

**TOWN OF MOULTONBOROUGH,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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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 Moultonborough
Moultonborough, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, major governmental fund, and the aggregate remaining fund information of the Town of Moultonborough, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Moultonborough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, major governmental fund, and the aggregate remaining fund information of the Town of Moultonborough, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the major general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the year ending June 30, 2023, the Town adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Town of Moultonborough'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 Moultonborough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

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

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Management's Discussion and Analysis
- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Moultonborough'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 was derived from and relates 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.

April 4, 2024
Concord, New Hampshire

*Plodzik & Sanderson
Professional Association*

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Our discussion and analysis of the financial performance of the Town of Moultonborough, NH is prepared to provide an overview of the Town's financial activities for the year ended June 30, 2023. Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with the Board of Selectmen. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. We report this data in a manner designed to present fairly the Town's financial position and the results of operations of the various Town funds. All disclosures necessary to enable the reader to gain an accurate understanding of the Town's financial activities have been included.

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

Financial Highlights

- The assets and deferred outflows of resources of the Town of Moultonborough exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,798,048 (net position). Of this amount, \$2,738,773 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$292,745, which is \$421,536 lower than the prior year's decrease.
- As of the close of the current fiscal year, the Town of Moultonborough's governmental funds reported combined ending fund balances of \$9,176,363, a decrease of \$1,174,485 in comparison with the prior year. Of this total amount, \$4,610,824 is available for spending at the Town's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,610,824 or 39.7% of total general fund expenditures in fiscal year 2023.
- The Town has long-term obligations payable at year end consisting of a note payable totaling \$13,618 and compensated absences of \$244,527.
- The Town has an Other Post-employment Benefits Liability at year-end of \$680,308.
- At year end, the Town had a net pension liability of \$5,937,970.

Overview of the Financial Statements

The financial statements presented herein include all the activities of the Town of Moultonborough using the integrated approach prescribed by GASB Statement 34.

It is our intention that this discussion and analysis serve as an introduction to the Town's financial statements. The basic financial statements are comprised of the following three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. One can divide all the funds of the Town into two categories: governmental funds and fiduciary funds.

Governmental funds. We use *governmental funds* to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

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

The Town maintains numerous individual governmental funds. We present information separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund, which is the Town's only major fund. We combine data from all other governmental funds into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining supplemental schedules accompanying this report as Other Supplementary Information.

The Town adopts an annual appropriation budget for its General Fund. A budgetary comparison schedule is provided for the General Fund as a Basic Financial Statement and Other Supplementary Information to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties other than the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the Town of Moultonborough. The Town's fiduciary funds consist of private-purpose trust funds and custodial funds.

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Required supplementary information. The basic financial statements and accompanying notes are followed by a section of *required supplementary information*. This section includes a schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability, and a schedule of Town pension contributions.

Other supplementary information. The combining and individual fund schedules referred to previously in connection with the major General Fund, non-major governmental funds, and fiduciary funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

Town of Moultonborough, NH				
Net Position				
	2023	2022	Change	% Change
Current and other assets	\$ 21,617,352	\$ 22,662,361	\$ (1,045,009)	-4.61%
Capital assets, net of depreciation	17,278,021	16,375,011	903,010	5.51%
Total assets	<u>38,895,373</u>	<u>39,037,372</u>	<u>(141,999)</u>	<u>-0.36%</u>
Deferred outflows of resources	<u>1,538,691</u>	<u>1,217,998</u>	<u>320,693</u>	<u>26.33%</u>
Long-term liabilities outstanding	6,876,423	5,259,893	1,616,530	30.73%
Other liabilities	<u>9,170,833</u>	<u>484,634</u>	<u>8,686,199</u>	<u>1792.32%</u>
Total Liabilities	<u>16,047,256</u>	<u>5,744,527</u>	<u>10,302,729</u>	<u>179.35%</u>
Deferred inflows of resources	<u>3,588,760</u>	<u>13,420,050</u>	<u>(9,831,290)</u>	<u>-73.26%</u>
Net investment in capital assets	17,264,403	16,348,521	915,882	5.60%
Restricted net position	794,872	515,671	279,201	54.14%
Unrestricted net position	<u>2,738,773</u>	<u>4,226,601</u>	<u>(1,487,828)</u>	<u>35.20%</u>
Total net position	<u>\$ 20,798,048</u>	<u>\$ 21,090,793</u>	<u>\$ (292,745)</u>	<u>-1.39%</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the 2023 fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,798,048. There was a \$292,745 decrease in net position during this period. This decrease includes an increase in net investment in capital assets of \$915,882, an increase in restricted net position of \$279,201, and a decrease in unrestricted net position of \$1,487,828.

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The largest portion of the Town's net position \$17,264,403 (83%) reflects its investment in capital assets (e.g., land, buildings, vehicles and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town's note payable at year-end of (\$13,618) is our only capital assets related debt. The Town uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$794,872 (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$2,738,773 (13%) may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Moultonborough, NH Changes in Net position				
	2023	2022	Change	% Change
Expenses:				
General government	\$ 2,760,555	\$ 3,447,143	\$ (686,588)	-19.92%
Public safety	2,797,580	3,899,617	(1,102,037)	-28.26%
Highways and streets	3,090,830	3,939,596	(848,766)	-21.54%
Sanitation	863,267	1,105,148	(241,881)	-21.89%
Health and welfare	102,780	215,798	(113,018)	-52.37%
Culture and recreation	1,186,727	1,604,120	(417,393)	-26.02%
Conservation	766	28,691	(27,925)	-97.33%
Interest on short-term debt	322	5,142	(4,820)	-93.74%
Total expenditures	<u>10,802,827</u>	<u>14,245,255</u>	<u>(3,442,428)</u>	<u>-24.17%</u>
Program revenues:				
Charges for services	402,372	464,577	(62,205)	-13.39%
Operating grants and contributions	368,905	276,954	91,951	33.20%
Capital grants and contributions	-	101,902	(101,902)	-100.00%
General revenues:				
Property taxes and other taxes	6,199,380	9,051,735	(2,852,355)	-31.51%
Licenses and permits	2,196,944	3,205,282	(1,008,338)	-31.46%
Grants and contributions not related to a specific program	614,838	304,314	310,524	102.04%
Unrestricted investment earnings	188,545	(198,322)	386,867	195.07%
Miscellaneous	539,098	324,532	214,566	66.12%
Total revenues	<u>10,510,082</u>	<u>13,530,974</u>	<u>\$ (3,020,892)</u>	<u>-22.33%</u>
Beginning net position	21,090,793	21,805,074		
Ending net position	<u>20,798,048</u>	<u>21,090,793</u>		
Change in net position	<u>\$ (292,745)</u>	<u>\$ (714,281)</u>		

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Governmental activities. The Town has no business-type activities therefore governmental activities were 100% responsible for the Town's total decline in net position of \$292,745. The increase in Net Pension Liability of \$1,645,766 contributed to this decline.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of June 30, 2023, the Town's governmental funds reported combined ending fund balances of \$9,176,363 a decrease of \$1,174,485 in comparison with the prior year. Of this total amount, \$4,610,824 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is classified as either non-spendable, restricted, committed or assigned to indicate that it is not available for new spending. The 2023 non-spendable fund balance includes permanent fund principal used to generate income for purposes that support the Town's programs at the municipal library (\$114,330) and the cemeteries (\$21,171). The restricted fund balance includes donated funds to, the library of (\$218,653), donated funds for recreation facilities improvements of (\$26,152), donated funds for the heritage commission of (\$720), donated funds for sidewalk and crosswalk maintenance of (\$5,620), donated funds for the fire department of (\$89,014), donated funds for the acquisition of land around Lee Pond in the amount of (\$18,675) and donated funds for the Ames Memorial of (\$279,740). The remaining restricted amount (\$20,797) represents library and cemetery income in the permanent funds.

The general fund is the chief operating fund of the Town. As of June 30, 2023, unassigned fund balance of the general fund was \$4,610,824 while total fund balance for all governmental funds was \$9,176,363. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (39.7%) and total fund balance (79.0%) to total general fund expenditures of \$11,611,229.

As defined by the Town's Fund Balance Policy, based upon our best estimates of the fiscal 2024 budgets for other entities, the unassigned fund balance will be approximately 15.5% of total appropriations (including School and County taxes) in comparison to the target of 12.5%. The 2024 budget was passed using none of this unassigned fund balance.

The total fund balance of the general fund decreased to \$7,910,376 during the fiscal year ended 6/30/2023. Final revenues and other financing sources exceeded 2023 budgeted estimates by \$842,774 and the Town under-expended its final expenditures and other financing uses budget by \$38,742.

There are twelve non-major governmental funds with a total fund balance of \$1,265,987 which experienced an increase of \$346,261 from the prior year.

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

General Fund Budgetary Highlights

During the fiscal year, the original budget for appropriations decreased by \$577,461. This decrease is the result of approved appropriations of \$577,461 being carried forward to fiscal year 2024.

The Town under-expended its 2023 budget by \$38,742. In large part, this under expenditure resulted from savings in the wages and benefit lines due to employee turnover during the fiscal year. As employees were reclassified, or resigned their employment with the town, it resulted in a vacancy. Budgetary basis accounting requires that the 2023 encumbrances of \$577,461 be removed from the current expenditures when comparing this budget to actual. The June 30, 2022, encumbrances were \$123,555 and added as current year expenditures.

Capital Assets and Debt Administration

Capital Assets. The Town of Moultonborough considers a capital asset to be an asset whose cost exceeds \$5,000 and which has a useful life of greater than one (1) year. The Town depreciates its assets using the straight-line method over the course of their useful life beginning in the year of acquisition.

The total investment in capital assets for governmental activities at year end amounted to \$17,278,021 (net of accumulated depreciation), an increase of \$903,010 from the previous year. This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities and roads.

Major capital asset events during the current fiscal year included building a retaining wall and installing six docks at Lees Mills. The purchase of two 2022 Ram 3500 Chassis Cabs, a 2023 plow retrofitted to the 2022 Dodge Ram 5500 purchased in 2022, two 2021 Ford police interceptor utility vehicles, and two monitor/defibrillators. The Town also completed improvements to States Landing. Finally, the Town completed three rehab/reconstruction road projects including States Landing Road, Ferry Road, and Old Log Island Road.

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Capital Assets
(net of depreciation)
Governmental Activities

	2023	2022	Change	% Change
At cost:				
Not being depreciated:				
Land	\$ 1,012,084	\$ 1,012,084	\$ -	0.00%
Construction in progress	-	1,274,994	(1,274,994)	-100.00%
Total capital assets not being depreciated	1,012,084	2,287,078	(1,274,994)	-55.75%
Being depreciated:				
Land improvements	3,657,668	2,406,688	1,250,980	51.98%
Buildings and building improvements	7,601,328	7,008,822	592,506	8.45%
Machinery, equipment and vehicles	7,217,502	6,751,243	466,259	6.91%
Infrastructure	9,117,205	8,062,505	1,054,700	13.08%
Total capital assets being depreciated	27,593,703	24,229,258	3,364,445	13.89%
Total all capital assets	28,605,787	26,516,336	2,089,451	7.88%
Less accumulated depreciation:				
Land improvements	(1,126,791)	(987,948)	(138,843)	14.05%
Buildings and building improvements	(2,873,050)	(2,678,415)	(194,635)	7.27%
Machinery, equipment and vehicles	(3,788,595)	(3,419,654)	(368,941)	10.79%
Infrastructure	(3,539,330)	(3,055,308)	(484,022)	15.84%
Total accumulated depreciation	(11,327,766)	(10,141,325)	(1,186,441)	11.70%
Net book value, capital assets being depreciated	16,265,937	14,087,933	2,178,004	15.46%
Net book value, all capital assets	\$ 17,278,021	\$ 16,375,011	\$ 903,010	5.51%

Additional information on capital assets can be found in Note 7 of the basic financial statements.

Long-Term Obligations. At the end of the current fiscal year, total bonded debt outstanding remained at zero. Notes payable was \$13,618 which is a \$12,872 decrease from the prior year due to the scheduled/budgeted payments on the existing obligation.

Outstanding Debt
Governmental Activities
General Obligation Bonds and Capital Lease Payable

	2023	2022	Change	% Change
Note payable - direct borrowings	\$ 13,618	\$ 26,490	\$ (12,872)	-48.59%
Compensated absences	244,527	259,874	(15,347)	-5.91%
Net pension liability	5,937,970	4,292,204	1,645,766	38.34%
Net otherpostemployment benefits	680,308	681,325	(1,017)	-0.15%
Total	\$ 6,876,423	\$ 5,259,893	\$ 1,616,530	30.73%

The balance of compensated absences payable of \$244,527 had a net decrease of \$15,347 in potential future payments.

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The net Other Post-Employment Benefits (OPEB) obligation as of June 30, 2023 was \$680,308 which consists of \$366,428 for the Cost-Sharing Multiple Employer Plan and \$313,880 for the Single Employer Plan. The Single Employer Plan represents the value provided to retirees through an implicit rate subsidy gained through lower insurance premiums than what a retiree might otherwise pay if they were on a different plan from other employees. The Town employs a *pay-as-you-go* basis to fund the plan and has not advance funded its obligation; therefore, the liability will continue to increase. The Cost-Sharing Multiple Employer Plan is administrated by the New Hampshire Retirement System (NHRS) which provides a medical insurance subsidy to qualified retired members.

The Net Pension Liability as of June 30, 2023, was \$5,937,970. This represents the Town's proportionate share of the New Hampshire Retirement System's total net pension liability, which is required to be reported due to the Town's participation in the cost-sharing multiple employer defined benefit pension plan.

See Note 11, 12 and 13, to the basic financial statements, for additional information for all long-term liabilities.

Economic Factors, Rates and 2021-22 Budget

The NH Department of Revenue Administration (DRA) sets the Annual Tax Rate for the Town of Moultonborough based on the Annual Budget approved at Town Meeting and adjusted for actual revenues and expenditures throughout the year. The Town collects property taxes to fund its own operations and that of School Administrative Unit #45. The property tax also pays the levy placed on the Town by Carroll County and the State of New Hampshire in the Statewide Property Tax for Education. The Town bills for property taxes semi-annually. Tax billing occurs according to the laws of the State of New Hampshire, under the supervision of the DRA. The first billing utilizes the actual tax rate for the year as established by the New Hampshire DRA applied to the current year's assessment. The second billing is an estimate based on the previous year's tax rate applied to the current year's assessments. This bill is issued in May and due July 1. For that reason, the revenue is deferred to the new fiscal year. In the 2023 fiscal year, tax revenue was realized in July and November of 2022.

The 2022 tax rate was set during the fiscal year ending June 30, 2023. The following is a comparison of the 2022 to the 2021 tax rates:

	2022	2021
Town rate	\$ 1.25	\$ 2.33
Local school rate	1.76	1.97
State school rate	0.97	1.67
County rate	0.80	1.01
Total rate	<u>\$ 4.78</u>	<u>\$ 6.98</u>
Assessed value (in thousands)	\$ 4,892,023	\$ 3,943,561

**TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The Town's assessing contractor, Whitney Consulting Group (WCG), completed a town-wide statistical revaluation for the 2023 tax year. The revaluation was based on a sales analysis of 271 qualified sales, occurring between April 1, 2021, and March 31, 2023. The qualified sales consisted of 265 residential (71 vacant & 194 improved) sales and six commercial (2 vacant & 4 improved) sales. The residential sales included 46 waterfront properties, 74 water access properties, 13 condominiums and 25 boat slip/racks. The results of the revaluation indicate that the town-wide, overall assessed value increased by approximately 15.8%. Overall, residential values increased by 15.7%, while commercial/industrial properties increased by approximately 21.9%. The residential-waterfront subgroup had the highest overall increase (16.5%) in value.

Requests for Information

This financial report provides our citizens and creditors with a general overview of the Town of Moultonborough's finances. It demonstrates accountability for the funds the Town receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administration Department, or the Board of Selectmen, at P.O. Box 139, Moultonborough, NH 03254. You may also call them at (603) 476-2347, stop by Town Hall at 6 Holland Street, or visit our website at www.moultonboroughnh.gov and click on *Departments and Boards* for our various email addresses.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 16,248,580
Investments	3,567,466
Taxes receivables (net)	1,789,741
Account receivables	7,872
Intergovernmental receivable	3,693
Capital assets, not being depreciated	1,012,084
Capital assets, net of accumulated depreciation	16,265,937
Total assets	<u>38,895,373</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	1,501,939
Amounts related to other postemployment benefits	36,752
Total deferred outflows of resources	<u>1,538,691</u>
LIABILITIES	
Accounts payable	453,229
Accrued salaries and benefits payable	165,962
Accrued interest payable	322
Intergovernmental payable	8,541,320
Escrow and performance deposits	10,000
Long-term liabilities:	
Due within one year	29,933
Due in more than one year	6,846,490
Total liabilities	<u>16,047,256</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	3,049,115
Unavailable revenue - grants and donations	225,122
Amounts related to pensions	314,523
Total deferred inflows of resources	<u>3,588,760</u>
NET POSITION	
Net investment in capital assets	17,264,403
Restricted	794,872
Unrestricted	2,738,773
Total net position	<u><u>\$ 20,798,048</u></u>

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

EXHIBIT B
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Change In
	Expenses	Services	Contributions	Net Position
General government	\$ 2,760,555	\$ -	\$ -	\$ (2,760,555)
Public safety	2,797,580	18,398	71,211	(2,707,971)
Highways and streets	3,090,830	8,934	273,910	(2,807,986)
Sanitation	863,267	268,653	-	(594,614)
Welfare	102,780	-	-	(102,780)
Culture and recreation	1,186,727	106,387	23,784	(1,056,556)
Conservation	766	-	-	(766)
Interest on long-term debt	322	-	-	(322)
Total governmental activities	<u>\$ 10,802,827</u>	<u>\$ 402,372</u>	<u>\$ 368,905</u>	<u>(10,031,550)</u>
General revenues and contributions:				
Taxes:				
Property				5,952,314
Other				247,066
Motor vehicle permit fees				2,020,651
Licenses and other fees				176,293
Grants and contributions not restricted to specific programs				614,838
Unrestricted investment earnings				188,545
Miscellaneous				539,098
Total general revenues				<u>9,738,805</u>
Change in net position				(292,745)
Net position, beginning				<u>21,090,793</u>
Net position, ending				<u>\$ 20,798,048</u>

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

EXHIBIT C-1
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 15,949,987	\$ 298,593	\$ 16,248,580
Investments	2,617,348	950,118	3,567,466
Taxes receivable	1,814,741	-	1,814,741
Accounts receivable (net)	7,872	-	7,872
Intergovernmental receivable	3,693	-	3,693
Interfund receivable	-	21,193	21,193
Total assets	<u>\$ 20,393,641</u>	<u>\$ 1,269,904</u>	<u>\$ 21,663,545</u>
LIABILITIES			
Accounts payable	\$ 449,312	\$ 3,917	\$ 453,229
Accrued salaries and benefits payable	165,962	-	165,962
Intergovernmental payable	8,541,320	-	8,541,320
Interfund payable	21,193	-	21,193
Escrow and performance deposits	10,000	-	10,000
Total liabilities	<u>9,187,787</u>	<u>3,917</u>	<u>9,191,704</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	3,070,356	-	3,070,356
Unavailable revenue - Grants and donations	225,122	-	225,122
Total deferred inflows of resources	<u>3,295,478</u>	<u>-</u>	<u>3,295,478</u>
FUND BALANCES			
Nonspendable	-	135,501	135,501
Restricted	218,653	440,718	659,371
Committed	2,503,438	689,768	3,193,206
Assigned	577,461	-	577,461
Unassigned	4,610,824	-	4,610,824
Total fund balances	<u>7,910,376</u>	<u>1,265,987</u>	<u>9,176,363</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,393,641</u>	<u>\$ 1,269,904</u>	<u>\$ 21,663,545</u>

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

EXHIBIT C-2
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2023

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 9,176,363
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 28,605,787	
Less accumulated depreciation	<u>(11,327,766)</u>	
		17,278,021
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 1,501,939	
Deferred inflows of resources related to pensions	(314,523)	
Deferred outflows of resources related to OPEB	<u>36,752</u>	
		1,224,168
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (21,193)	
Payables	<u>21,193</u>	
		-
Other long-term assets are not available to pay for current period expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds.		21,241
Allowance for uncollectible property taxes that is recognized on the full accrual basis, but not on the modified accrual.		(25,000)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(322)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Note	\$ 13,618	
Compensated absences	244,527	
Net pension	5,937,970	
Other postemployment benefits	<u>680,308</u>	
		(6,876,423)
Net position of governmental activities (Exhibit A)		<u>\$ 20,798,048</u>

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

EXHIBIT C-3
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 6,167,152	\$ 20,000	\$ 6,187,152
Licenses and permits	2,196,944	-	2,196,944
Intergovernmental	983,743	-	983,743
Charges for services	277,587	124,785	402,372
Miscellaneous	465,057	352,285	817,342
Total revenues	10,090,483	497,070	10,587,553
EXPENDITURES			
Current:			
General government	2,448,956	2,607	2,451,563
Public safety	2,589,314	40,842	2,630,156
Highways and streets	3,365,501	-	3,365,501
Sanitation	825,800	-	825,800
Welfare	102,780	-	102,780
Culture and recreation	967,413	106,594	1,074,007
Conservation	-	766	766
Capital outlay	1,311,465	-	1,311,465
Total expenditures	11,611,229	150,809	11,762,038
Net change in fund balances	(1,520,746)	346,261	(1,174,485)
Fund balances, beginning	9,431,122	919,726	10,350,848
Fund balances, ending	\$ 7,910,376	\$ 1,265,987	\$ 9,176,363

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

EXHIBIT C-4
TOWN OF MOULTONBOROUGH, 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 June 30, 2023

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (1,174,485)
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as		
Capitalized capital outlay	\$ 2,259,354	
Depreciation expense	<u>(1,356,344)</u>	903,010
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue	\$ (52,471)	
Change in allowance for uncollectible property taxes	<u>(25,000)</u>	(77,471)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of note		12,872
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.		
Increase in accrued interest expense	\$ (322)	
Decrease in compensated absences payable	15,347	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	1,829	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>26,477</u>	43,331
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ (292,745)</u></u>

EXHIBIT D
TOWN OF MOULTONBOROUGH, 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 June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 6,017,604	\$ 6,089,681	\$ 72,077
Licenses and permits	1,920,548	2,196,944	276,396
Intergovernmental	836,518	983,743	147,225
Charges for services	218,499	277,587	59,088
Miscellaneous	286,348	321,665	35,317
Total revenues	<u>9,279,517</u>	<u>9,869,620</u>	<u>590,103</u>
EXPENDITURES			
Current:			
General government	2,544,755	2,460,956	83,799
Public safety	3,391,731	2,572,181	819,550
Highways and streets	3,658,356	3,818,565	(160,209)
Sanitation	846,912	825,800	21,112
Welfare	107,581	102,780	4,801
Culture and recreation	996,791	973,795	22,996
Capital outlay	547,000	1,300,307	(753,307)
Total expenditures	<u>12,093,126</u>	<u>12,054,384</u>	<u>38,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,813,609)</u>	<u>(2,184,764)</u>	<u>628,845</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	590,609	843,280	252,671
Transfers out	(427,000)	(427,000)	-
Total other financing sources (uses)	<u>163,609</u>	<u>416,280</u>	<u>252,671</u>
Net change in fund balances	<u>\$ (2,650,000)</u>	<u>(1,768,484)</u>	<u>\$ 881,516</u>
Unassigned fund balance, beginning		6,375,549	
Unassigned fund balance, ending		<u>\$ 4,607,065</u>	

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

EXHIBIT E-1
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	Private Purpose Trust	All Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 15,312	\$ 56,697	\$ 72,009
Investments	136,643	1,066,791	1,203,434
Intergovernmental receivables	-	8,541,320	8,541,320
Total assets	<u>151,955</u>	<u>9,664,808</u>	<u>9,816,763</u>
LIABILITIES			
Intergovernmental payables:			
School	-	6,594,108	6,594,108
County	-	1,947,212	1,947,212
Total liabilities	<u>-</u>	<u>8,541,320</u>	<u>8,541,320</u>
NET POSITION			
Restricted	<u>\$ 151,955</u>	<u>\$ 1,123,488</u>	<u>\$ 1,275,443</u>

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

EXHIBIT E-2
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust	All Custodial Funds	Total
ADDITIONS			
Contributions	\$ 6,243	\$ 14,700	\$ 20,943
Investment earnings	3,600	26,455	30,055
Change in fair market value of investments	3,153	1,060	4,213
Taxes collected for other governments	-	17,211,044	17,211,044
Fees collected for the State of New Hampshire	-	709,981	709,981
Total additions	<u>12,996</u>	<u>17,963,240</u>	<u>17,976,236</u>
DEDUCTIONS			
Benefits paid	11,555	-	11,555
Administrative expenses	-	7,000	7,000
Payments of taxes to other governments	-	17,211,044	17,211,044
Payments of motor vehicle fees to State	-	709,981	709,981
Payments for escrow purposes	-	24,629	24,629
Total deductions	<u>11,555</u>	<u>17,952,654</u>	<u>17,964,209</u>
Net increase in fiduciary net position	1,441	10,586	12,027
Net position, beginning	150,514	1,112,902	1,263,416
Net position, ending	<u>\$ 151,955</u>	<u>\$ 1,123,488</u>	<u>\$ 1,275,443</u>

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

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Moultonborough, 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 Moultonborough 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 Statement No. 14 (as amended). 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.

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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

The Town reports the following major governmental fund:

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

Additionally, the Town reports the following fund types:

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

Permanent Fund – is used to record activity of legal trusts for which the interest on the corpus provides funds for the permanent funds including 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 twelve nonmajor governmental funds.

Fiduciary Fund Financial Statements – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary funds:

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

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

1-C Cash and Cash Equivalents

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

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

1-D Investments

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

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

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

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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 – Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g. an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

Level 2 – The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.

Level 3 – Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

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.

1-E Receivables

Receivables recorded in the financial statements represent amounts due to the Town at June 30. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-F Capital Assets

Capital assets are reported in the government-wide financial statements, but are not reported in the fund financial statements. 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 recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

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

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Capital assets of the Town are depreciated (except for land and construction on progress which are not depreciated) using the straight-line method over the following estimated useful lives:

Capital Asset Classes:	<u>Years</u>
Land improvements	10 - 30
Buildings and building improvements	15 - 50
Machinery, equipment and vehicles	3 - 25
Infrastructure	10 - 30

1-G 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." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

1-H Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 12, 2022 and November 18, 2022, and due on July 1, 2022 and January 11, 2023. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at June 30, 2023 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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

The Town net assessed valuation as of April 1, 2022 utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 4,892,023,118
Total assessment valuation without utilities	\$ 4,862,373,529

The tax rates and amounts assessed for the year ended June 30, 2023 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$1.25	\$ 6,144,066
School portion:		
State of New Hampshire	\$0.97	4,698,493
Local	\$1.76	8,588,853
County portion	\$0.80	3,923,698
Precinct portions:		
Bay District	\$0.00	-
Total	<u>\$4.78</u>	<u>\$ 23,355,110</u>

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1-I Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2023.

1-J Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

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.

1-K Compensated Absences

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

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

1-L 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 transaction:

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

1-M Defined Benefit Pension Plan

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

The schedules prepared by 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-N Postemployment Benefits Other Than Pensions (OPEB)

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

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions

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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-O Net Position/Fund Balances

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

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any notes that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital 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.

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 practice 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.

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It is the Town's intent to maintain a target level of 12.5% of its total gross annual appropriations in the unassigned fund balance in the general fund. The target shall be calculated by dividing the unassigned fund balance at year end of a given fiscal year by the total of the annual gross appropriations or levies upon the community to include the Town, County, School District, and State-wide Education Property for the current fiscal year. Amounts above that may be considered excess.

If the unassigned fund balance drops below the target level, the Town Administrator shall so notify the Board making recommendations as to advisable actions for its consideration, including but not limited to, a spending or hiring freeze until the unassigned fund balance has recovered to the target level. If this cannot be accomplished in a prudent manner over a period of three years, the Board shall consider recommended revenue increases in the next budget year.

Excess unassigned fund balance may be expended for the following: emergency situations which may cause an over-expenditure of total appropriations in accordance with the provisions of RSA 32:11, to reduce the property tax rate, to fund underfunded trust funds or capital reserves, or to increase capital outlay beyond that normally anticipated.

1-P Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2023, \$2,650,000 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for each major governmental fund which had a budget.

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 10,712,900
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
To record revenue of the blended funds	143,392
To eliminate transfers between the general fund and blended funds	(843,280)
Change in deferred tax revenue relating to 60-day revenue recognition	
recognized as revenue on the GAAP basis, but not on the budgetary basis	52,471
Change in allowance for uncollectible property taxes	25,000
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,090,483</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$ 12,481,384
Adjustments:	
Basis differences:	
Encumbrances, beginning	123,555
Encumbrances, ending	(577,461)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	10,751
To eliminate transfers between the general fund and blended funds	(427,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 11,611,229</u>

2-C Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

At June 30, 2023, the reported amount of the Town's deposits was \$16,320,589 and the bank balance was \$16,254,863. Of the bank balance \$16,248,863 was covered by federal depository insurance or by collateral held by the pledging bank or pledging bank's trust department in the Town's name, \$3,756,971 was uninsured and uncollateralized, and \$181,447 was held in short-term investments not subject to custodial credit risk disclosure.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 16,248,580
Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)	72,009
Total cash and cash equivalents	<u>\$ 16,320,589</u>

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NOTE 4 – INVESTMENTS

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Hierarchy		Total
	Level 1	Level 2	
Investments type:			
Common stock	\$ 966,109	\$ -	\$ 966,109
Corporate bonds	-	2,603,419	2,603,419
Certificates of deposit	48,183	-	48,183
Equity exchange traded funds	244,783	-	244,783
Equity mutual funds	208,553	-	208,553
Fixed income exchange traded funds	-	104,958	104,958
Fixed income mutual funds	-	58,991	58,991
U.S. Government agency bonds	-	535,904	535,904
Total fair value of investments	<u>\$ 1,467,628</u>	<u>\$ 3,303,272</u>	<u>\$ 4,770,900</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 has the following remaining maturities as of June 30, 2023:

Investments Type	Reported Balance	Exempt from Disclosure	Remaining Maturity (in Years)		
			Less than 1	1-5	5-10
Common stock	\$ 966,109	\$ 966,109	\$ -	\$ -	\$ -
Corporate bonds	2,603,419	-	442,864	2,089,052	71,503
Certificates of deposit	48,183	-	48,183	-	-
Equity exchange traded funds	244,783	244,783	-	-	-
Equity mutual funds	208,553	208,553	-	-	-
Fixed income exchange traded funds	104,958	104,958	-	-	-
Fixed income mutual funds	58,991	58,991	-	-	-
U.S. Government agency bonds	535,904	-	99,628	436,276	-
Total	<u>\$ 4,770,900</u>	<u>\$ 1,583,394</u>	<u>\$ 590,675</u>	<u>\$ 2,525,328</u>	<u>\$ 71,503</u>

Credit Risk - The Town has no formal policy on managing credit risk; however, state law limits investments as explained in Note 1-D. As of June 30, 2023, the Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt From Disclosure	Rating as of Year End		
			AAA	Aa	A
Common stock	\$ 966,109	\$ 966,109	\$ -	\$ -	\$ -
Corporate bonds	2,603,419	-	-	24,234	2,579,185
Certificates of deposit	48,183	48,183	-	-	-
Equity exchange traded funds	244,783	244,783	-	-	-
Equity mutual funds	208,553	208,553	-	-	-
Fixed income exchange traded funds	104,958	104,958	-	-	-
Fixed income mutual funds	58,991	58,991	-	-	-
U.S. Government agency bonds	535,904	-	535,904	-	-
Total	<u>\$ 4,770,900</u>	<u>\$ 1,631,577</u>	<u>\$ 535,904</u>	<u>\$ 24,234</u>	<u>\$ 2,579,185</u>

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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. All the Town's investments are held by third parties in the Town's name.

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 Qualcomm Inc. and the Federal Home Loan Bank. These investments are 5.2% and 6.3%, respectively, of the Town's total investments.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 3,567,466
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	1,203,434
Total investments	<u>\$ 4,770,900</u>

NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of June 30, 2023. The amount has been reduced by an allowance for an estimated uncollectible amount of \$25,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2023	\$ 1,719,295	\$ 1,719,295
Unredeemed (under tax lien):		
Levy of 2022	40,750	40,750
Levy of 2021	32,819	32,819
Levy of 2020	10,533	10,533
Levies of 2019 and prior	7,370	7,370
Yield	3,974	3,974
Less: allowance for estimated uncollectible taxes	(25,000) *	-
Net taxes receivable	<u>\$ 1,789,741</u>	<u>\$ 1,814,741</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 full accrual basis of accounting (Exhibits A and B).

NOTE 6 – OTHER RECEIVABLES

Receivables at June 30, 2023, consisted of accounts (user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of June 30, 2023 for the Town, including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	General Fund	Fiduciary Funds
Receivables:			
Accounts	\$ 7,872	\$ 7,872	\$ -
Intergovernmental	3,693	3,693	8,541,320
Net total receivables	<u>\$ 11,565</u>	<u>\$ 11,565</u>	<u>\$ 8,541,320</u>

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

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NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 1,012,084	\$ -	\$ -	\$ 1,012,084
Construction in progress	1,274,994	-	(1,274,994)	-
Total capital assets not being depreciated	<u>2,287,078</u>	<u>-</u>	<u>(1,274,994)</u>	<u>1,012,084</u>
Being depreciated:				
Land improvements	2,406,688	1,250,980	-	3,657,668
Buildings and building improvements	7,008,822	592,506	-	7,601,328
Machinery, equipment, and vehicles	6,751,243	636,162	(169,903)	7,217,502
Infrastructure	8,062,505	1,054,700	-	9,117,205
Total capital assets being depreciated	<u>24,229,258</u>	<u>3,534,348</u>	<u>(169,903)</u>	<u>27,593,703</u>
Total all capital assets	<u>26,516,336</u>	<u>3,534,348</u>	<u>(1,444,897)</u>	<u>28,605,787</u>
Less accumulated depreciation:				
Land improvements	(987,948)	(138,843)	-	(1,126,791)
Buildings and building improvements	(2,678,415)	(194,635)	-	(2,873,050)
Machinery, equipment, and vehicles	(3,419,654)	(538,844)	169,903	(3,788,595)
Infrastructure	(3,055,308)	(484,022)	-	(3,539,330)
Total accumulated depreciation	<u>(10,141,325)</u>	<u>(1,356,344)</u>	<u>169,903</u>	<u>(11,327,766)</u>
Net book value, capital assets being depreciated	<u>14,087,933</u>	<u>2,178,004</u>	<u>-</u>	<u>16,265,937</u>
Net book value, all governmental activities capital assets	<u>\$ 16,375,011</u>	<u>\$ 2,178,004</u>	<u>\$ (1,274,994)</u>	<u>\$ 17,278,021</u>

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	\$ 96,858
Public safety	328,991
Highways and streets	769,227
Sanitation	38,707
Culture and recreation	122,561
Total depreciation expense	<u>\$ 1,356,344</u>

NOTE 8 – INTERFUND BALANCES

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor	General	<u>\$ 21,193</u>

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

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NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at June 30, 2023 consist of the following

	Governmental Activities	General Fund	Fiduciary Funds
Property taxes due to Custodial Fund	\$ 8,541,320	\$ 8,541,320	\$ -
Property taxes due to the Moultonborough School District	-	-	6,594,108
Property taxes due to Carroll County	-	-	1,947,212
Total intergovernmental payables due	<u>\$ 8,541,320</u>	<u>\$ 8,541,320</u>	<u>\$ 8,541,320</u>

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

³. Property taxes due to the Moultonborough School District and Carroll County represent amounts collected by the Town that will be paid to the School District and County in the next calendar year.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are as follows:

	Governmental Activities
Amounts related to pensions, see Note 12	\$ 1,501,939
Amounts related to OPEB, see Note 13	36,752
Total deferred inflows of resources	<u>\$ 1,538,691</u>

Deferred inflows of resources are as follows:

	Governmental Activities	General Fund
Property tax revenue committed, but not due until subsequent period	\$ 3,049,115	\$ 3,049,115
Deferred property taxes not collected within 60 days of fiscal year-end	-	21,241
Federal and State grant revenue collected in advance of eligible expenditures being made	225,122	225,122
Amounts related to pensions, see Note 12	314,523	-
Total deferred inflows of resources	<u>\$ 3,588,760</u>	<u>\$ 3,295,478</u>

NOTE 11 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year	Due In More Than One Year
Note payable - direct borrowings	\$ 26,490	\$ -	\$ (12,872)	\$ 13,618	\$ 13,618	\$ -
Compensated absences	259,874	-	(15,347)	244,527	16,315	228,212
Net pension liability	4,292,204	1,645,766	-	5,937,970	-	5,937,970
Net other postemployment benefits	681,325	32,238	(33,255)	680,308	-	680,308
Total long-term liabilities	<u>\$ 5,259,893</u>	<u>\$ 1,678,004</u>	<u>\$ (61,474)</u>	<u>\$ 6,876,423</u>	<u>\$ 29,933</u>	<u>\$ 6,846,490</u>

Long-term note is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2023
Note payable - direct borrowing: 2019 Ford E450	\$ 61,032	2018	2024	5.79%	<u>\$ 13,618</u>

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The annual requirements to amortize the note outstanding as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30, 2024	Note - Direct Borrowings		
	Principal	Interest	Total
	<u>\$ 13,618</u>	<u>\$ 788</u>	<u>\$ 14,406</u>

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.

NOTE 12 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers with in 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. 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 members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2022, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$572,760, which was paid in full.

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Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2023 the Town reported a liability of \$5,937,970 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town's proportion was .10% which was the same as its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$548,376. At June 30, 2023 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	\$ 276,840	\$ 291,728
Changes in assumptions	315,853	-
Net difference between projected and actual investment earnings on pension plan investments	225,041	-
Differences between expected and actual experience	111,445	22,795
Contributions subsequent to the measurement date	572,760	-
Total	<u>\$ 1,501,939</u>	<u>\$ 314,523</u>

The \$572,760 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 June 30, 2024. 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 June 30,	
2023	\$ 197,036
2024	167,576
2025	(119,710)
2026	369,754
2027	-
Thereafter	-
Totals	<u>\$ 614,656</u>

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

Inflation:	2.0%
Salary increases:	5.4% average, including inflation
Wage inflation:	2.75% (2.25% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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

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Following is a table presenting target allocations and long-term rates of return for 2022:

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 7,967,259	\$ 5,937,970	\$ 4,250,804

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

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

13-A New Hampshire Retirement System (NHRS)

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

Benefits Provided – Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree,

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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 2023 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 2022, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2023, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2023 was \$35,751, which was paid in full.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB – At June 30, 2023, the Town reported a liability of \$366,428 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town's proportion was .10% which was an increase of .02% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$67,396. At June 30, 2023, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,001
Contributions subsequent to the measurement date	35,751
Total	<u>\$ 36,752</u>

The \$35,751 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 June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2023	\$ 166
2024	43
2025	(394)
2026	1,186
2027	-
Thereafter	-
Totals	<u>\$ 1,001</u>

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2022:

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

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 397,820	\$ 366,428	\$ 339,088

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

13-B Town of Moultonborough Retiree Health Benefit Program

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

Benefits Provided – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At June 30, 2023, 43 active employees were covered by the benefit terms.

Total OPEB Liability – The Town’s total OPEB liability of \$313,880 was measured as of June 30, 2023, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.13%
Healthcare Cost Trend Rates:	
Current Year Trend	4.70%
Second Year Trend	4.80%
Decrement	0.10%
Ultimate Trend	4.20%
Year Ultimate Trend is Reached	2031
Salary Increases:	2.80%

The discount rate was based on index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of June 30, 2023.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Changes in the Total OPEB Liability

	June 30,	
	2022	2023
OPEB liability beginning of year	\$ 370,388	\$ 347,135
Changes for the year:		
Service cost	38,062	52,394
Interest	8,659	14,143
Assumption changes and difference between actual and expected experience	(69,974)	(99,792)
OPEB liability end of year	<u>\$ 347,135</u>	<u>\$ 313,880</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The June 30, 2023 actuarial valuation was prepared using a discount rate of 4.13%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$287,190 or by 8.5%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$345,065 or by 9.9%.

	Discount Rate		
	1% Decrease	Baseline 4.13%	1% Increase
Total OPEB Liability	\$ 345,065	\$ 313,880	\$ 287,190

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The June 30, 2023 actuarial valuation was prepared using an initial trend rate of 4.70%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$361,045 or by 15.0%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$274,682 or by 12.5%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 4.70%	1% Increase
Total OPEB Liability	\$ 274,682	\$ 313,880	\$ 361,045

OPEB Benefit – For the year ended June 30, 2023, the Town recognized OPEB benefit of \$33,255.

NOTE 14 - ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at June 30, 2023 are as follows:

General fund:	
General government	\$ 12,000
Highways and streets	453,064
Capital outlay	112,397
Total encumbrances	<u>\$ 577,461</u>

NOTE 15 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at June 30, 2023 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 17,278,021	\$ -
Less:		
Note payable	(13,618)	-
Total net investment in capital assets	<u>17,264,403</u>	<u>-</u>
Restricted net position:		
Library	218,653	-
Permanent funds - nonexpendable	135,501	-
Permanent funds - expendable	20,797	-
Heritage commission	720	-
Recreation facilities improvements	26,152	-
Lee's pond preservation	18,675	-
Fire trusts	89,014	-
Sidewalk maintenance	5,620	-
Ames memorial	279,740	-
Individuals, organizations, and other governments	-	1,275,443
Total restricted net position	<u>794,872</u>	<u>1,275,443</u>
Unrestricted	<u>2,738,773</u>	<u>-</u>
Total net position	<u>\$ 20,798,048</u>	<u>\$ 1,275,443</u>

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NOTE 16 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at June 30, 2023 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Permanent fund - principal balance	\$ -	\$ 135,501	\$ 135,501
Restricted:			
Library	218,653	-	218,653
Permanent - income balance	-	20,797	20,797
Heritage commission	-	720	720
Recreation facilities improvements	-	26,152	26,152
Lee's pond preservation	-	18,675	18,675
Fire trusts	-	89,014	89,014
Sidewalk maintenance	-	5,620	5,620
Ames memorial	-	279,740	279,740
Total restricted fund balance	<u>218,653</u>	<u>440,718</u>	<u>659,371</u>
Committed:			
Expendable trust	2,503,438	-	2,503,438
Recreation	-	140,416	140,416
Town property acquisition	-	472,156	472,156
Conservation	-	72,677	72,677
Police details	-	4,461	4,461
Fire details	-	58	58
Total committed fund balance	<u>2,503,438</u>	<u>689,768</u>	<u>3,193,206</u>
Assigned:			
Encumbrances	577,461	-	577,461
Unassigned	<u>4,610,824</u>	<u>-</u>	<u>4,610,824</u>
Total governmental fund balances	<u>\$ 7,910,376</u>	<u>\$ 1,265,987</u>	<u>\$ 9,176,363</u>

NOTE 17 – 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 2023, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2022 to June 30, 2023 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2022-23 the Town paid \$91,277 and \$62,106 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.

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NOTE 18 – RELATED PARTY TRANSACTIONS

Financial reporting standards require disclosure of significant related-party transactions, including the nature of the relationship, a description of the transactions, dollar amounts of the transaction, and amounts due to or due from the related party at the financial statement date. No related party transactions requiring financial statement disclosure were identified.

NOTE 19 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 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. No tax abatement programs requiring financial statement disclosure were identified.

NOTE 20 – CONTINGENT LIABILITIES

There are various legal claims and suits pending against the Town which arose in the normal course of the government's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

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 government'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 government anticipates such amounts, if any, will be immaterial.

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through April 4, 2024, the date the June 30, 2023 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF MOULTONBOROUGH, 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 June 30, 2023
Unaudited

Fiscal year-end	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	June 30, 2022**	June 30, 2023
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	June 30, 2022
Town's proportion of the net pension liability	0.13%	0.12%	0.12%	0.11%	0.11%	0.11%	0.11%	0.11%	0.10%	0.10%
Town's proportionate share of the net pension liability	\$ 5,401,360	\$ 4,485,127	\$ 4,744,912	\$ 6,054,082	\$ 5,348,191	\$ 5,097,072	\$ 5,125,712	\$ 6,770,827	\$ 4,292,204	\$ 5,937,970
Town's covered payroll (as of the measurement date)	\$ 2,777,588	\$ 2,680,456	\$ 2,782,627	\$ 2,628,327	\$ 2,558,656	\$ 2,747,896	\$ 2,864,894	\$ 2,939,948	\$ 2,841,612	\$ 4,405,985
Town's proportionate share of the net pension liability as a percentage of its covered payroll	194.46%	167.33%	170.52%	230.34%	209.02%	185.49%	178.91%	230.30%	151.05%	134.77%
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%	65.12%

** For the 18-month period ended June 30, 2022

EXHIBIT G
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Schedule of Town Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
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	June 30, 2022**	June 30, 2023
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	June 30, 2022
Contractually required contribution	\$ 364,888	\$ 382,302	\$ 400,448	\$ 408,216	\$ 414,525	\$ 454,408	\$ 483,283	\$ 448,601	\$ 812,831	\$ 572,760
Contributions in relation to the contractually required contributions	364,888	382,302	400,448	408,216	414,525	454,408	483,283	448,601	812,831	572,760
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$ 2,856,978	\$ 2,609,916	\$ 2,691,587	\$ 2,624,321	\$ 2,609,259	\$ 2,819,043	\$ 2,987,130	\$ 2,881,675	\$ 4,405,985	\$ 3,067,244
Contributions as a percentage of covered payroll	12.77%	14.65%	14.88%	15.56%	15.89%	16.12%	16.18%	15.57%	18.45%	18.67%

** For the 18-month period ended June 30, 2022

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

***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 June 30, 2023. 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 MOULTONBOROUGH, 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 June 30, 2023
Unaudited

Fiscal year-end	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	June 30, 2022 **	June 30, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.07%	0.10%	0.10%	0.10%	0.08%	0.10%
Town's proportionate share of the net OPEB liability (asset)	\$ 330,378	\$ 468,280	\$ 444,858	\$ 416,490	\$ 334,190	\$ 366,428
Town's covered payroll (as of the measurement date)	\$ 2,558,656	\$ 2,747,896	\$ 2,864,894	\$ 2,939,948	\$ 2,841,612	\$ 4,405,985
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.91%	17.04%	15.53%	14.17%	11.76%	8.32%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

** For the 18-month period ended June 30, 2022

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

EXHIBIT I
TOWN OF MOULTONBOROUGH, 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 June 30, 2023
Unaudited

Fiscal year-end	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	June 30, 2022 **	June 30, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 43,033	\$ 45,448	\$ 47,350	\$ 40,335	\$ 56,769	\$ 35,751
Contributions in relation to the contractually required contribution	<u>43,033</u>	<u>45,448</u>	<u>47,350</u>	<u>40,335</u>	<u>56,769</u>	<u>35,751</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll (as of the fiscal year-end)	<u>\$ 2,609,259</u>	<u>\$ 2,819,043</u>	<u>\$ 2,987,130</u>	<u>\$ 2,881,675</u>	<u>\$ 4,405,985</u>	<u>\$ 3,067,244</u>
Contributions as a percentage of covered payroll	1.65%	1.61%	1.59%	1.40%	1.29%	1.17%

** For the 18-month period ended June 30, 2022

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

EXHIBIT J
TOWN OF MOULTONBOROUGH, 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 June 30, 2023
Unaudited

	December 31, 2018	December 31, 2019	December 31, 2020	June 30, 2022 **	June 30, 2023
OPEB liability, beginning of year	\$ 396,127	\$ 314,975	\$ 344,177	\$ 370,388	\$ 347,135
Changes for the year:					
Service cost	29,718	28,704	28,704	38,062	52,394
Interest	7,452	7,452	10,217	8,659	14,143
Assumption changes and difference between actual and expected experience	(118,322)	(6,954)	(12,710)	(69,974)	(99,792)
OPEB liability, end of year	<u>\$ 314,975</u>	<u>\$ 344,177</u>	<u>\$ 370,388</u>	<u>\$ 347,135</u>	<u>\$ 313,880</u>
Covered payroll	<u>\$ 2,478,831</u>	<u>\$ 2,565,006</u>	<u>\$ 2,194,109</u>	<u>\$ 3,788,770</u>	<u>\$ 3,067,244</u>
Total OPEB liability as a percentage of covered payroll	12.71%	13.42%	16.88%	9.16%	10.23%

** For the 18-month period ended June 30, 2022

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

TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

***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 June 30, 2023. 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 – There were no changes in assumptions for the current period.

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at June 30, 2023. 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 MOULTONBOROUGH, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 5,873,931	\$ 5,952,314	\$ 78,383
Land use change	37,000	55,000	18,000
Yield	13,853	5,826	(8,027)
Payment in lieu of taxes	39,627	30,036	(9,591)
Interest and penalties on taxes	53,193	46,505	(6,688)
Total from taxes	<u>6,017,604</u>	<u>6,089,681</u>	<u>72,077</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	-	600	600
Motor vehicle permit fees	1,754,049	2,020,651	266,602
Building permits	111,191	117,868	6,677
Other	55,308	57,825	2,517
Total from licenses, permits, and fees	<u>1,920,548</u>	<u>2,196,944</u>	<u>276,396</u>
Intergovernmental:			
State:			
Meals and rooms distribution	434,176	434,176	-
Highway block grant	146,765	273,910	127,145
Other	255,577	44,995	(210,582)
Federal:			
Other	-	230,662	230,662
Total from intergovernmental	<u>836,518</u>	<u>983,743</u>	<u>147,225</u>
Charges for services:			
Income from departments	<u>218,499</u>	<u>277,587</u>	<u>59,088</u>
Miscellaneous:			
Sale of municipal property	-	20,444	20,444
Interest on investments	83,426	89,699	6,273
Other	202,922	211,522	8,600
Total from miscellaneous	<u>286,348</u>	<u>321,665</u>	<u>35,317</u>
Other financing sources:			
Transfers in	<u>590,609</u>	<u>843,280</u>	<u>252,671</u>
Total revenues and other financing sources	<u>9,870,126</u>	<u>\$ 10,712,900</u>	<u>\$ 842,774</u>
Unassigned fund balance used to reduce tax rate	<u>2,650,000</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 12,520,126</u>		

See Independent Auditor's Report.

SCHEDULE 2
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Major General Fund

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 508,577	\$ 508,091	\$ 12,000	\$ (11,514)
Election and registration	-	28,956	20,788	-	8,168
Financial administration	-	735,066	754,128	-	(19,062)
Revaluation of property	-	364,312	360,373	-	3,939
Planning and zoning	-	489,980	417,855	-	72,125
General government buildings	-	287,724	270,196	-	17,528
Cemeteries	-	35,453	20,757	-	14,696
Insurance, not otherwise allocated	-	94,687	96,768	-	(2,081)
Total general government	-	2,544,755	2,448,956	12,000	83,799
Public safety:					
Police	-	2,108,655	1,518,363	-	590,292
Fire	-	1,085,906	1,053,818	-	32,088
Other	-	197,170	-	-	197,170
Total public safety	-	3,391,731	2,572,181	-	819,550
Highways and streets:					
Highways and streets	-	3,297,428	3,080,810	453,064	(236,446)
Street lighting	-	13,800	18,364	-	(4,564)
Other	-	347,128	266,327	-	80,801
Total highways and streets	-	3,658,356	3,365,501	453,064	(160,209)
Sanitation:					
Solid waste collection	-	846,912	825,800	-	21,112
Welfare:					
Administration and direct assistance	-	10,006	5,205	-	4,801
Vendor payments and other	-	97,575	97,575	-	-
Total welfare	-	107,581	102,780	-	4,801
Culture and recreation:					
Parks and recreation	-	367,175	344,179	-	22,996
Library	-	629,616	629,616	-	-
Total culture and recreation	-	996,791	973,795	-	22,996
Capital outlay	123,555	547,000	1,311,465	112,397	(753,307)
Other financing uses:					
Transfers out	-	427,000	427,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 123,555	\$ 12,520,126	\$ 12,027,478	\$ 577,461	\$ 38,742

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended June 30, 2023

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 6,375,549
Changes:		
Unassigned fund balance used to reduce 2022-2023 tax rate		(2,650,000)
2022-23 Budget summary:		
Revenue surplus (Schedule 1)	\$ 842,774	
Unexpended balance of appropriations (Schedule 2)	38,742	
2022-23 Budget surplus		<u>881,516</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		4,607,065
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		(21,241)
Elimination of the allowance for uncollectible taxes		<u>25,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 4,610,824</u></u>

SCHEDULE 4
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds				
	Recreation	Town Property Acquisition	Conservation Conservation	Heritage	Police Detail
ASSETS					
Cash and cash equivalents	\$ 143,140	\$ 7,486	\$ 52,677	\$ 720	\$ 4,461
Investments	-	464,670	-	-	-
Interfund receivable	1,193	-	20,000	-	-
Total assets	<u>\$ 144,333</u>	<u>\$ 472,156</u>	<u>\$ 72,677</u>	<u>\$ 720</u>	<u>\$ 4,461</u>
LIABILITIES					
Accounts payable	<u>\$ 3,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	720	-
Committed	140,416	472,156	72,677	-	4,461
Total fund balances	<u>140,416</u>	<u>472,156</u>	<u>72,677</u>	<u>720</u>	<u>4,461</u>
Total liabilities and fund balances	<u>\$ 144,333</u>	<u>\$ 472,156</u>	<u>\$ 72,677</u>	<u>\$ 720</u>	<u>\$ 4,461</u>

Special Revenue Funds							
Recreation Facilities Improvement	Lee's Pond Preservation	Fire Trust	Sidewalk Maintenance	Fire Detail	Ames Memorial	Permanent Fund	Total
\$ 415	\$ 18,675	\$ 12,015	\$ 89	\$ 58	\$ 37,760	\$ 21,097	\$ 298,593
25,737	-	76,999	5,531	-	241,980	135,201	950,118
-	-	-	-	-	-	-	21,193
<u>\$ 26,152</u>	<u>\$ 18,675</u>	<u>\$ 89,014</u>	<u>\$ 5,620</u>	<u>\$ 58</u>	<u>\$ 279,740</u>	<u>\$ 156,298</u>	<u>\$ 1,269,904</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,917
-	-	-	-	-	-	135,501	135,501
26,152	18,675	89,014	5,620	-	279,740	20,797	440,718
-	-	-	-	58	-	-	689,768
<u>26,152</u>	<u>18,675</u>	<u>89,014</u>	<u>5,620</u>	<u>58</u>	<u>279,740</u>	<u>156,298</u>	<u>1,265,987</u>
<u>\$ 26,152</u>	<u>\$ 18,675</u>	<u>\$ 89,014</u>	<u>\$ 5,620</u>	<u>\$ 58</u>	<u>\$ 279,740</u>	<u>\$ 156,298</u>	<u>\$ 1,269,904</u>

See Independent Auditor's Report.

SCHEDULE 5
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds				
	Recreation Recreation	Town Property Acquisition	Conservation Conservation	Heritage Heritage	Police Detail
REVENUES					
Taxes	\$ -	\$ -	\$ 20,000	\$ -	\$ -
Charges for services	106,387	-	-	-	18,173
Miscellaneous	46,804	6,766	5	-	-
Total revenues	153,191	6,766	20,005	-	18,173
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	14,115
Culture and recreation	106,594	-	-	-	-
Conservation	-	-	717	-	-
Total expenditures	106,594	-	717	-	14,115
Net change in fund balances	46,597	6,766	19,288	-	4,058
Fund balances, beginning	93,819	465,390	53,389	720	403
Fund balances, ending	\$ 140,416	\$ 472,156	\$ 72,677	\$ 720	\$ 4,461

Special Revenue Funds							
Recreation Facilities Improvement	Lee's Pond Preservation	Fire Trust	Sidewalk Maintenance	Fire Detail	Ames Memorial	Permanent Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
-	-	-	-	225	-	-	124,785
366	300	7,245	79	-	279,740	10,980	352,285
366	300	7,245	79	225	279,740	10,980	497,070
-	-	-	-	-	-	2,607	2,607
-	-	26,560	-	167	-	-	40,842
-	-	-	-	-	-	-	106,594
-	49	-	-	-	-	-	766
-	49	26,560	-	167	-	2,607	150,809
366	251	(19,315)	79	58	279,740	8,373	346,261
25,786	18,424	108,329	5,541	-	-	147,925	919,726
\$ 26,152	\$ 18,675	\$ 89,014	\$ 5,620	\$ 58	\$ 279,740	\$ 156,298	\$ 1,265,987

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
June 30, 2023

	Custodial Funds				
	Taxes	School Trust Funds	Performance Bonds	State of NH Motor Vehicle	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 47,632	9,065	\$ -	\$ 56,697
Investments	-	1,066,791	-	-	1,066,791
Intergovernmental receivables	8,541,320	-	-	-	8,541,320
Total assets	8,541,320	1,114,423	9,065	-	9,664,808
LIABILITIES					
Intergovernmental payables:					
School	6,594,108	-	-	-	6,594,108
County	1,947,212	-	-	-	1,947,212
Total liabilities	8,541,320	-	-	-	8,541,320
NET POSITION					
Restricted	\$ -	\$ 1,114,423	\$ 9,065	\$ -	\$ 1,123,488

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF MOULTONBOROUGH, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Custodial Funds				Total
	Taxes	School Trust Funds	Performance Bonds	State of NH Motor Vehicle	
ADDITIONS					
Contributions	\$ -	\$ -	\$ 14,700	\$ -	\$ 14,700
Investment earnings	-	24,455	2,000	-	26,455
Change in fair market value of investments	-	1,060	-	-	1,060
Tax collections for other governments	17,211,044	-	-	-	17,211,044
Fees collected for the State of New Hampshire	-	-	-	709,981	709,981
Total additions	17,211,044	25,515	16,700	709,981	17,963,240
DEDUCTIONS					
Trust purposes	-	7,000	-	-	7,000
Payments of taxes to other governments	17,211,044	-	-	-	17,211,044
Payments of motor vehicle fees to State	-	-	-	709,981	709,981
Payments for escrow purposes	-	-	24,629	-	24,629
Total deductions	17,211,044	7,000	24,629	709,981	17,952,654
Net increase (decrease) in fiduciary net position	-	18,515	(7,929)	-	10,586
Net position, beginning	-	1,095,908	16,994	-	1,112,902
Net position, ending	\$ -	\$ 1,114,423	\$ 9,065	\$ -	\$ 1,123,488

See Independent Auditor's Report.