

**TOWN OF BOSCAWEN,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

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

TOWN OF BOSCAWEN, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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DECEMBER 31, 2021

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Boscawen 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Boscawen'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.

Town of Boscawen
Independent Auditor's Report

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 Boscawen'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 Boscawen's ability to continue as a going concern for a reasonable period of time.

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

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

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

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.

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

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

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

July 18, 2022

Blodzik & Sanderson
Professional Association

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,407,156
Investments	1,801,700
Taxes receivables (net)	445,698
Account receivables (net)	42,317
Intergovernmental receivable	265,876
Prepaid items	33,920
Tax dedeed property, subject to resale	8,722
Capital assets:	
Land and construction in progress	1,394,514
Other capital assets, net of depreciation	5,063,015
Total assets	13,462,918
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	424,223
Amounts related to other postemployment benefits	2,800,718
Total deferred outflows of resources	3,224,941
LIABILITIES	
Accounts pay able	77,229
Accrued interest pay able	11,696
Intergovernmental pay able	2,154,128
Long-term liabilities:	
Due within one year	145,000
Due in more than one year	11,864,831
Total liabilities	14,252,884
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	11,836
Unavailable revenue - revenue collected in advance	204,002
Amounts related to pensions	623,254
Amounts related to other postemployment benefits	1,979,353
Total deferred inflows of resources	2,818,445
NET POSITION	
Net investment in capital assets	5,804,529
Restricted	1,197,168
Unrestricted	(7,385,167)
Total net position	\$ (383,470)

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

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

	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
General government	\$ 1,815,919	\$ 19,278	\$ 508,380	\$ (1,288,261)
Public safety	1,183,602	19,844	-	(1,163,758)
Highways and streets	505,880	-	87,042	(418,838)
Sanitation	1,239,889	318,017	27,021	(894,851)
Health	7,353	-	-	(7,353)
Welfare	60,543	-	-	(60,543)
Culture and recreation	155,668	2,172	-	(153,496)
Conservation	207,344	-	-	(207,344)
Economic development	4,500	-	-	(4,500)
Interest on long-term debt	34,228	-	-	(34,228)
Total governmental activities	<u>\$ 5,214,926</u>	<u>\$ 359,311</u>	<u>\$ 622,443</u>	<u>(4,233,172)</u>
General revenues:				
Taxes:				
Property				2,694,459
Other				304,547
Motor vehicle permit fees				795,086
Licenses and other fees				46,645
Grants and contributions not restricted to specific programs				276,425
Unrestricted investment earnings				17,146
Miscellaneous				142,885
Loan forgiveness				59,960
Total general revenues				<u>4,337,153</u>
Change in net position				103,981
Net position, beginning, as restated (see Note 19)				(487,451)
Net position, ending				<u>\$ (383,470)</u>

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

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

	General	Sewer	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,387,733	\$ 318,877	\$ 579,269	\$ 4,285,879
Investments	927,683	319,045	530,674	1,777,402
Receivables, net of allowance for uncollectible:				
Taxes	455,698	-	-	455,698
Accounts	9,289	31,730	1,298	42,317
Intergovernmental receivable	87,976	-	-	87,976
Interfund receivable	47,487	35,702	72,070	155,259
Prepaid items	33,920	-	-	33,920
Tax deeded property, subject to resale	8,722	-	-	8,722
Restricted assets:				
Cash and cash equivalents	121,277	-	-	121,277
Investments	24,298	-	-	24,298
Total assets	\$ 5,104,083	\$ 705,354	\$ 1,183,311	\$ 6,992,748
LIABILITIES				
Accounts payable	\$ 77,229	\$ -	\$ -	\$ 77,229
Intergovernmental payable	2,154,128	-	-	2,154,128
Interfund payable	107,772	-	47,487	155,259
Total liabilities	2,339,129	-	47,487	2,386,616
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	129,547	-	-	129,547
Unavailable revenue - received in advance	7,166	-	196,836	204,002
Total deferred inflows of resources	136,713	-	196,836	333,549
FUND BALANCES				
Nonspendable	42,642	-	318,296	360,938
Restricted	118,813	705,354	54,705	878,872
Committed	1,513,837	-	565,987	2,079,824
Assigned	128,162	-	-	128,162
Unassigned	824,787	-	-	824,787
Total fund balances	2,628,241	705,354	938,988	4,272,583
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,104,083	\$ 705,354	\$ 1,183,311	\$ 6,992,748

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

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

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

Total fund balances of governmental funds (Exhibit C-1)	\$ 4,272,583	
Receivables from the State of New Hampshire to offset debt payments that are not due in the current period, and therefore are not reported in the governmental funds.		177,900
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 12,118,835	
Less accumulated depreciation	<u>(5,661,306)</u>	
		6,457,529
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 424,223	
Deferred inflows of resources related to pensions	(623,254)	
Deferred outflows of resources related to OPEB	2,800,718	
Deferred inflows of resources related to OPEB	<u>(1,979,353)</u>	
		622,334
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (155,259)	
Payables	<u>155,259</u>	
		-
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.		
Deferred property taxes	\$ 117,711	
Allowance for uncollectible taxes	<u>(10,000)</u>	
		107,711
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(11,696)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 653,000	
Compensated absences	41,823	
Accrued landfill postclosure care costs	1,780,000	
Net pension liability	1,843,444	
Other postemployment benefits	<u>7,691,564</u>	
		<u>(12,009,831)</u>
Net position of governmental activities (Exhibit A)		<u>\$ (383,470)</u>

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

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

	General	Sewer	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,931,942	\$ -	\$ 50,390	\$ 2,982,332
Licenses and permits	807,799	-	33,932	841,731
Intergovernmental	905,001	-	13,904	918,905
Charges for services	60,008	213,152	86,151	359,311
Miscellaneous	130,316	1,447	26,531	158,294
Total revenues	<u>4,835,066</u>	<u>214,599</u>	<u>210,908</u>	<u>5,260,573</u>
EXPENDITURES				
Current:				
General government	1,669,745	-	9,607	1,679,352
Public safety	1,033,099	-	39,616	1,072,715
Highways and streets	468,271	-	-	468,271
Sanitation	259,459	266,898	23,434	549,791
Health	7,353	-	-	7,353
Welfare	53,873	-	6,670	60,543
Culture and recreation	141,891	-	-	141,891
Conservation	349	-	206,995	207,344
Economic development	4,500	-	-	4,500
Debt service:				
Principal	121,000	-	-	121,000
Interest	36,290	-	-	36,290
Capital outlay	668,118	-	-	668,118
Total expenditures	<u>4,463,948</u>	<u>266,898</u>	<u>286,322</u>	<u>5,017,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>371,118</u>	<u>(52,299)</u>	<u>(75,414)</u>	<u>243,405</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,545	48,000	-	78,545
Transfers out	(48,000)	(20,945)	(9,600)	(78,545)
Loan proceeds	59,960	-	-	59,960
Total other financing sources (uses)	<u>42,505</u>	<u>27,055</u>	<u>(9,600)</u>	<u>59,960</u>
Net change in fund balances	413,623	(25,244)	(85,014)	303,365
Fund balances, beginning, as restated (see Note 19)	2,214,618	730,598	1,024,002	3,969,218
Fund balances, ending	<u>\$ 2,628,241</u>	<u>\$ 705,354</u>	<u>\$ 938,988</u>	<u>\$ 4,272,583</u>

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

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

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances of governmental funds (Exhibit C-3)		\$ 303,365
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 212,042	
Depreciation expense	<u>(349,347)</u>	(137,305)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (78,545)	
Transfers out	<u>78,545</u>	-
Some revenue reported in the governmental funds results from long-term receivables previously recorded in the Statement of Activities.		
		(18,300)
Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		
Change in deferred tax revenue		16,674
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of bond principal		121,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 2,062	
Increase in compensated absences payable	(13,009)	
Increase in accrued landfill postclosure care costs	(155,000)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	48,226	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(63,732)</u>	(181,453)
Change in net position of governmental activities (Exhibit B)		<u>\$ 103,981</u>

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

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 2,814,703	\$ 2,814,703	\$ 2,948,616	\$ 133,913
Licenses and permits	625,411	625,411	807,799	182,388
Intergovernmental	908,939	1,397,652	905,001	(492,651)
Charges for services	52,840	52,840	59,486	6,646
Miscellaneous	2,000	2,000	71,257	69,257
Total revenues	<u>4,403,893</u>	<u>4,892,606</u>	<u>4,792,159</u>	<u>(100,447)</u>
EXPENDITURES				
Current:				
General government	1,743,738	1,743,738	1,675,300	68,438
Public safety	1,064,547	1,064,547	1,033,099	31,448
Highways and streets	589,798	589,798	546,238	43,560
Sanitation	256,178	256,178	253,838	2,340
Health	8,199	8,199	7,353	846
Welfare	80,303	80,303	53,873	26,430
Culture and recreation	130,640	130,640	116,210	14,430
Conservation	2,200	2,200	349	1,851
Economic development	5,000	5,000	5,000	-
Debt service:				
Principal	121,000	121,000	121,000	-
Interest	36,290	36,290	36,290	-
Capital outlay	600,000	1,242,295	668,118	574,177
Total expenditures	<u>4,637,893</u>	<u>5,280,188</u>	<u>4,516,668</u>	<u>763,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(234,000)</u>	<u>(387,582)</u>	<u>275,491</u>	<u>663,073</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	153,582	184,128	30,546
Transfers out	(301,200)	(301,200)	(301,200)	-
Loan proceeds	-	-	59,960	59,960
Total other financing sources (uses)	<u>(301,200)</u>	<u>(147,618)</u>	<u>(57,112)</u>	<u>90,506</u>
Net change in fund balances	<u>\$ (535,200)</u>	<u>\$ (535,200)</u>	218,379	<u>\$ 753,579</u>
Increase in nonspendable fund balance			(38,440)	
Increase in restricted fund balance			(36,412)	
Increase in committed fund balance			(598,263)	
Unassigned fund balance, beginning			1,387,234	
Unassigned fund balance, ending			<u>\$ 932,498</u>	

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

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

	Private Purpose Trust Funds	All Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 1,420	\$ 113,596
Intergovernmental receivable	-	2,154,128
Total assets	<u>1,420</u>	<u>2,267,724</u>
LIABILITIES		
Intergovernmental payables:		
School	-	2,154,128
NET POSITION		
Restricted	<u>\$ 1,420</u>	<u>\$ 113,596</u>

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

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

	Private Purpose Trust Funds	All Custodial Funds
ADDITIONS		
Contributions	\$ -	\$ 52,823
Investment earnings	71	20,234
Tax collections for other governments	-	5,715,668
Fee collections for other governments	-	255,942
Total additions	71	6,044,667
DEDUCTIONS		
Administrative expenses	2	36,482
Payments of taxes to other governments	-	5,715,668
Payments of motor vehicle fees to State	-	255,942
Payments for escrow purposes	-	62,087
Total deductions	2	6,070,179
Net increase in fiduciary net position	69	(25,512)
Net position, beginning, as restated (see Note 19)	1,351	139,108
Net position, ending	\$ 1,420	\$ 113,596

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

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1-A Reporting Entity

The Town of Boscawen is a municipal corporation governed by an elected 3-member Board of Selectmen. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

1-B Basis of Accounting and Measurement Focus

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

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services and 2) operating grants and contributions.

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

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

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

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

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The Town reports the following major governmental funds:

General Fund – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the library, 1913 Library, Old Home Day, and expendable trust funds are consolidated in the general fund.

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

Additionally, the Town reports the following fund types:

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

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

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

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

The Town reports the following fiduciary funds:

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

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

1-C Cash and Cash Equivalents

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

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

1-D Restricted Assets

Certain Town assets are classified as restricted assets because their use is restricted by statutory limitation.

1-E Investments

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

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

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

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

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

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

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

Level 3 – Inputs are significant unobservable inputs.

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

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

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

1-F Receivables

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

1-G Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The nonspendable fund balance at the governmental fund level includes the amount of prepaid items at year-end to indicate that portion of the governmental fund balance that is nonspendable.

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1-H Capital Assets

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

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

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

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

	<u>Years</u>
Capital Asset Classes:	
Buildings and building improvements	20-50
Equipment and vehicles	5-20
Infrastructure	20-50

1-I Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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

1-J Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 13, 2021 and October 28, 2021, and due on July 6, 2021 and December 6, 2021. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2020 on March 22, 2021.

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

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

Total assessment valuation with utilities	\$300,230,587
Total assessment valuation without utilities	\$288,487,187

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

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$9.27	\$ 2,782,916
School portion:		
State of New Hampshire	\$1.87	538,119
Local	\$14.72	4,420,199
County portion	\$2.52	757,350
Total	\$28.38	\$ 8,498,584

1-K Accounts Payable

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

1-L Deferred Outflows/Inflows of Resources

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

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

1-M Long-term Obligations

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

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

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

1-N Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by the Town's personnel policy. The liability for such leave is reported as incurred in the government-wide financial statements.

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1-O Defined Benefit Pension Plan

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

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

1-P Postemployment Benefits Other Than Pensions

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

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

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

1-Q Net Position/Fund Balances

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

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

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

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

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

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

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

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

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

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

Minimum Balance – The Town shall achieve and maintain an unassigned fund balance of 8% of the general fund’s annual budget including Town, School, and County appropriations.

Target Balance – The Town shall work towards maintaining a target unassigned fund balance of at least 12% of the general fund’s annual budget including Town, School, and County payments.

1-R Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2021, \$249,000 of the beginning general fund unassigned fund balance was applied for this purpose and \$286,200 was voted from unassigned fund balance as a transfer to the capital reserve funds.

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2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$5,036,247
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	59,581
To eliminate transfers between blended funds	(153,583)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(16,674)
Per Exhibit C-3 (GAAP basis)	<u>\$4,925,571</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$4,817,868
Adjustments:	
Basis differences:	
Encumbrances, beginning	48,093
Encumbrances, ending	(128,162)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	27,349
To eliminate transfers between general and blended funds	(253,200)
Per Exhibit C-3 (GAAP basis)	<u>\$4,511,948</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$4,522,172 and the bank balances totaled \$4,573,960. Petty cash totaled \$1,350.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 4,407,156
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	115,016
Total cash and cash equivalents	<u>\$ 4,522,172</u>

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NOTE 4 – RESTRICTED ASSETS

Cash and investments are classified as restricted for the following purposes:

Cash and cash equivalents:	
General fund:	
Library	\$ 49,104
1913 Library	17,924
Old Home Day	27,487
Capital reserve funds	<u>26,762</u>
Total restricted cash and cash equivalents	<u>121,277</u>
Investments:	
General fund:	
Library	<u>24,298</u>
Total restricted assets	<u><u>\$ 145,575</u></u>

NOTE 5 – INVESTMENTS

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

	Valuation Measurement Method	Reported Balance	1-5 Years	Exempt from Disclosure
Investments type:				
Certificates of deposit	Level 1	\$ 625,874	\$ 625,874	\$ -
Equity exchange traded funds	Level 1	504,237	-	504,237
Equity mutual funds	Level 1	142,474	-	142,474
Fixed income exchange traded funds	Level 2	523,739	-	523,739
Total fair value		<u>1,796,324</u>	<u>\$ 625,874</u>	<u>\$ 1,170,450</u>
Investments carried at amortized cost:				
New Hampshire Public Deposit Investment Pool		5,376		
Total investments		<u><u>\$ 1,801,700</u></u>		

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have custodial credit risk policies for investments.

Concentration of Credit Risk – The Town places no limit on the amount it may invest in any one issuer. More than 5% of the Town’s investments are in certificates of deposits, fixed income exchange traded funds, and equity exchange traded funds. These investments are 35%, 29%, and 36%, respectively, of the Town’s total investments.

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NOTE 6 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2021. The amount has been reduced by an allowance for an estimated uncollectible amount of \$10,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2021	\$ 308,373	\$ 308,373
Unredeemed (under tax lien):		
Levy of 2020	93,196	93,196
Levy of 2019	51,383	51,383
Yield	2,136	2,136
Land use change	610	610
Less: allowance for estimated uncollectible taxes	(10,000) *	-
Net taxes receivable	<u>\$ 445,698</u>	<u>\$ 455,698</u>

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

NOTE 7 – OTHER RECEIVABLES

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

NOTE 8 – CAPITAL ASSETS

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

	Balance, beginning	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$1,394,514	\$ -	\$1,394,514
Being depreciated:			
Buildings and building improvements	3,693,903	-	3,693,903
Equipment and vehicles	2,554,021	101,911	2,655,932
Infrastructure	4,264,355	110,131	4,374,486
Total capital assets being depreciated	<u>10,512,279</u>	<u>212,042</u>	<u>10,724,321</u>
Total all capital assets	<u>11,906,793</u>	<u>212,042</u>	<u>12,118,835</u>
Less accumulated depreciation:			
Buildings and building improvements	(2,373,400)	(93,542)	(2,466,942)
Equipment and vehicles	(1,694,783)	(144,891)	(1,839,674)
Infrastructure	(1,243,776)	(110,914)	(1,354,690)
Total accumulated depreciation	<u>(5,311,959)</u>	<u>(349,347)</u>	<u>(5,661,306)</u>
Net book value, capital assets being depreciated	<u>5,200,320</u>	<u>(137,305)</u>	<u>5,063,015</u>
Net book value, all governmental activities capital assets	<u>\$6,594,834</u>	<u>\$(137,305)</u>	<u>\$6,457,529</u>

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

General government	\$ 61,971
Public safety	109,510
Highways and streets	136,666
Sanitation	27,423
Culture and recreation	13,777
Total depreciation expense	\$ 349,347

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 47,487
Sewer	General	35,702
Nonmajor	General	72,070
		\$ 155,259

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

Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2021 is as follows:

	Transfers In:		
	General Fund	Sewer Fund	Total
Transfers out:			
General	\$ -	\$ 48,000	\$ 48,000
Sewer	20,945	-	20,945
Nonmajor fund	9,600	-	9,600
Total	\$ 30,545	\$ 48,000	\$ 78,545

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 10 – INTERGOVERNMENTAL PAYABLES

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

	Governmental Fund	Fiduciary Funds
	General	Funds
Property taxes due to the custodial funds	\$ 2,154,128 ³	\$ -
Taxes due to the Merrimack Valley School District	-	2,154,128 ⁴
Total intergovernmental payables due	\$ 2,154,128	\$ 2,154,128

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

4. Property taxes due to the Merrimack Valley School District represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

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NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of at December 31, 2021 consist of amounts related to pensions totaling \$424,223 and amounts related to OPEB totaling \$2,800,718. For further discussion on these amounts, see Note 13 and 14, respectively.

Deferred inflows of resources are as follows:

	Government-wide	Governmental Funds		Total
		General Fund	Nonmajor Funds	
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$117,711	\$ -	\$117,711
Property taxes collected in advance	11,836	11,836	-	11,836
Drug forfeiture funds received in advance of eligible expenditures being made	7,166	7,166	-	7,166
Revenue collected in advance of eligible expenditures	196,836	-	196,836	196,836
Amounts related to pensions, see Note 13	623,254	-	-	-
Amounts related to OPEB, see Note 14	1,979,353	-	-	-
Total deferred inflows of resources	<u>\$2,818,445</u>	<u>\$136,713</u>	<u>\$196,836</u>	<u>\$333,549</u>

NOTE 12 – LONG-TERM LIABILITIES

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

	Balance			Balance December 31, 2021	Due Within One Year	Due In More Than One Year
	January 1, 2021 (as restated)	Additions	Reductions			
Bonds payable:						
Direct placements	\$ 774,000	\$ -	\$ (121,000)	\$ 653,000	\$ 120,000	\$ 533,000
Compensated absences	28,814	20,080	(7,071)	41,823	-	41,823
Accrued landfill closure and postclosure care costs	1,625,000	180,000	(25,000)	1,780,000	25,000	1,755,000
Net pension liability	2,759,271	-	(915,827)	1,843,444	-	1,843,444
Net other postemployment benefits	7,337,832	377,300	(23,568)	7,691,564	-	7,691,564
Total long-term liabilities	<u>\$ 12,524,917</u>	<u>\$ 577,380</u>	<u>\$ (1,092,466)</u>	<u>\$ 12,009,831</u>	<u>\$ 145,000</u>	<u>\$ 11,864,831</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at	
					December 31, 2021	Current Portion
Bonds payable:						
Direct placements:						
Municipal facility	\$ 1,200,000	2002	2022	4.45%	\$ 60,000	\$ 60,000
Refunding bonds	\$ 1,182,175	2012	2031	2.0-5.0%	593,000	60,000
Total direct placements					<u>\$ 653,000</u>	<u>\$ 120,000</u>

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

Fiscal Year Ending December 31,	Bonds - Direct Borrowings		
	Principal	Interest	Total
2022	\$ 120,000	\$ 30,850	\$ 150,850
2023	59,000	25,450	84,450
2024	59,000	22,500	81,500
2025	60,000	19,550	79,550
2026	60,000	16,550	76,550
2027-2031	295,000	42,850	337,850
Totals	\$ 653,000	\$ 157,750	\$ 810,750

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

Accrued Landfill Closure and Postclosure Care Costs – Federal and State laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$1,780,000 as of December 31, 2021, which is based on 90% usage (filled) of the landfill. It is estimated that an additional \$1,530,000 will be recognized as closure and postclosure care costs between the date of the Balance Sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2021. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

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

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (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.

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For Group II members not vested by 1/1/12 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 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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

Contributions - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80% respectively. For the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43% for fire and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021 the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$223,880, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2021 the Town reported a liability of \$1,843,444 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the Town’s proportion was 0.04% which was the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$166,749. At December 31, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 54,783	\$ 88,385
Changes in assumptions	192,537	-
Net difference between projected and actual investment earnings on pension plan investments	-	515,569
Differences between expected and actual experience	51,619	19,300
Contributions subsequent to the measurement date	125,284	-
Total	<u>\$ 424,223</u>	<u>\$ 623,254</u>

The \$125,284 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2022	\$ (61,655)
2023	(36,835)
2024	(43,734)
2025	(182,091)
Thereafter	-
Totals	<u>\$ (324,315)</u>

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

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

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

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

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

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

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 2,636,335	\$ 1,843,444	\$ 1,182,042

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

NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

14-A New Hampshire Retirement System (NHRS)

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

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

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

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

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$18,141, which was paid in full.

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OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2021, the Town reported a liability of \$157,099 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2021, the Town’s proportion was 0.04% which was the same as its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$2,546. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 75
Net difference between projected and actual investment earnings on OPEB plan investments	-	1,962
Differences between expected and actual experience	-	33
Contributions subsequent to the measurement date	8,468	-
Total	\$ 8,468	\$ 2,070

The \$8,468 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2022	\$ (557)
2023	(412)
2024	(462)
2025	(639)
Thereafter	-
Totals	\$ (2,070)

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

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

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

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

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

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

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2021	\$ 170,779	\$ 157,099	\$ 145,197

Sensitivity of the Town’s Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption – GASB No.75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

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

14-B Town of Boscawen Retiree Health Benefit Program

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

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Benefits Provided – The Town provides medical benefits to its eligible retirees. The benefits are provided through the Counties self-funded insurance plan that is administered by HealthTrust.

Employees Covered by Benefit Terms – At January 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	<u>20</u>
Total participants covered by OPEB plan	<u>27</u>

Total OPEB Liability – The Town’s total OPEB liability of \$7,534,465 was measured as of January 1, 2021 and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$7,534,465 in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.06%
Healthcare Cost Trend Rates:	
Current Year Trend	(8.10%)
Second Year Trend	7.00%
Ultimate Trend	4.04%
Year Ultimate Trend is Reached	2028
Salary Increases:	3.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2021.

Mortality rates were based on the Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 and Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Changes in the Total OPEB Liability

	December 31,	
	2020	2021
OPEB liability beginning of year	\$ 6,526,002	\$ 7,157,165
Changes for the year:		
Service cost	521,031	330,579
Interest	177,884	146,453
Plan change	-	(537,344)
Assumption changes and difference between actual and expected experience	-	541,521
Benefit payments	(67,752)	(103,909)
OPEB liability end of year	<u>\$ 7,157,165</u>	<u>\$ 7,534,465</u>

Sensitivity of the Town’s OPEB Liability to Changes in the Discount Rate – The January 1, 2021 actuarial valuation was prepared using a discount rate of 2.06%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$6,160,734. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$9,314,756.

	Discount Rate		
	1% Decrease	Baseline 2.06%	1% Increase
Total OPEB Liability	<u>\$ 9,314,756</u>	<u>\$ 7,534,465</u>	<u>\$ 6,160,734</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2021 actuarial valuation was prepared using an initial trend rate of (8.10%). If the trend rate were 1% higher than what was used the OPEB liability would increase to \$9,717,545. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$5,909,402.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline (8.10%)	1% Increase
Total OPEB Liability	<u>\$ 5,909,402</u>	<u>\$ 7,534,465</u>	<u>\$ 9,717,545</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2021, the Town recognized OPEB expense of \$187,385. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 2,354,095	\$ 22,418
Differences between expected and actual experience	438,155	1,954,865
Total	<u>\$ 2,792,250</u>	<u>\$ 1,977,283</u>

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

Fiscal Year Ending December 31,	
2022	\$ 247,697
2023	247,697
2024	247,697
2025	247,697
Thereafter	<u>(175,821)</u>
Totals	<u>\$ 814,967</u>

NOTE 15 – ENCUMBRANCES

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

General government	\$ 31,600
Highways and streets	77,967
Sanitation	13,289
Economic development	2,750
Capital outlay	2,556
Total encumbrances	<u>\$ 128,162</u>

NOTE 16 – STATE AID TO WATER POLLUTION PROJECTS

The Town is due to receive from the State of New Hampshire the following amounts in the form of state aid to water pollution projects:

Bond Issued	Amount
C-732	\$ 91,200
C-733	86,700
Total	<u>\$ 177,900</u>

TOWN OF BOSCAWEN, NEW HAMPSHIRE
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Under New Hampshire RSA Chapter 486, the Town receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from the acquisition and construction of sewage disposal facilities. At December 31, 2021 the Town is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending December 31,	Amount
2022	\$ 18,000
2023	17,700
2024	17,700
2025	18,000
2026	18,000
2027-2031	88,500
Totals	<u>\$ 177,900</u>

NOTE 17 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

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

	Government-wide Financial Statements	Fiduciary Funds
	<u>Governmental Activities</u>	<u>Funds</u>
Net investment in capital assets:		
Net book value, all capital assets	\$ 6,457,529	\$ -
Less:		
General obligation bonds payable	(653,000)	-
Total net investment in capital assets	<u>5,804,529</u>	<u>-</u>
Restricted net position:		
Perpetual care - nonexpendable	318,296	-
Perpetual care - expendable	42,072	-
Impact fees	12,633	-
Library	73,402	-
1913 Library	17,924	-
Old Home Day	27,487	-
Sewer	705,354	-
Individuals, organizations, and other governments	-	115,016
Total restricted net position	<u>1,197,168</u>	<u>115,016</u>
Unrestricted	(7,385,167)	-
Total net position	<u>\$ (383,470)</u>	<u>\$ 115,016</u>

TOWN OF BOSCAWEN, NEW HAMPSHIRE
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NOTE 18 – GOVERNMENTAL FUND BALANCES

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

	General Fund	Sewer Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 33,920	\$ -	\$ -	\$ 33,920
Tax deeded property	8,722	-	-	8,722
Permanent fund - principal balance	-	-	318,296	318,296
Total nonspendable fund balance	<u>42,642</u>	<u>-</u>	<u>318,296</u>	<u>360,938</u>
Restricted:				
Library	73,402	-	-	73,402
1913 Library	17,924	-	-	17,924
Old Home Day	27,487	-	-	27,487
Permanent fund - income balance	-	-	42,072	42,072
Sanitation	-	705,354	-	705,354
Impact fees	-	-	12,633	12,633
Total restricted fund balance	<u>118,813</u>	<u>705,354</u>	<u>54,705</u>	<u>878,872</u>
Committed:				
Expendable trusts	915,574	-	-	915,574
Nonlapsing appropriations - encumbrances	598,263	-	-	598,263
General government	-	-	28,481	28,481
Public safety	-	-	10,615	10,615
Conservation	-	-	87,929	87,929
Sanitation	-	-	37,835	37,835
Town forest	-	-	22,765	22,765
Construction debris	-	-	378,362	378,362
Total committed fund balance	<u>1,513,837</u>	<u>-</u>	<u>565,987</u>	<u>2,079,824</u>
Assigned:				
Encumbrances	128,162	-	-	128,162
Unassigned				
	<u>824,787</u>	<u>-</u>	<u>-</u>	<u>824,787</u>
Total governmental fund balances	<u>\$ 2,628,241</u>	<u>\$ 705,354</u>	<u>\$ 938,988</u>	<u>\$ 4,272,583</u>

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

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

	Government-wide Statements	Sewer Fund	Other Governmental Funds	Fiduciary Funds
To restate for reclassification of funds	\$ 4,978	\$ -	\$ 4,978	\$ (4,978)
To restate for 2020 bill paid in current year	(45,793)	(45,793)	-	-
To restate for future landfill postclosure care costs	(1,350,000)	-	-	-
Net position/fund balance, as previously reported	903,364	776,391	1,019,024	144,086
Net position/fund balance, as restated	<u>\$ (487,451)</u>	<u>\$ 730,598</u>	<u>\$ 1,024,002</u>	<u>\$ 139,108</u>

NOTE 20 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2021, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

TOWN OF BOSCAWEN, NEW HAMPSHIRE
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The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2021 the Town paid \$45,453 and \$22,584 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 21 – CAFETERIA BENEFIT PLAN

Effective June 3, 2003, the Town implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the Town, into any combination of the following benefit categories:

1. Medical Insurance Premium Account; or
2. Out of Pocket Medical Spending Account

In addition to directing the Town's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the medical spending account. This cap applies to both Town contributions and employee pre-tax contributions.

All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the Town begins on January 1 and ends on December 31. To obtain reimbursement of expenses incurred within a plan year within the spending accounts (items 2 and 3 above), employees must submit claims within 90 days of the end of the plan year or separation of service from the Town, whichever occurs first. Funds unclaimed after 90 days of the close of the plan year are then remitted to the Town.

NOTE 22 – CONTINGENCIES

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, will be immaterial.

NOTE 23 – COVID-19

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

The Town was allotted a total of \$421,481 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$210,740 or 50% of the funding was received in 2021. The remainder is expected to be received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue and necessary water, sewer, and broadband investment. For the year ended December 31, 2021 the Town spent \$13,904 of the funds received. The remaining funds are included in deferred inflows of resources until eligible expenditures have been made.

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

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

NOTE 24 – TAX ABATEMENTS

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

The Town did not have any such agreements at December 31, 2021.

NOTE 25 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through July 18, 2022, the date the December 31, 2021 financial statements were available to be issued, and the following occurred that requires recognition or disclosure:

At the 2022 Annual Town Meeting held on March 8, 2022, the Town residents approved one Warrant Article authorizing the use of December 31, 2021 surplus totaling \$33,000 to establish a Contingency Fund.

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's:									
Proportion of the net pension liability	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Proportionate share of the net pension liability	\$ 1,671,982	\$ 1,429,825	\$ 1,511,403	\$ 1,997,920	\$ 2,149,162	\$ 2,010,796	\$ 1,982,503	\$ 2,759,271	\$ 1,843,444
Covered payroll	\$ 861,053	\$ 991,204	\$ 883,245	\$ 878,967	\$ 978,302	\$ 1,064,501	\$ 1,080,286	\$ 1,204,028	\$ 1,186,703
Proportionate share of the net pension liability as a percentage of its covered payroll	194.18%	144.25%	171.12%	227.30%	219.68%	188.90%	183.52%	229.17%	155.34%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%

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

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 96,600	\$ 123,580	\$ 127,996	\$ 134,537	\$ 160,092	\$ 176,499	\$ 179,304	\$ 191,644	\$ 223,880
Contributions in relation to the contractually required contributions	96,600	123,580	127,996	134,537	160,092	176,499	179,304	191,644	223,880
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 861,053	\$ 991,204	\$ 883,245	\$ 878,967	\$ 978,302	\$ 1,064,501	\$ 1,080,286	\$ 1,204,028	\$ 1,205,839
Contributions as a percentage of covered payroll	11.22%	12.47%	14.49%	15.31%	16.36%	16.58%	16.60%	15.92%	18.57%

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

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

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

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

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

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

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

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net OPEB liability	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%
Town's proportionate share of the net OPEB liability	\$ 121,105	\$ 138,373	\$ 198,694	\$ 190,712	\$ 180,667	\$ 157,099
Town's covered payroll	\$ 878,967	\$ 978,302	\$ 1,064,501	\$ 1,080,286	\$ 1,204,028	\$ 1,186,703
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	13.78%	14.14%	18.67%	17.65%	15.01%	13.24%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%

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

Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 14,536	\$ 17,937	\$ 19,196	\$ 19,852	\$ 19,159	\$ 18,141
Contributions in relation to the contractually required contribution	14,536	17,937	19,196	19,852	19,159	18,141
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 878,967</u>	<u>\$ 978,302</u>	<u>\$ 1,064,501</u>	<u>\$ 1,080,286</u>	<u>\$ 1,204,028</u>	<u>\$ 1,205,839</u>
Contributions as a percentage of covered payroll	1.65%	1.83%	1.80%	1.84%	1.59%	1.50%

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

	December 31,				
	2017	2018	2019	2020	2021
OPEB liability, beginning of year	\$ 2,590,544	\$ 2,991,790	\$ 3,399,576	\$ 6,526,002	\$ 7,157,165
Changes for the year:					
Service cost	251,277	256,309	507,136	521,031	330,579
Interest	97,096	112,347	161,398	177,884	146,453
Plan change	-	-	-	-	(537,344)
Assumption changes and difference between actual and expected experience	96,592	78,447	2,523,837	-	541,521
Benefit payments	(43,719)	(39,317)	(65,945)	(67,752)	(103,909)
OPEB liability, end of year	<u>\$ 2,991,790</u>	<u>\$ 3,399,576</u>	<u>\$ 6,526,002</u>	<u>\$ 7,157,165</u>	<u>\$ 7,534,465</u>
Covered payroll	<u>\$ 841,776</u>	<u>\$ 858,612</u>	<u>\$ 1,083,792</u>	<u>\$ 1,105,468</u>	<u>\$ 979,274</u>
Total OPEB liability as a percentage of covered payroll	355.41%	395.94%	602.15%	647.43%	769.39%

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

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

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

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

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

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

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

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

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

Changes in Assumptions – The mortality assumption changed from SOA RP-2014 Total Dataset Mortality with Scale MP-2018 (Base Rate 2006) to Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 and Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

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

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 2,662,509	\$ 2,694,459	\$ 31,950
Yield	25,781	32,298	6,517
Excavation	5,714	5,713	(1)
Payment in lieu of taxes	73,500	163,866	90,366
Interest and penalties on taxes	47,199	52,280	5,081
Total from taxes	<u>2,814,703</u>	<u>2,948,616</u>	<u>133,913</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	613,911	795,086	181,175
Other	11,500	12,713	1,213
Total from licenses, permits, and fees	<u>625,411</u>	<u>807,799</u>	<u>182,388</u>
Intergovernmental:			
State:			
Meals and rooms distribution	294,355	294,355	-
Highway block grant	84,119	84,098	(21)
Water pollution grants	27,021	27,021	-
State and federal forest land reimbursement	370	370	-
Other	130	5,130	5,000
Federal:			
Other	991,657	494,027	(497,630)
Total from intergovernmental	<u>1,397,652</u>	<u>905,001</u>	<u>(492,651)</u>
Charges for services:			
Income from departments	51,840	59,338	7,498
Other	1,000	148	(852)
Total from charges for services	<u>52,840</u>	<u>59,486</u>	<u>6,646</u>
Miscellaneous:			
Sale of municipal property	-	1,048	1,048
Interest on investments	2,000	2,601	601
Other	-	67,608	67,608
Total from miscellaneous	<u>2,000</u>	<u>71,257</u>	<u>69,257</u>
Other financing sources:			
Transfers in	153,582	184,128	30,546
Bond proceeds	-	59,960	59,960
Total other financing sources	<u>153,582</u>	<u>244,088</u>	<u>90,506</u>
Total revenues and other financing sources	5,046,188	<u>\$ 5,036,247</u>	<u>\$ (9,941)</u>
Unassigned fund balance used to reduce tax rate	249,000		
Amounts voted from fund balance	286,200		
Total revenues, other financing sources, and use of fund balance	<u>\$ 5,581,388</u>		

See Independent Auditor's Report.

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 176,084	\$ 185,962	\$ -	\$ (9,878)
Election and registration	2,055	83,127	80,511	-	4,671
Financial administration	-	175,953	181,508	-	(5,555)
Revaluation of property	17,953	69,194	53,636	29,350	4,161
Legal	-	45,000	40,355	-	4,645
Personnel administration	3,369	881,883	818,919	-	66,333
Planning and zoning	1,000	120,540	122,194	2,250	(2,904)
General government buildings	-	110,504	106,012	-	4,492
Cemeteries	-	3,000	1,359	-	1,641
Insurance, not otherwise allocated	-	45,453	45,453	-	-
Other	-	33,000	32,168	-	832
Total general government	<u>24,377</u>	<u>1,743,738</u>	<u>1,668,077</u>	<u>31,600</u>	<u>68,438</u>
Public safety:					
Police	-	631,880	611,644	-	20,236
Ambulance	-	220,626	220,626	-	-
Fire	-	197,867	191,459	-	6,408
Building inspection	-	4,600	1,950	-	2,650
Emergency management	-	9,574	7,420	-	2,154
Total public safety	<u>-</u>	<u>1,064,547</u>	<u>1,033,099</u>	<u>-</u>	<u>31,448</u>
Highways and streets:					
Highways and streets	-	562,998	448,805	76,167	38,026
Street lighting	-	21,000	17,384	-	3,616
Other	-	5,800	2,082	1,800	1,918
Total highways and streets	<u>-</u>	<u>589,798</u>	<u>468,271</u>	<u>77,967</u>	<u>43,560</u>
Sanitation:					
Solid waste disposal	-	226,178	223,592	5,289	(2,703)
Solid waste clean-up	10,000	22,000	16,957	-	15,043
Other	8,910	8,000	18,910	8,000	(10,000)
Total sanitation	<u>18,910</u>	<u>256,178</u>	<u>259,459</u>	<u>13,289</u>	<u>2,340</u>
Health:					
Administration	-	7,699	7,353	-	346
Pest control	-	500	-	-	500
Total health	<u>-</u>	<u>8,199</u>	<u>7,353</u>	<u>-</u>	<u>846</u>
Welfare:					
Administration and direct assistance	-	72,703	46,273	-	26,430
Intergovernmental welfare payments	-	7,600	7,600	-	-
Total welfare	<u>-</u>	<u>80,303</u>	<u>53,873</u>	<u>-</u>	<u>26,430</u>
Culture and recreation:					
Parks and recreation	-	36,500	22,146	-	14,354
Library	-	82,890	82,890	-	-
Patriotic purposes	-	4,750	4,674	-	76
Other	-	6,500	6,500	-	-
Total culture and recreation	<u>-</u>	<u>130,640</u>	<u>116,210</u>	<u>-</u>	<u>14,430</u>

(Continued)

See Independent Auditor's Report.

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Conservation	-	2,200	349	-	1,851
Economic development	2,250	5,000	4,500	2,750	-
Debt service:					
Principal of long-term debt	-	121,000	121,000	-	-
Interest on long-term debt	-	36,290	36,290	-	-
Total debt service	-	157,290	157,290	-	-
Capital outlay	2,556	1,242,295	668,118	2,556	574,177
Other financing uses:					
Transfers out	-	301,200	301,200	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 48,093</u>	<u>\$ 5,581,388</u>	<u>\$ 4,737,799</u>	<u>\$ 128,162</u>	<u>\$ 763,520</u>

See Independent Auditor's Report.

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

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 1,387,234
Changes:		
Unassigned fund balance used to reduce 2021 tax rate		(249,000)
Amounts voted from fund balance		(286,200)
2021 Budget summary:		
Revenue surplus shortfall (Schedule 1)	\$ (9,941)	
Unexpended balance of appropriations (Schedule 2)	<u>763,520</u>	
2021 Budget surplus		753,579
Increase in nonspendable fund balance		(38,440)
Increase in restricted fund balance		(36,412)
Increase in committed fund balance		<u>(598,263)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		932,498
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(117,711)
Elimination of the allowance for uncollectible taxes		<u>10,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 824,787</u></u>

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

	Special Revenue Funds									Total
	Conservation Commission	Recycling	Town Forest	Construction Debris	Building Inspector	Police Special Detail	ARPA	Town Impact Fees	Permanent Fund	
ASSETS										
Cash and cash equivalents	\$ 15,859	\$ 38,574	\$ 22,765	\$ 193,486	\$ 51,150	\$ 28,091	\$ 202,224	\$ 12,633	\$ 14,487	\$ 579,269
Investments	-	-	-	184,793	-	-	-	-	345,881	530,674
Accounts receivable	-	-	-	83	-	1,215	-	-	-	1,298
Interfund receivable	72,070	-	-	-	-	-	-	-	-	72,070
Total assets	<u>\$ 87,929</u>	<u>\$ 38,574</u>	<u>\$ 22,765</u>	<u>\$ 378,362</u>	<u>\$ 51,150</u>	<u>\$ 29,306</u>	<u>\$ 202,224</u>	<u>\$ 12,633</u>	<u>\$ 360,368</u>	<u>\$ 1,183,311</u>
LIABILITIES										
Interfund payable	\$ -	\$ 739	\$ -	\$ -	\$ 22,773	\$ 18,691	\$ 5,284	\$ -	\$ -	\$ 47,487
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - received in advance	-	-	-	-	-	-	196,836	-	-	196,836
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	318,296	318,296
Restricted	-	-	-	-	-	-	-	12,633	42,072	54,705
Committed	87,929	37,835	22,765	378,362	28,377	10,615	104	-	-	565,987
Total fund balances	<u>87,929</u>	<u>37,835</u>	<u>22,765</u>	<u>378,362</u>	<u>28,377</u>	<u>10,615</u>	<u>104</u>	<u>12,633</u>	<u>360,368</u>	<u>938,988</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 87,929</u>	<u>\$ 38,574</u>	<u>\$ 22,765</u>	<u>\$ 378,362</u>	<u>\$ 51,150</u>	<u>\$ 29,306</u>	<u>\$ 202,224</u>	<u>\$ 12,633</u>	<u>\$ 360,368</u>	<u>\$ 1,183,311</u>

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

	Special Revenue Funds									Total
	Conservation Commission	Recycling	Town Forest	Construction Debris	Building Inspector	Police Special Detail	ARPA	Town Impact Fees	Permanent Fund	
REVENUES										
Taxes	\$ 50,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,390
Licenses and permits	-	-	-	-	33,932	-	-	-	-	33,932
Intergovernmental	-	-	-	-	-	-	13,904	-	-	13,904
Charges for services	-	31,265	-	37,980	-	16,906	-	-	-	86,151
Miscellaneous	254	356	18	867	23	10	104	9,152	15,747	26,531
Total revenues	<u>50,644</u>	<u>31,621</u>	<u>18</u>	<u>38,847</u>	<u>33,955</u>	<u>16,916</u>	<u>14,008</u>	<u>9,152</u>	<u>15,747</u>	<u>210,908</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	7,234	1,497	876	9,607
Public safety	-	-	-	-	25,191	14,425	-	-	-	39,616
Sanitation	-	21,908	-	1,526	-	-	-	-	-	23,434
Welfare	-	-	-	-	-	-	6,670	-	-	6,670
Conservation	202,509	-	4,486	-	-	-	-	-	-	206,995
Total expenditures	<u>202,509</u>	<u>21,908</u>	<u>4,486</u>	<u>1,526</u>	<u>25,191</u>	<u>14,425</u>	<u>13,904</u>	<u>1,497</u>	<u>876</u>	<u>286,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,865)</u>	<u>9,713</u>	<u>(4,468)</u>	<u>37,321</u>	<u>8,764</u>	<u>2,491</u>	<u>104</u>	<u>7,655</u>	<u>14,871</u>	<u>(75,414)</u>
OTHER FINANCING SOURCES (USES)										
Transfers out	-	-	-	-	(1,570)	(8,030)	-	-	-	(9,600)
Net change in fund balances	<u>(151,865)</u>	<u>9,713</u>	<u>(4,468)</u>	<u>37,321</u>	<u>7,194</u>	<u>(5,539)</u>	<u>104</u>	<u>7,655</u>	<u>14,871</u>	<u>(85,014)</u>
Fund balances, beginning as restated (see Note 19)	239,794	28,122	27,233	341,041	21,183	16,154	-	4,978	345,497	1,024,002
Fund balances, ending	<u>\$ 87,929</u>	<u>\$ 37,835</u>	<u>\$ 22,765</u>	<u>\$ 378,362</u>	<u>\$ 28,377</u>	<u>\$ 10,615</u>	<u>\$ 104</u>	<u>\$ 12,633</u>	<u>\$ 360,368</u>	<u>\$ 938,988</u>

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

	Custodial Funds				Total
	Taxes	School Impact Fees	Town Escrow	State Fees	
ASSETS					
Cash and cash equivalents	\$ -	\$ 38,341	\$ 75,255	\$ -	\$ 113,596
Intergovernmental receivables	2,154,128	-	-	-	2,154,128
Total assets	<u>2,154,128</u>	<u>38,341</u>	<u>75,255</u>	<u>-</u>	<u>2,267,724</u>
LIABILITIES					
Intergovernmental payables:					
School	2,154,128	-	-	-	2,154,128
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 38,341</u>	<u>\$ 75,255</u>	<u>\$ -</u>	<u>\$ 113,596</u>

See Independent Auditor's Report.

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

	Custodial Funds				Total
	Taxes	School Impact Fees	Town Escrow	State Town Clerk Fees	
Additions:					
Contributions	\$ -	\$ 9,145	\$ 43,678	\$ -	\$ 52,823
Investment earnings	-	20,181	53	-	20,234
Tax collections for other governments	5,715,668	-	-	-	5,715,668
Fee collections for other governments	-	-	-	255,942	255,942
Total additions	<u>5,715,668</u>	<u>29,326</u>	<u>43,731</u>	<u>255,942</u>	<u>6,044,667</u>
Deductions:					
Administrative expenses	-	-	36,482	-	36,482
Payments of taxes to other governments	5,715,668	-	-	-	5,715,668
Payments of motor vehicle fees to State	-	-	-	255,942	255,942
Payments for escrow purposes	-	62,087	-	-	62,087
Total deductions	<u>5,715,668</u>	<u>62,087</u>	<u>36,482</u>	<u>255,942</u>	<u>6,070,179</u>
Net increase in fiduciary net position	-	(32,761)	7,249	-	(25,512)
Net position, beginning, as restated (see Note 19)	-	71,102	68,006	-	139,108
Net position, ending	<u>\$ -</u>	<u>\$ 38,341</u>	<u>\$ 75,255</u>	<u>\$ -</u>	<u>\$ 113,596</u>

See Independent Auditor's Report.