 54,390	\$ 46,960	\$ 39,856	\$ 43,627	*	*	*	*
Interest	18,292	11,169	13,974	15,781	21,389	17,861	*	*	*	*
Differences between expected and actual experience	-	(93,225)	-	(64,669)	-	-	*	*	*	*
Changes of assumptions or other inputs	21,534	(132,529)	6,373	43,739	71,393	(30,555)	*	*	*	*
Benefit payments	(20,700)	(21,475)	(28,047)	(23,310)	(28,246)	(21,203)	*	*	*	*
Net change in total OPEB liability	50,263	(194,556)	46,690	18,501	104,392	9,730	*	*	*	*
Total OPEB Liability at beginning of year	470,847	665,403	618,713	600,212	495,820	486,090	*	*	*	*
Total OPEB Liability at end of year	<u>\$ 521,110</u>	<u>\$ 470,847</u>	<u>\$ 665,403</u>	<u>\$ 618,713</u>	<u>\$ 600,212</u>	<u>\$ 495,820</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered employee payroll	\$ 2,910,980	\$ 2,839,980	\$ 2,790,458	\$ 2,722,398	\$ 2,560,953	\$ 2,498,491	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	17.90%	16.58%	23.85%	22.73%	23.44%	19.84%	*	*	*	*
<u>Significant Actuarial Assumptions</u>										
Discount rate	3.26%	3.72.%	2.03%	2.12%	2.74%	4.10%	*	*	*	*
Health cost trend rates:										
Initial	6.5% - 2023	7.0% - 2022	7.0% - 2020	7.0% - 2020	9.0% - 2018	9.0% - 2018	*	*	*	*
Ultimate	4.5% - 2027	4.5% - 2027	4.5% - 2025	4.5% - 2025	5.0% - 2022	5.0% - 2022	*	*	*	*
Mortality data set	RPH-2014	RPH-2014	RPH-2014	RPH-2014	RP-2000	RP-2000	*	*	*	*
Mortality improvement scale	MP-2021	MP-2021	MP-2019	MP-2019	AA	AA	*	*	*	*
Salary increase rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	*	*	*	*
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	*	*	*	*

* 10 Year schedule, historical information not available

See accompanying notes to the required supplementary information

SCHEDULE 5

TOWN OF BELMONT, NEW HAMPSHIRE

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

For the Year Ended December 31, 2023

<u>For the Measurement Period Ended</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Town's Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2023	0.1351%	\$ 7,564,588	\$ 3,558,310	212.59%	67.18%
June 30, 2022	0.1260%	\$ 7,224,693	\$ 3,275,311	220.58%	65.12%
June 30, 2021	0.1365%	\$ 6,048,895	\$ 3,322,809	182.04%	72.22%
June 30, 2020	0.1314%	\$ 8,402,311	\$ 3,150,127	266.73%	58.72%
June 30, 2019	0.1362%	\$ 6,551,469	\$ 3,121,443	209.89%	65.59%
June 30, 2018	0.1401%	\$ 6,745,478	\$ 3,080,426	218.98%	64.73%
June 30, 2017	0.1483%	\$ 7,292,616	\$ 3,037,523	240.08%	62.66%
June 30, 2016	0.1512%	\$ 8,039,602	\$ 3,019,542	266.25%	58.30%
June 30, 2015	0.1518%	\$ 6,014,999	\$ 2,971,157	202.45%	65.47%
June 30, 2014	0.1482%	\$ 5,561,067	\$ 2,830,606	196.46%	66.32%

Significant Actuarial Assumptions

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

See accompanying notes to the required supplementary information

SCHEDULE 6
TOWN OF BELMONT, NEW HAMPSHIRE
Schedule of Town Pension Contributions
For the Year Ended December 31, 2023

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 818,624	\$ (818,624)	\$ -	\$ 3,715,345	22.03%
December 31, 2022	\$ 763,642	\$ (763,642)	\$ -	\$ 3,383,493	22.57%
December 31, 2021	\$ 674,389	\$ (674,389)	\$ -	\$ 3,277,644	20.58%
December 31, 2020	\$ 607,193	\$ (607,193)	\$ -	\$ 3,261,006	18.62%
December 31, 2019	\$ 588,977	\$ (588,977)	\$ -	\$ 3,167,142	18.60%
December 31, 2018	\$ 578,215	\$ (578,215)	\$ -	\$ 3,027,462	19.10%
December 31, 2017	\$ 578,798	\$ (578,798)	\$ -	\$ 3,106,107	18.63%
December 31, 2016	\$ 535,967	\$ (535,967)	\$ -	\$ 2,996,055	17.89%
December 31, 2015	\$ 520,211	\$ (520,211)	\$ -	\$ 2,961,255	17.57%
December 31, 2014	\$ 506,074	\$ (506,074)	\$ -	\$ 2,968,876	17.05%

See accompanying notes to the required supplementary information

TOWN OF BELMONT, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2023

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

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

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$12,021,638	\$10,983,166
Difference in property taxes meeting susceptible to accrual criteria	54,711	
Payroll timing differences - December 31, 2022		100,412
Payroll timing differences - December 31, 2023		(143,464)
Non-budgetary revenues and expenditures	(162,407)	(923,861)
Budgetary transfers out		1,276,588
Financed purchase obligations	(645,409)	(645,409)
Encumbrances - December 31, 2022		(36,987)
Encumbrances - December 31, 2023		71,371
Per Schedule 1	<u>\$11,268,533</u>	<u>\$10,681,816</u>

SCHEDULE A
TOWN OF BELMONT, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
December 31, 2023

	Conservation Fund	Drug Forfeiture Fund	Ambulance Fund	Recreation Revolving Fund	Forest Management Fund	Grants Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 140,451	\$ 12,348	\$ 688,460		\$ 9,366		\$ 850,625
Accounts receivable, net			285,881				285,881
Due from other governments						\$ 53,357	53,357
Due from other funds	84,994			\$ 29,498			114,492
Total Assets	<u>225,445</u>	<u>12,348</u>	<u>974,341</u>	<u>29,498</u>	<u>9,366</u>	<u>53,357</u>	<u>1,304,355</u>
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 225,445</u>	<u>\$ 12,348</u>	<u>\$ 974,341</u>	<u>\$ 29,498</u>	<u>\$ 9,366</u>	<u>\$ 53,357</u>	<u>\$ 1,304,355</u>
LIABILITIES							
Due to other funds			\$ 75,089			\$ 91,822	\$ 166,911
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>75,089</u>	<u>\$ -</u>	<u>\$ -</u>	<u>91,822</u>	<u>166,911</u>
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Restricted		12,348					12,348
Committed	225,445		899,252	29,498	9,366		1,163,561
Unassigned (deficit)						(38,465)	(38,465)
Total Fund Balances (deficit)	<u>225,445</u>	<u>12,348</u>	<u>899,252</u>	<u>29,498</u>	<u>9,366</u>	<u>(38,465)</u>	<u>1,137,444</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 225,445</u>	<u>\$ 12,348</u>	<u>\$ 974,341</u>	<u>\$ 29,498</u>	<u>\$ 9,366</u>	<u>\$ 53,357</u>	<u>\$ 1,304,355</u>

SCHEDULE B
TOWN OF BELMONT, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Funds
For the Year Ended December 31, 2023

	Conservation Fund	Drug Forfeiture Fund	Ambulance Fund	Recreation Revolving Fund	Forest Management Fund	Grants Fund	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ 91,328						\$ 91,328
Intergovernmental						\$ 169,408	169,408
Charges for services			\$ 263,606	\$ 1,620			265,226
Interest and investment income	343	\$ 31	1,749		\$ 1		2,124
Miscellaneous				1,106			1,106
Total Revenues	<u>91,671</u>	<u>31</u>	<u>265,355</u>	<u>2,726</u>	<u>1</u>	<u>169,408</u>	<u>529,192</u>
Expenditures:							
Current operations:							
Public safety						195,301	195,301
Water distribution and treatment						12,572	12,572
Culture and recreation				1,547			1,547
Conservation	219,194						219,194
Total Expenditures	<u>219,194</u>	<u>-</u>	<u>-</u>	<u>1,547</u>	<u>-</u>	<u>207,873</u>	<u>428,614</u>
Excess revenues over (under) expenditures	<u>(127,523)</u>	<u>31</u>	<u>265,355</u>	<u>1,179</u>	<u>1</u>	<u>(38,465)</u>	<u>100,578</u>
Other financing sources (uses):							
Transfers out			(298,106)				(298,106)
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(298,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,106)</u>
Net change in fund balances	(127,523)	31	(32,751)	1,179	1	(38,465)	(197,528)
Fund Balances at beginning of year	<u>352,968</u>	<u>12,317</u>	<u>932,003</u>	<u>28,319</u>	<u>9,365</u>	<u>-</u>	<u>1,334,972</u>
Fund Balances at end of year (deficit)	<u>\$ 225,445</u>	<u>\$ 12,348</u>	<u>\$ 899,252</u>	<u>\$ 29,498</u>	<u>\$ 9,366</u>	<u>\$ (38,465)</u>	<u>\$ 1,137,444</u>