

# **TOWN OF GORHAM, NEW HAMPSHIRE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULES  
WITH INDEPENDENT AUDITOR'S  
REPORTS THEREON**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

TOWN OF GORHAM, NEW HAMPSHIRE  
 FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

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## Independent Auditor's Report

To the Members of the Select Board and Management of  
Town of Gorham, New Hampshire

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

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gorham, New Hampshire, as of December 31, 2021,

and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gorham, New Hampshire's basic financial statements. The accompanying schedules listed in the table of contents such as the individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Alta CPA Group, LLC*

February 6, 2023

Exhibit A1  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
Statement of Net Position  
December 31, 2021

		<u>Primary Government Governmental Activities</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	7,252,001
Receivables <i>(net of allowance for uncollectibles)</i>		
Taxes		652,834
Liens		148,662
Accounts		93,978
Intergovernmental receivable		12,315
Capital assets:		
Land		3,989,746
Buildings and other structures		8,891,957
Construction in progress		1,090,185
Equipment & furnishings		1,060,480
Vehicles		2,632,952
Infrastructure		49,868,768
Accumulated depreciation		<u>(21,708,111)</u>
		<u>53,985,767</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension related <i>(NHRS)</i>		413,733
OPEB related <i>(NHRS)</i>		69
	\$	<u>413,802</u>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	\$	173,127
Compensated absences payable		60,000
Intergovernmental payable		1,913,291
Long-term obligations due beyond one year:		
Due within one year		
Capital leases payable		26,913
Due Beyond one year:		
Town share of NHRS net pension liability		2,745,346
Town share of NHRS OPEB liability		178,132
		<u>5,096,809</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related <i>(NHRS)</i>		990,737
OPEB related <i>(NHRS)</i>		2,262
		<u>992,999</u>
<b>NET POSITION</b>		
Net investment in capital assets		45,825,977
Restricted for:		
Subsequent year's expenditures		126,972
Special Revenue purposes		354,541
Capital projects		96,493
Permanent Funds:		
Nonspendable		233,665
Spendable for trust purposes		2,793
Unrestricted		<u>1,669,320</u>
	\$	<u><u>48,309,761</u></u>

The notes to the financial statements are an integral part of these statements.

Exhibit A2  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
Statement of Activities  
For the Fiscal Year Ended December 31, 2021

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Primary Government Governmental Activities</b>
Primary government:				
<i>Governmental activities:</i>				
General Government	\$ (328,966)	\$ 13,223	\$ 211,365	\$ 553,554
Public safety	1,845,008	361,271	187,112	(1,296,625)
Highways and streets	903,931	35,858	61,669	(806,404)
Sanitation	789,143	465,913	-	(323,230)
Water distribution & treatment	446,012	478,060	-	32,048
Health	20,856	-	-	(20,856)
Welfare	31,475	-	-	(31,475)
Culture and recreation	460,931	145,457	2,986	(312,488)
Conservation	15,380	-	-	(15,380)
Economic development	11,846	-	-	(11,846)
Interest on long-term debt	2,166	-	-	(2,166)
Depreciation-unallocated	349,625	-	-	(349,625)
	<u>4,547,407</u>	<u>1,499,782</u>	<u>463,132</u>	<u>(2,584,493)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,292,757
Property taxes, levied for debt services				41,457
Licenses and permits				771,541
Federal Aid				
Other local revenues				240,877
				<u>4,346,632</u>
Change in net position				1,762,139
Net position - beginning, as restated				46,547,622
Net position - ending			\$	<u>48,309,761</u>

The notes to the financial statements are an integral part of these statements.

Exhibit B1  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2021

	<u>General</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Grants</u>	<u>Capital &amp; Noncapital Reserves</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,075,358	\$	\$	\$	\$ 2,927,573	\$ 249,070	\$ 7,252,001
Receivables:							
Taxes	652,834				-	-	652,834
Liens	148,662				-	-	148,662
Accounts	48,854	34,203	10,921		-	-	93,978
Intergovernmental	12,315				-	-	12,315
Interfund		14,797		28,523	-	360,899	404,219
	<u>\$ 4,938,023</u>	<u>\$ 49,000</u>	<u>\$ 10,921</u>	<u>\$ 28,523</u>	<u>\$ 2,927,573</u>	<u>\$ 609,969</u>	<u>\$ 8,564,009</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 173,127	\$	\$	\$	-	-	\$ 173,127
Interfund payable	317,410		85,976			833	404,219
Intergovernmental payable	1,913,291					-	1,913,291
	<u>2,403,828</u>	<u>-</u>	<u>85,976</u>	<u>-</u>	<u>-</u>	<u>833</u>	<u>2,490,637</u>
<b>DEFERRED INFLOWS</b>							
Property Taxes	425,000				-	-	425,000
	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,000</u>
<b>FUND BALANCES</b>							
<i>Nonspendable</i>							
Permanent fund - principal						233,665	233,665
<i>Restricted for</i>							
Permanent fund purposes						2,793	2,793
Special revenue purposes		49,000		28,523		277,018	354,541
Capital project purpose						96,493	96,493
<i>Committed for</i>							
Open purchase orders	126,972					-	126,972
Capital & noncapital reserves	-				2,927,573	-	2,927,573
Unassigned	1,982,223		(75,055)			(833)	1,906,335
	<u>2,109,195</u>	<u>49,000</u>	<u>(75,055)</u>	<u>28,523</u>	<u>2,927,573</u>	<u>609,136</u>	<u>5,648,372</u>
	<u>\$ 4,938,023</u>	<u>\$ 49,000</u>	<u>\$ 10,921</u>	<u>\$ 28,523</u>	<u>\$ 2,927,573</u>	<u>\$ 609,969</u>	<u>\$ 8,564,009</u>

The notes to the financial statements are an integral part of these statements.

Exhibit B2  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
 Reconciliation of Governmental Funds  
 Balance Sheet to the Statement of Net Position  
 December 31, 2021

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**Total Fund Balance - Governmental Funds (Exhibit B1)** \$ 5,648,372

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

*Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:*

Land	\$ 3,989,746	
Buildings and other structures	8,891,957	
Construction in progress	1,090,185	
Equipment & furnishings	1,060,480	
Vehicles	2,632,952	
Infrastructure	49,868,768	
Accumulated depreciation	<u>(21,708,111)</u>	
		45,825,977

*Receivables in the Balance Sheet that do not provide current financial resources are not recognized in the funds:*

Noncurrent taxes and liens not available to pay current obligations		425,000
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*Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:*

Capital leases payable		(26,913)
Town's share of New Hampshire Retirement System:		
Net pension liability	\$ (2,745,346)	
Deferred outflows of resources - Pension	413,733	
Deferred inflows of resources - Pension	(990,737)	
OPEB liability	(178,132)	
Deferred outflows of resources - OPEB	69	
Deferred inflows of resources - OPEB	<u>(2,262)</u>	
		(3,502,675)
Compensated absences (sick & vacation leave)		<u>(60,000)</u>

**Net Position of Governmental Activities (Exhibit A1)** \$ (3,589,588)  
48,309,761

The notes to the financial statements are an integral part of these statements.



Exhibit B3  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended December 31, 2021

	<u>General</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Grants</u>	<u>Capital &amp; Noncapital Reserves</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Taxes	\$ 3,396,671	\$	\$	\$	-	-	\$ 3,396,671
Licenses and permits	762,265				-	9,276	771,541
State support	273,034				-	-	273,034
Federal support	-			187,112	-	2,986	190,098
Charges for services	393,198	478,060	463,977		-	164,547	1,499,782
Other local sources	71,643			138,334	486	30,414	240,877
	<u>4,896,811</u>	<u>478,060</u>	<u>463,977</u>	<u>325,446</u>	<u>486</u>	<u>207,223</u>	<u>6,372,003</u>
<b>EXPENDITURES</b>							
Current:							
General Government	1,021,122			9,198	107,354	-	1,137,674
Public safety	1,499,898			230,041	102,756	12,313	1,845,008
Highways and streets	842,486				61,445	-	903,931
Sanitation	282,649		435,832		70,662	-	789,143
Water distribution & treatment	-	422,842			23,170	-	446,012
Health	20,856					-	20,856
Welfare	31,475					-	31,475
Culture and recreation	191,170			3,173		266,588	460,931
Conservation	-					15,380	15,380
Economic development	-			11,846		-	11,846
Debt service							
Principal	37,790					-	37,790
Interest	2,166					-	2,166
Capital outlay	-				199,529	-	199,529
Depreciation - unallocated						-	-
	<u>3,929,612</u>	<u>422,842</u>	<u>435,832</u>	<u>254,258</u>	<u>564,916</u>	<u>294,281</u>	<u>5,901,741</u>
Excess of revenues over(under) expenditures	<u>967,199</u>	<u>55,218</u>	<u>28,145</u>	<u>71,188</u>	<u>(564,430)</u>	<u>(87,058)</u>	<u>470,262</u>
<b>OTHER FINANCING SOURCES(USES)</b>							
Transfers in	-				830,807	161,488	992,295
Transfers out	(928,188)	(25,010)	(39,097)	-	-	-	(992,295)
	<u>(928,188)</u>	<u>(25,010)</u>	<u>(39,097)</u>	<u>-</u>	<u>830,807</u>	<u>161,488</u>	<u>-</u>
Net change in fund balances	39,011	30,208	(10,952)	71,188	266,377	74,430	470,262
Fund balances - beginning, as restated	2,070,184	18,792	(64,103)	(42,665)	2,661,196	534,706	5,178,110
Fund balances - ending	<u>\$ 2,109,195</u>	<u>\$ 49,000</u>	<u>\$ (75,055)</u>	<u>\$ 28,523</u>	<u>\$ 2,927,573</u>	<u>\$ 609,136</u>	<u>\$ 5,648,372</u>

The notes to the financial statements are an integral part of these statements.

Exhibit B4  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2021

**Net change in fund balances - total governmental funds (Exhibit B3)** \$ 470,262

Amounts reported for governmental activities in the statement of activities (Exhibit A2) are different because:

*Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.*

Reduce expenditures for capital outlays increasing capital assets	199,529
Increase expenditures for depreciation charges	(349,625)

*Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.*

Increase(decrease) in deferred inflows - noncurrent taxes	(62,457)
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*The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.*

Reduction in expenditures for principal payments on debt	37,790
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*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.*

Town's share of New Hampshire Retirement System:

(increase)decrease in net pension liability	\$ 1,140,071
Increase(decrease) in deferred outflows of resources - Pension	(318,168)
(Increase)decrease in deferred inflows of resources - Pension	640,028
(increase)decrease in net OPEB liability	8,306
Increase(decrease) in deferred outflows of resources - OPEB	1,828
(Increase)decrease in deferred inflows of resources - OPEB	(1,796)
	1,470,269
(Increase)decrease in compensated absences payable	(3,629)

1,466,640

**Change in net position of governmental activities (Exhibit A2)** \$ 1,762,139

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Gorham is a New Hampshire Municipal Corporation governed by a Selectboard and other elected officials. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies and its conformity with such principles are disclosed below. These disclosures are an integral part of the Town's financial statements.

Financial Reporting Entity

The accompanying financial statements present the Town and its component units. A component unit is defined by GASB as a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government is such that the exclusion would cause the reporting entity's financial statements to be misleading. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity and the Town is not a component unit of any other primary government.

Government Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, constitute all of the Town's activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when they occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 considers all revenues except property taxes to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Tax assessments (property and other taxes), grants, charges for services, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period when measurable and available. If any, only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Water Department Fund* is a special revenue fund that accounts for the operations and development of town's water resources. All monies associated with this activity are specifically restricted by the legislative body (the Town's citizens) for these purposes.
- The *Sewer Department Fund* is a special revenue fund that accounts for the operations and development of town's wastewater services. All monies associated with this activity are specifically restricted by the legislative body (the Town's citizens) for these purposes.
- The *Grants Fund* is a special revenue fund that accounts for various grants awarded to the town. All monies associated with this activity are restricted by the grantor (Federal Government, State Government and other awarding agencies) for specific purposes.
- The *Capital & Noncapital Reserves Fund* is a capital projects fund which accounts for monies set aside by vote of the legislative body (the Town's citizens) for specific purposes such as public safety, highway and public welfare projects.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

General Budget Policies

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 that govern the Town's operations. The Town votes appropriations by official ballot in accordance with State Statutes. Appropriations are made on an annual basis for the General and all significant Special Revenue Funds. Project-length financial plans are adopted for all Capital Project Funds. Except as reconciled below, budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. Unexpended balances of special articles for specific purposes may not be transferred. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over-expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Revenue Administration. State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In the fiscal year 2020/2021, \$1,000,000 of the beginning General Fund balance was applied for this purpose.

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 fund balance at June 30 and are carried forward to supplement appropriations of the subsequent year. Amounts recorded as budgetary expenditures in the *Budgetary Comparison Schedule* are presented on the basis budgeted by the Town. Since there were no encumbered funds as of the beginning or end of the fiscal year, amounts reported in conformity with generally accepted accounting principles in the *Statement of Revenues, Expenditures and Changes in Fund Balances* were the same as those reported on a budgetary basis.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - ASSETS, LIABILITIES AND FUND EQUITY

Deposits and Investments

For financial reporting purposes, cash and equivalents include amounts in demand deposits and money market funds, as well as certificates of deposit and short-term investments with original maturities of 90 days or less. With the exception of Library and Trust Fund monies, which are held by separately elected trustees, the Town Treasurer is required by State statute to have custody of all monies belonging to the Town and shall pay out the same only upon orders of the Selectboard. The Town Treasurer shall deposit all such monies in solvent banks in the state or in participation units in the public deposit investment pool established pursuant to RSA 383:22. Monies may be deposited in banks outside the state if such banks pledge and deliver to the state treasurer as collateral security for such deposits in value at least equal to the amount of the deposit in each case.

Whenever the Town Treasurer has an excess of monies which are not immediately needed for the purpose of expenditure, State statutes require the Treasurer, with the approval of the Selectboard, to invest the same in obligations of the United States government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within this state or the Commonwealth of Massachusetts. Any person who directly or indirectly receives any such monies for deposit or for investment in securities of any kind shall, prior to acceptance of such monies, make available at the time of such deposit or investment an option to have such monies secured by collateral having a value at least equal to the amount of such monies. 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.

The Town Trustees are authorized by State statute to invest Trust Fund monies, including Capital Reserves, in obligations of political subdivisions and stocks, bonds that are legal for investment by New Hampshire savings banks except mutual funds unless the mutual funds are registered with the Securities and Exchange Commission, qualified for sale in the State of New Hampshire in accordance with the New Hampshire Uniform Securities Act of the New Hampshire Secretary of State's Office, and have in their prospectus a stated investment policy that is consistent with the investment policy adopted by the Trustees of Trust Funds in accordance with RSA 35:9. The Trustees may also invest trust monies in New Hampshire credit unions and in the public deposit investment pool established pursuant to RSA 383:22. Capital Reserve monies must be kept in separate accounts and not intermingled with other monies.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)

Deposits and Investments (Continued)

With the exception of investments in the New Hampshire Public Deposit Investment Pool (the Pool), investments are stated at fair value. Under the terms of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Pool is considered to be a 2a7-like pool which means that it has a policy that it will, and does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This rule allows SEC-registered mutual funds to use amortized cost rather than market value to report net position to compute share prices if certain conditions are met. Therefore, the Town reports its investments in the Pool at amortized cost, which equals the Pool's participation unit price.

Receivables and Revenues

Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded: *Tax revenue* is recorded when a warrant for collection is committed to the Tax Collector. However, any taxes not liened or deeded within statutory time limits and 2.00% of the remaining uncollected balances have been reserved as an allowance for non-current taxes receivable. Property tax revenues not collected within 60 days after year end are not considered an "available spendable resource" and likewise are deferred in the governmental funds. As prescribed by law, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town. *Interest on investments* is recorded as revenue in the year earned. Certain *grants* received from other governments require that eligible expenditures be made in order to recognize the revenue. Revenue for these grants is recorded for the period in which eligible expenditures are made. Various *service charges* in the general fund (Landfill, Ambulance, Special Duty Police & Fire, etc.) are recorded as revenue for the period when service was provided.

Interfund Receivables and Payables

During the course of normal operations, the Town has activity between funds, including expenditures and transfers of resources to provide services and fund capital outlay. All outstanding balances between funds are reported as "due to/from other funds".

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$5,000 and an initial 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 estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Public domain infrastructure	40
Light vehicles	5
Heavy vehicles	10
Office equipment	5
Other equipment and furnishings	10

Deferred Inflows of Resources

Deferred inflows of resources arise when potential non-exchange revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the combined balance sheet and revenue is recognized.



TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)

Long Term Obligations

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity

In the governmental fund balance sheet, fund balances are reported using a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned depending on the level of constraints. *Nonspendable fund balance* includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. *Restricted fund balance* is the amount that is restricted to specific purposes by external requirements such as those of creditors, grantors, contributors or laws and regulations or imposed by law through constitutional provisions or legally enforceable enabling legislation. *Committed fund balance* is the amount that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority (the Selectboard and other elected officials). *Assigned fund balance* is the amount that is constrained by the Town's intent to be used for specific purposes, but is not restricted or committed. *Unassigned fund balance* is the residual classification for the general fund. Whenever multiple classifications of resources are available for use, it is the Town's policy to use spendable, restricted, committed and assigned resources in that order first, then unassigned resources as they are needed.

Accounting Estimates

Accounting estimates are an integral part of the financial statements. They are based on our knowledge and experience about past and current events and assumptions about future events. Actual results may differ from our estimates.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS

Deposits

Throughout the fiscal year, all bank deposits were insured by Federal Depository Insurance (FDIC) or collateralized with securities held by the Town or its agent in the Town's name.

Cash Equivalents

The Town's cash equivalents consist of participation units of the *New Hampshire Public Deposit Investment Pool (NHPDIP)*. Deposits with the NHPDIP are not restricted in any way and available upon demand. At this time, the NHPDIP's underlying investments are limited to short-term U.S. Treasury and U.S. Government Agency obligations, New Hampshire municipal obligations, certificates of deposit from AI/PI-rated banks, and money market mutual funds (maximum of 20% of portfolio).

NOTE 4 - CASH AND CASH EQUIVALENTS

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Town to *credit risk* consist primarily of bank deposits and investments in participation units of the New Hampshire Public Deposit Investment Pool. It is the Town's policy to deposit monies in high quality financial institutions according to State Statutes and to limit risk by maintaining deposits within the Federal Depository Insurance Limits (FDIC) whenever possible or to require banking institutions to collateralize deposits. The Town has not experienced any losses on its cash deposits and management believes the Town is not exposed to significant credit risk on those amounts even though significant amounts may be held by a single financial institution and are in excess of the FDIC limits. Each participation unit of the Pool is valued at one-dollar and do not fluctuate with the market values of underlying investments. Common stock, bonds and mutual funds held by the Permanent Fund are subject to *market risk* as they fluctuate in value according to market conditions. Investment policies limit holdings to high quality investments and are closely monitored by the Trustees to avoid substantial risk.

NOTE 5 - PROPERTY TAXES

The property tax year is from April 1 to March 31 and all property taxes are levied on the inventory taken in April of that year. The 2021 property tax levy was based on a net assessed valuation as of April 1, 2021 of \$259,995,318. State Education Taxes were based on a state-wide equalized valuation of \$200,184,418. In connection with the setting of the tax rate, Town Officials, with the approval of the New Hampshire Department of Revenue Administration, establish and raise through taxation an amount for abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax reserves at year-end.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - PROPERTY TAXES (CONTINUED)

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

	Per \$1,000 of Assessed Valuation	Property Taxes Levied
Municipal portion	\$ 11.18	\$ 2,905,952
County Tax Assessment	5.05	1,312,184
Local School Tax Assessment	17.29	4,496,391
State Education Tax Assessment	2.08	416,900
		\$ 9,131,427

The responsibility for the collection of taxes rests with the Town and tax amounts must be remitted to other municipal entities (Coos County, Gorham Randolph Shelburne Cooperative School District and the State of New Hampshire), as requested. Any amounts due at year-end are reported in these financial statements as Intergovernmental payables.

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are sent on or around June 1 and November 1 of each year, with interest accruing at an annual rate of 8% on bills outstanding for more than 30 days. The June 1 billing is considered an estimate only and is one-half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the State Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

As prescribed by law, within 18 months of the date assessed, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 14% per annum. If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 - TAXES RECEIVABLE

Taxes receivable at December 31, 2021, are as follows:

<u>Uncollected Taxes (current levies)</u>		
Property	\$ 520,342	
Payment in lieu of taxes	213,350	
Excavation Tax	286	
Credit Balances	(66,144)	
Allowance for uncollectable taxes receivable	<u>(15,000)</u>	
		\$ 652,834
<u>Unredeemed Taxes (under tax liens)</u>		
Levy of 2020	\$ 105,987	
Levy of 2019	41,362	
Levy of 2018	16,313	
Allowance for uncollectable liens receivable	<u>(15,000)</u>	
		<u>148,662</u>
		<u>\$ 801,496</u>

NOTE 7 - ACCOUNTS RECEIVABLES

Accounts receivable at December 31, 2021 are as follows:

<u>General Fund</u>		
Ambulance charges	\$ 79,252	
Gasoline sales (school)	836	
Allowance for uncollectable accounts receivable	<u>(31,234)</u>	
		\$ 48,854
<u>Water Department</u>		
Water charges		34,203
<u>Sewer Department</u>		
Sewer charges		<u>10,921</u>
		<u>\$ 93,978</u>

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2021 are as follows:

	Internal Balance/ Interfund Receivable	Internal Balance/ Interfund Payable
<i>Governmental Funds:</i>		
General Fund	\$ -	\$ 317,410
<i>Special Revenue Funds:</i>		
Gorham Public Library	68,688	-
Water Department	14,797	-
Sewer Department	-	85,976
Grants	28,523	-
Dare to Lead	3,633	-
Drug Forfeiture	2,369	-
MV Reclamation	3,315	-
Recreation Revolving	124,859	-
Forestry	61,542	-
<i>Capital Projects:</i>		
Transportation	96,493	-
Multi-Modal Route	-	833
	\$ 404,219	\$ 404,219

NOTE 9 - INTERGOVERNMENTAL PAYABLE

Payables due other governments at December 31, 2021 include:

General Fund

*Gorham Randolph Shelburne Cooperative School District (balance of 2021-2022*

*School District Assessment due in monthly installments through June 30, 2022)*

\$ 1,913,291

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2021 is as follows:

	<i>Governmental Activities</i>			
	Balance January 1	Additions & Reclassifications	Deductions & Reclassifications	Balance June 30
Land	\$ 2,803,076	\$ 1,186,670	\$ -	\$ 3,989,746
Buildings & Other Structures	8,894,857	-	2,900	8,891,957
Construction in Progress	1,494,096		403,911	1,090,185
Equipment & Furnishings	792,267	268,213	-	1,060,480
Vehicles	2,953,767	76,942	397,757	2,632,952
Infrastructure	<u>49,828,183</u>	<u>40,585</u>	<u>-</u>	<u>49,868,768</u>
	66,766,246	1,572,410	804,568	67,534,088
Less: Accumulated Depreciation	<u>(21,874,551)</u>	<u>(222,650)</u>	<u>(389,090)</u>	<u>(21,708,111)</u>
	<u>\$ 44,891,695</u>	<u>\$ 1,349,760</u>	<u>\$ 415,478</u>	<u>\$ 45,825,977</u>

Where the Town expends annual maintenance out of its highway budget to maintain the condition of roads, they are estimated to have a residual value equal to two-thirds of their estimated cost.

TOWN OF GORHAM, NEW HAMPSHIRE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - 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, and natural disasters. During the fiscal year, the Town was a member of the following public-entity risk pools, currently operating as a common risk management and insurance programs for member towns, school districts and other special-purpose governmental units.

The *New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability* are pooled risk management programs under RSA 5-B and RSA 281-A. A coverage summary of worker's compensation and property/liability programs provided from 1/1/21 – 1/1/22 by *Primex<sup>3</sup>*, which retained \$2,000,000 of each Workers' Compensation loss, \$500,000 of each Liability loss and \$200,000 of each Property Loss is available on file at the Town Office. The Board has decided to retain the aggregate exposure and has allocated resources based on actuarial analysis for that purpose.

Total contributions and any credits or balances due as of December 31, 2021 are as follows:

*Town contributions billed for the coverage period:*

Property/Liability	\$ 60,016
Workers' Compensation	\$ 41,798

Member Participation Agreements permit insurers to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. At this time, town management understands that neither Trust foresees any likelihood of an additional assessment for this or any prior year. Claims have not exceeded insurance coverage in any of the past years.

NOTE 12 - COMPENSATED ABSENCES

The following is a summary of the Town's compensated absence transactions for the fiscal year ended December 31, 2021:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
<i>Governmental Activities:</i>					
Compensated absences:					
Vacation & sick leave	<u>\$ 56,371</u>	<u>\$ 3,629</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - NEW HAMPSHIRE RETIREMENT SYSTEM ~ COST-SHARING DEFINED BENEFIT PENSION AND  
POSTEMPLOYMENT MEDICAL SUBSIDY HEALTHCARE PLANS

Full-time employees participate in the State of New Hampshire Retirement System (NHRS), a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan) and four separate cost-sharing multiple-employer postemployment medical subsidy healthcare plans. NHRS 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 cost-sharing defined benefit pension plan (pension plan) is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The pension plan is divided into two membership groups. By statute, Group I (employee and teacher) members contribute 7% of their salary to NHRS. Group II (police & fire) members contribute 11.5% and 11.8% respectively. While member rates are set by statute, employer rates are set by the NHRS Board of Trustees every two years after a biennial actuarial valuation is conducted using the *Entry Age Normal* actuarial method. Employer contributions are assessed at five different rates, one each for state employees, political subdivisions employees, teachers, police and fire. NHRS employers are required by the New Hampshire Constitution to pay 100% of the actuarial sound employer contribution rate as certified by the NHRS Board of Trustees to fully fund the pension plan and to pay down the retirement system’s unfunded actuarial accrued liability over a closed amortization period. Currently, employer contribution rates for the period July 1, 2019 through December 31, 2021 are as follows:

	Pension	Medical Subsidy	Total
Group I:			
Employees	10.88%	0.29%	11.17%
Group II:			
Police	24.77%	3.66%	28.43%
Fire	26.43%	3.66%	30.09%



TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - NEW HAMPSHIRE RETIREMENT SYSTEM ~ COST-SHARING DEFINED BENEFIT PENSION AND  
POSTEMPLOYMENT MEDICAL SUBSIDY HEALTHCARE PLANS (CONTINUED)

According to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the Town recognizes their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. As provided in the reports above, collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions to the plan are recognized when legally due, based on statutory requirements. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at: <https://www.nhrs.org> and <https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>.

Benefit amounts and eligibility requirements for the cost-sharing multiple-employer postemployment medical subsidy plan (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 re Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. The OPEB plan is closed to new entrants. Maximum medical subsidy rates for the period July 1, 2019 through December 31, 2021 are 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.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - NEW HAMPSHIRE RETIREMENT SYSTEM ~ COST-SHARING DEFINED BENEFIT PENSION AND  
POSTEMPLOYMENT MEDICAL SUBSIDY HEALTHCARE PLANS (CONTINUED)

According to the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the Town recognizes their proportionate share of collective OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense. As provided in the reports above, collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions to the plan are recognized when legally due, based on statutory requirements. This information along with significant assumptions and inputs for total OPEB liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at: <https://www.nhrs.org> and <https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>.

NOTE 14 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the general fund at December 31, 2021 were as follows:

General Fund

Taxes:

Noncurrent taxes, including liens receivable not available to pay  
current obligations

\$ 425,000

NOTE 15 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - FUND BALANCES

Elements of fund balances as of December 31, 2021 were as follows:

Nonspendable and Restricted for Permanent Fund Purposes

Resources held by the Town Trustees at December 31, 2021 for donor-restricted purposes were as follows:

	Non- Spendable Endowment	Spendable for Trust Purposes	Total
Cemetery Care	\$ 141,488	\$ 2,697	\$ 144,185
Gorham Public Library	92,177	96	92,273
	<u>\$ 233,665</u>	<u>\$ 2,793</u>	<u>\$ 236,458</u>

Restricted for Special Revenue Fund Purposes

Resources that may only be spent for specific purposes include:

Major Governmental Funds

Water Department	\$ 49,000
Grants	28,523

Non-major Governmental Funds

Gorham Public Library	\$ 81,300	
Dare to Lead	3,633	
Drug Forfeiture	2,369	
MV Reclamation	3,315	
Recreation Revolving Fund	124,859	
Forestry	<u>61,542</u>	
		<u>277,018</u>
		<u>\$ 354,541</u>

Restricted for Capital Project Fund Purposes

Resources that may only be spent for specific purposes include:

Non-major Governmental Funds

Transportation	<u>\$ 96,493</u>
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TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - FUND BALANCES (CONTINUED)

Committed for Open Purchase Orders

General Fund

*Encumbrances:*

Health reimbursement arrangement	\$ 53,212	
Competitive wage review	2,068	
Highway contract services	10,000	
Airport runway paving	9,446	
Cold storage/workshop building	49,515	
Planning	<u>2,731</u>	
		<u>126,972</u>
		<u>\$ 126,972</u>

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - FUND BALANCES (CONTINUED)

Committed for Capital Project Fund Purposes

Capital and Non-capital Reserves Fund

*Capital Reserves:*

Ambulance	\$ 212,626
Ambulance Equipment	48,163
Assessment	92,014
Emergency Disaster	84,126
Emergency Energy	71,160
Dispatch	8,053
Fire Equipment	69,202
Fire Truck	156,813
Highway Heavy Equipment	390,264
Information Technology	63,533
Library Maintenance	5,002
Medallion Opera House	5,494
Multi-modal Access Route	2
Police Cruiser	54,256
Police Equipment	10,009
Road Resurfacing & Reconstruction	724,680
Sanitation/Recycling	130,371
Street Light Update	5,922
Town Building Purchases & Repair	77,737
River Maintenance	176,596
Sewer Department	186,704
Water Department	231,805
<i>Noncapital Reserves:</i>	
Longevity/Severance	30,423
East Milan Landfill Monitoring	59,895
Cates Hill Landfill	22,923
Special Insurance	9,800
	<u>\$ 2,927,573</u>

TOWN OF GORHAM, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - FUND BALANCES (CONTINUED)

Unassigned

Unassigned fund balance includes:

General Fund	\$ 1,982,223
Sewer Department (deficit)	(75,055)
Multi-Modal Route (deficit)	(833)
	<u>\$ 1,906,335</u>

Prior-period Adjustments

Net Position on the Statement of Activities as of January 1, 2021 were adjusted to reflect the following prior-period adjustments:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<u>Restatements and adjustments:</u>		
Restate Water and Sewer as governmental funds	\$ 21,573,377	\$ (21,573,377)
Previously unrecorded or retired capital assets, net of accun	1,084,378	-
Other restatements and adjustments	(170,317)	-
	<u>22,487,438</u>	<u>(21,573,377)</u>
Net Position - beginning, as previously reported	24,060,184	21,573,377
Net Position - beginning, as restated	<u>\$ 46,547,622</u>	<u>\$ -</u>

Fund Balances on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B3) as of January 1, 2021 were adjusted to reflect the following prior-period adjustments:

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Capital &amp; Noncapital Reserves</u>	<u>Non-major Governmental Funds</u>
<u>Restatements and adjustments:</u>				
Capital assets, net of accumulated depreciation not recognized in Fund Statements	\$ (12,798,202)	\$ (9,036,497)		
Compensated absences, net pension & OPEB liabilities not recognized in Fund Statements	331,881	231,507		
Amounts in transit between funds not reported	63,669	19,359		
Reclassify capital reserve funds	(229,917)	(209,651)	439,568	
Variance in reconciling with Trustees Report			595,740	
Variance in reconciling with general ledger balances	32,908	(23,565)	-	(84,279)
	<u>(12,599,661)</u>	<u>(9,018,847)</u>	<u>1,035,308</u>	<u>(84,279)</u>
Net Position - beginning, as previously reported	12,618,633	8,954,744	1,625,888	618,985
Net Position - beginning, as restated	<u>\$ 18,972</u>	<u>\$ (64,103)</u>	<u>\$ 2,661,196</u>	<u>\$ 534,706</u>

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C1  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
 Budgetary Comparison Schedule  
 Budget to Actual (Non-GAAP Budgetary Basis) - General Fund  
 For the Fiscal Year Ended December 31, 2021

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 3,020,880	\$ 3,396,671	\$ 375,791
Licenses and permits	742,580	762,265	19,685
State support	271,682	273,034	1,352
Charges for services	342,080	393,198	51,118
Miscellaneous	23,250	71,643	48,393
	<u>4,400,472</u>	<u>4,896,811</u>	<u>496,339</u>
<b>EXPENDITURES</b>			
Current:			
General government	914,918	1,035,267	(120,349)
Public safety	1,794,125	1,499,898	294,227
Highways and streets	969,353	852,486	116,867
Sanitation	267,418	282,649	(15,231)
Health	23,845	20,856	2,989
Welfare	39,665	31,475	8,190
Culture and recreation	208,274	181,170	27,104
Conservation	250	-	250
Debt service:			
Principal	37,790	37,790	-
Interest	3,667	2,166	1,501
Capital outlay	-	58,961	(58,961)
	<u>4,259,305</u>	<u>4,002,718</u>	<u>256,587</u>
Excess of revenues over(under) expenditures	141,167	894,093	752,926
<b>OTHER FINANCING SOURCES(USES)</b>			
Transfers in	21	-	(21)
Transfers out	(928,188)	(928,188)	-
	<u>(928,167)</u>	<u>(928,188)</u>	<u>(21)</u>
Net change in fund balances	(787,000)	(34,095)	752,905
Fund balances - beginning	<u>2,016,318</u>	<u>2,016,318</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,229,318</u>	<u>\$ 1,982,223</u>	<u>\$ 752,905</u>

See independent auditor's report and accompanying notes to financial statements.



TOWN OF GORHAM, NEW HAMPSHIRE  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY REPORTING  
 FOR THE YEAR ENDED DECEMBER 31, 2021

The budgetary comparison schedule – Budget to Actual (Non-GAAP Budgetary Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

General Budget Policies

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 that govern the Town's operations. The Town votes appropriations by official ballot in accordance with State Statutes. Appropriations are made on an annual basis for the General and all significant Special Revenue Funds. Project-length financial plans are adopted for all Capital Project Funds. Except as reconciled below, budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. Unexpended balances of special articles for specific purposes may not be transferred. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over-expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Revenue Administration. State statutes require balanced budgets, but provide for the use of beginning unreserved fund balance to achieve that end. In the fiscal year 2021/2022, \$785,811 of the beginning General Fund balance was applied for this purpose.

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 fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. Amounts recorded as budgetary expenditures in the *Budgetary Comparison Schedule (Exhibit C1)* are presented on the basis budgeted by the Town. The amounts differ from those reported in conformity with generally accepted accounting principles in the *Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B3)* as follows:

Expenditures and Other Financing Uses ~ Budgetary Basis <i>(see Exhibit C1)</i>	\$ 4,930,906
Adjustments:	
Encumbrances - December 31, 2020	53,866
Encumbrances - December 31, 2021	<u>(126,972)</u>
Expenditures and Other Financing Uses ~ GAAP Basis <i>(see Exhibit B3)</i>	<u>\$ 4,857,800</u>

Exhibit C2  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
 Comparative Schedule of Pension Obligations  
 For the Fiscal Year Ended December 31, 2021

**Estimated future pension obligations - New Hampshire Retirement System (NHRS).** Selected comparative information from NHRS's audited financial statements and cost-sharing schedules that is specific to the Town is as follows:

	Estimates based on actuarial valuation as of June 30								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proportionate share	0.07161026%	0.07472252%	0.06901241%	0.07278169%	0.07237282%	0.06844475%	0.06371639%	0.06074617%	0.06194486%
Employer contribution	\$ 178,061	\$ 242,417	\$ 231,528	\$ 260,616	\$ 265,133	\$ 289,287	\$ 277,282	\$ 269,860	\$ 284,591
Net Pension Liability	\$ 3,081,951	\$ 2,804,774	\$ 2,733,945	\$ 3,870,236	\$ 3,559,290	\$ 3,295,753	\$ 3,065,813	\$ 3,885,417	\$ 2,745,346
Deferred outflows of resources:									
Differences between expected and actual experience	<i>base year</i>	-	-	10,755	8,070	26,306	16,951	104,925	76,874
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	-	-	242,142	-	-	-	240,317	-
Changes of assumptions	<i>base year</i>	-	-	476,303	357,400	228,082	110,000	384,345	286,736
Changes in proportion and differences between employer contributions and share of contributions	<i>base year</i>	110,059	86,173	188,021	133,280	78,539	33,169	2,314	50,123
<i>Total deferred outflows of resources</i>	<u>\$ -</u>	<u>\$ 110,059</u>	<u>\$ 86,173</u>	<u>\$ 917,221</u>	<u>\$ 498,750</u>	<u>\$ 332,927</u>	<u>\$ 160,120</u>	<u>\$ 731,901</u>	<u>\$ 413,733</u>
Deferred inflows of resources:									
Differences between expected and actual experience	<i>base year</i>	-	(59,994)	(48,871)	(45,300)	(26,686)	(65,924)	(41,718)	(28,742)
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	358,873	(73,068)	-	(45,329)	(76,267)	(24,043)	-	(767,810)
Changes of assumptions	<i>base year</i>	-	-	-	-	-	-	-	-
Changes in proportion and differences between employer contributions and share of contributions	<i>base year</i>	-	(196,939)	(152,120)	(121,628)	(214,092)	(300,266)	(308,991)	(194,185)
<i>Total deferred inflows of resources</i>	<u>\$ -</u>	<u>\$ 358,873</u>	<u>\$ (330,001)</u>	<u>\$ (200,991)</u>	<u>\$ (212,257)</u>	<u>\$ (317,045)</u>	<u>\$ (390,233)</u>	<u>\$ (350,709)</u>	<u>\$ (990,737)</u>
Pension expense:									
Proportionate share of plan pension expense	<i>base year</i>	190,168	176,646	426,928	377,595	327,420	380,011	578,819	202,235
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<i>base year</i>	23,886	(20,933)	9,921	6,329	(31,060)	(85,674)	(101,659)	(99,519)
<i>Total employer pension expense</i>	<u>\$ -</u>	<u>\$ 214,054</u>	<u>\$ 155,713</u>	<u>\$ 436,849</u>	<u>\$ 383,924</u>	<u>\$ 296,360</u>	<u>\$ 294,337</u>	<u>\$ 477,160</u>	<u>\$ 102,716</u>

This information should be read in conjunction with the audited *Schedule of Employer Allocations* and *Schedule of Pension Amounts by Employer* presented by the NHRS. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at <https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>. As noted there in, the preparation of those reports requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of those estimates, actual results could differ, and the differences could be material. As of December 31, 2021, the Town has recognized all statutorily required contributions to the plan. Unless additional assessments are imposed by the NHRS Board due to insolvency or some other circumstances, all future obligations to the plan (subject to annual appropriation by the legislative body) will become due as a percentage of qualifying wages as they are paid by the Town. At this time, management understands that that the NHRS foresees no likelihood of additional assessment beyond normal contribution rates, which are established every two years by a statutorily-governed rate-setting process. All future obligations of the Town to the NHRS will be paid by current appropriations as they become due.

Exhibit C3  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
Comparative Schedule of Other Post Employment Benefits  
For the Fiscal Year Ended December 31, 2021

**Estimated future OPEB obligations** - New Hampshire Retirement System (NHRS). Selected comparative information from NHRS's audited financial statements and cost-sharing schedules that is specific to the School District is as follows:

	Estimates based on actuarial valuation as of June 30					
	2016	2017	2018	2019	2020	2021
Proportionate share	0.03771032%	0.03839880%	0.05370880%	0.04904029%	0.04259412%	0.04448226%
Employer contribution	\$ 21,912	\$ 22,759	\$ 23,757	\$ 22,380	\$ 19,771	\$ 21,376
Net OPEB Liability	\$ 182,558	\$ 175,572	\$ 245,903	\$ 214,998	\$ 186,438	\$ 178,132
Deferred outflows of resources:						
Differences between expected and actual experience	<i>base year</i>	-	1,443	-	-	-
Net difference between projected and actual investment earnings on OPEB plan investments	<i>base year</i>	-	-	-	698	-
Changes of assumptions	<i>base year</i>	-	-	-	1,199	-
Changes in proportion	<i>base year</i>	1,002	14,898	-	-	69
<i>Total deferred outflows of resources</i>	<u>\$ -</u>	<u>\$ 1,002</u>	<u>\$ 16,341</u>	<u>\$ -</u>	<u>\$ 1,897</u>	<u>\$ 69</u>
Deferred inflows of resources:						
Differences between expected and actual experience	<i>base year</i>	-	-	(374)	(540)	(37)
Net difference between projected and actual investment earnings on OPEB plan investments	<i>base year</i>	554	(781)	(242)	(3,518)	(2,225)
Changes of assumptions	<i>base year</i>	-	-	-	-	-
Changes in proportion	<i>base year</i>	-	-	(2,272)	-	-
<i>Total deferred inflows of resources</i>	<u>\$ -</u>	<u>\$ 554</u>	<u>\$ (781)</u>	<u>\$ (2,888)</u>	<u>\$ (4,058)</u>	<u>\$ (2,262)</u>
OPEB expense:						
Proportionate share of plan OPEB expense	<i>base year</i>	12,995	22,649	14,069	17,581	8,484
Net amortization of deferred amounts from changes in proportion	<i>base year</i>	2,331	56,327	(4,147)	(27,096)	4,618
<i>Total employer OPEB expense</i>	<u>\$ -</u>	<u>\$ 15,326</u>	<u>\$ 78,976</u>	<u>\$ 9,922</u>	<u>\$ (9,515)</u>	<u>\$ 13,102</u>

This information should be read in conjunction with the audited actuarial reports presented by the NHRS. This information along with significant assumptions and inputs for total OPEB liabilities, the NHRS's fiduciary net position and current year sources of changes to net OPEB liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at:

<https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>

As noted there in, the preparation of those reports requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of those estimates, actual results could differ, and the differences could be material. As of December 31, 2021, the Town has recognized all statutorily required contributions to the plan. Unless additional assessments are imposed by the NHRS Board due to insolvency or some other circumstances, all future obligations to the plan will become due as a percentage of qualifying wages as they are paid by the Town. At this time, management understands that that the NHRS foresees no likelihood of additional assessment beyond normal contribution rates, which are established every two years by a statutorily-governed rate-setting process. All future obligations of the Town to the NHRS will be paid by current appropriations as they become due.

SUPPLEMENTARY INFORMATION

Schedule D1a  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
**General Fund**  
Schedule of Estimated and Actual Revenues  
For the Fiscal Year Ended December 31, 2021

	<u>Original &amp; Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
<b>Taxes</b>			
Property	\$ 2,876,952	\$ 3,081,801	\$ 204,849
Payments in lieu of taxes	238,555	237,982	(573)
Excavation tax	100	32	(68)
Other taxes	2,900	2,803	(97)
Interest and penalties on delinquent taxes	72,000	95,805	23,805
Overlay	(169,627)	(21,752)	147,875
	<u>3,020,880</u>	<u>3,396,671</u>	<u>375,791</u>
<b>Licenses and permits</b>			
Business licenses and permits	1,700	1,582	(118)
Motor vehicle fees	685,000	704,338	19,338
Building permits	7,980	6,637	(1,343)
Other licenses, permits and fees	47,900	49,708	1,808
	<u>742,580</u>	<u>762,265</u>	<u>19,685</u>
<b>State Support</b>			
Meals and rooms tax distribution	206,535	206,535	-
Highway block grant	61,762	61,669	(93)
Other, incl railroad tax	3,385	4,830	1,445
	<u>271,682</u>	<u>273,034</u>	<u>1,352</u>
<b>Charges for Services</b>			
Income From Departments			
General Government Services	5,000	13,223	8,223
<i>Public safety services:</i>			
Police department	15,000	23,665	8,665
Fire department	10,000	15,496	5,496
Ambulance	295,880	322,110	26,230
<i>Highways &amp; Streets:</i>			
Gas/diesel School	15,000	16,768	1,768
<i>Sanitation:</i>			
Motor vehicle surcharge	1,000	1,736	736
Commercial hauler fees	200	200	-
	<u>342,080</u>	<u>393,198</u>	<u>51,118</u>
<b>Miscellaneous</b>			
Sale of municipal property	12,300	11,826	(474)
Interest on investments	1,450	2,142	692
Other:			
Rents of property	1,000	700	(300)
Insurance reimbursements	8,000	55,311	47,311
Old Void Checks	500	1,664	1,164
	<u>23,250</u>	<u>71,643</u>	<u>48,393</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in - Interfund Transfers			
<i>Nonexpendable Trust Funds -</i>			
Miscellaneous Town	21	-	(21)
	<u>21</u>	<u>-</u>	<u>(21)</u>
Total revenues and other financing sources	4,400,493	\$ <u>4,896,811</u>	\$ <u>496,318</u>
Amounts voted from unassigned fund balance	357,000		
Unassigned fund balance used to reduce tax rate	<u>430,000</u>		
Total revenues and use of fund balance	\$ <u>5,187,493</u>		

See independent auditor's report and accompanying notes to financial statements.

Schedule D1b  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
**General Fund**  
Schedule of Appropriations, Expenditures and Encumbrances  
For the Fiscal Year Ended December 31, 2021

	Reserved From Prior Fiscal Year	Voted Appropriations	Reserves and RSA 31:95-b Authorizations	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
<b>EXPENDITURES</b>						
Current						
General Government						
Executive	\$	\$ 134,554	\$	\$ 129,745	\$ 2,068	\$ 2,741
Election, Registration & Vital Statistics		66,355		67,824		(1,469)
Financial Administration		272,248		277,787		(5,539)
Revaluation of Property		175,600		300,289		(124,689)
Legal Expenses		100,000		86,606		13,394
Employee Benefits	43,866	1,050		-	53,213	(8,297)
Planning and Zoning		2,860		7,349	2,730	(7,219)
General Government Buildings		77,035		68,543		8,492
Cemeteries		37,859		35,350		2,509
Insurance, not otherwise allocated		42,718		43,880		(1,162)
Advertising and Regional Associations		4,639		3,749		890
	<u>43,866</u>	<u>914,918</u>	<u>-</u>	<u>1,021,122</u>	<u>58,011</u>	<u>(120,349)</u>
Public safety						
Police Department		850,045		656,932		193,113
Ambulance		442,361		365,354		77,007
Fire Department		168,375		149,047		19,328
Building Inspection (code enforcement)		16,041		13,435		2,606
Emergency management		7,320		7,318		2
Other public safety:						
Dispatch		309,983		307,812		2,171
	<u>-</u>	<u>1,794,125</u>	<u>-</u>	<u>1,499,898</u>	<u>-</u>	<u>294,227</u>
Highways and streets						
Administration		837,153		713,091	10,000	114,062
Highways and streets		80,000		88,065		(8,065)
Street Lighting		31,200		34,330		(3,130)
Other		21,000		7,000		14,000
	<u>-</u>	<u>969,353</u>	<u>-</u>	<u>842,486</u>	<u>10,000</u>	<u>116,867</u>
Sanitation						
Solid waste collection		267,418		282,649		(15,231)
	<u>-</u>	<u>267,418</u>	<u>-</u>	<u>282,649</u>	<u>-</u>	<u>(15,231)</u>
Health						
Pest Control		1,950		1,305		645
Health Agencies & Hospitals:						
Androscoggin Valley Home Care Services		14,000		11,656		2,344
Northern Human Services TMHC		2,895		2,895		-
NC Home Health & Hospice Agency		5,000		5,000		-
	<u>-</u>	<u>23,845</u>	<u>-</u>	<u>20,856</u>	<u>-</u>	<u>2,989</u>
Welfare						
Administration & Direct Assistance		18,540		10,350		8,190
Social Service Agencies:						
Tri-County CAP Programs		7,125		7,125		-
Gorham Community Learning Center		4,000		4,000		-
Family Resource Center		10,000		10,000		-
	<u>-</u>	<u>39,665</u>	<u>-</u>	<u>31,475</u>	<u>-</u>	<u>8,190</u>

Schedule D1b  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
**General Fund**

Schedule of Appropriations, Expenditures and Encumbrances  
For the Fiscal Year Ended December 31, 2021

	Reserved From Prior Fiscal Year	Voted Appropriations	Reserves and RSA 31:95-b Authorizations	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
Culture and recreation						
Parks and Recreation	10,000	193,124		181,823		21,301
Patriotic Purposes		7,150		1,347		5,803
Other culture & recreation:						-
Gorham Historical Society		4,000		4,000		-
ARA - Special Olympics		1,000		1,000		-
Androscoggin Valley Chamber of Commerce		3,000		3,000		-
	<u>10,000</u>	<u>208,274</u>	<u>-</u>	<u>191,170</u>	<u>-</u>	<u>27,104</u>
Conservation						
Administration		250		-		250
	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
Debt service						
Principal of long-term debt		37,790		37,790		-
Interest expense - long-term debt		2,167		2,166		1
Interest expense - tax anticipation notes		1,500		-		1,500
	<u>-</u>	<u>41,457</u>	<u>-</u>	<u>39,956</u>	<u>-</u>	<u>1,501</u>
Facilities acquisition and construction						
Buildings:						
Cold storage/workshop building					49,515	(49,515)
Improvements other than buildings:						
Airport runway repairs					9,446	(9,446)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,961</u>	<u>(58,961)</u>
Operating transfers out - Interfund transfers						
Special revenue						
Gorham Public Library		161,488		161,488		-
Capital & Noncapital Reserves:						
Capital Reserves:						
Ambulance		35,000		35,000		-
Ambulance Equipment		20,000		20,000		-
Assessment		92,000		92,000		-
Dispatch		3,600		3,600		-
Fire Equipment		20,000		20,000		-
Fire Truck		71,000		71,000		-
Highway Heavy Equipment		120,000		120,000		-
Information Technology		25,000		25,000		-
Police Cruiser		30,000		30,000		-
Police Equipment		10,000		10,000		-
Road Resurfacing & Reconstruction		250,000		250,000		-
Sanitation/Recycling		10,000		10,000		-
Town Building Purchases & Repair		45,000		45,000		-
River Maintenance		15,000		15,000		-
Noncapital Reserves:						
Longevity/Severance		10,000		10,000		-
East Milan Landfill Monitoring		3,500		3,500		-
Cates Hill Landfill		3,600		3,600		-
Special Insurance		3,000		3,000		-
	<u>-</u>	<u>928,188</u>	<u>-</u>	<u>928,188</u>	<u>-</u>	<u>-</u>
	<u>\$ 53,866</u>	<u>\$ 5,187,493</u>	<u>\$ -</u>	<u>\$ 4,857,800</u>	<u>\$ 126,972</u>	<u>\$ 256,587</u>

Special appropriations were inadvertently left off of the M5535 - reconciled F/stmts through property taxes (25,125)

Variance between the FY20 M5535 and the prior audit were also reconciled through property taxes

M5535 4,832,675

See independent auditor's report and accompanying notes to financial statements.

Schedule D2a  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
 Balance Sheet  
 Non-major Governmental Funds  
 December 31, 2021

	<i>Special Revenue</i>					<i>Capital Project</i>				<b>Total</b>
	<b>Public Library</b>	<b>DARE to LEAD</b>	<b>Drug Forfeiture</b>	<b>MV Reclamation</b>	<b>Recreation Revolving</b>	<b>Forestry</b>	<b>Transportation</b>	<b>Multi-Modal Route</b>	<b>Permanent Funds</b>	
<b>ASSETS</b>										
Cash and cash equivalents	\$ 12,612	\$	\$	\$	\$	\$	\$	\$	236,458	\$ 249,070
Receivables, net of allowance for uncollectibles										
Interfund	68,688	3,633	2,369	3,315	124,859	61,542	96,493			360,899
	<u>81,300</u>	<u>3,633</u>	<u>2,369</u>	<u>3,315</u>	<u>124,859</u>	<u>61,542</u>	<u>96,493</u>	-	<u>236,458</u>	<u>609,969</u>
<b>LIABILITIES</b>										
Interfund payable								833		833
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>833</u>	<u>-</u>	<u>833</u>
<b>DEFERRED INFLOWS</b>										
<b>FUND BALANCES</b>										
<i>Nonspendable</i>										
Permanent fund - principal									233,665	233,665
<i>Restricted for</i>										
Permanent fund purposes									2,793	2,793
Special revenue purposes	81,300	3,633	2,369	3,315	124,859	61,542		\$	-	277,018
Capital project purpose							96,493			96,493
Unassigned								(833)		(833)
	<u>81,300</u>	<u>3,633</u>	<u>2,369</u>	<u>3,315</u>	<u>124,859</u>	<u>61,542</u>	<u>96,493</u>	<u>(833)</u>	<u>236,458</u>	<u>609,136</u>
	<u>\$ 81,300</u>	<u>\$ 3,633</u>	<u>\$ 2,369</u>	<u>\$ 3,315</u>	<u>\$ 124,859</u>	<u>\$ 61,542</u>	<u>\$ 96,493</u>	<u>\$ -</u>	<u>\$ 236,458</u>	<u>\$ 609,969</u>

See independent auditor's report and accompanying notes to financial statements.



Schedule D2b  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Governmental Funds  
For the Fiscal Year Ended December 31, 2021

	<u>Special Revenue</u>						<u>Capital Project</u>				<u>Total</u>
	<u>Public Library</u>	<u>DARE to LEAD</u>	<u>Drug Forfeiture</u>	<u>MV Reclamation</u>	<u>Recreation Revolving</u>	<u>Forestry</u>	<u>Other</u>	<u>Transportation</u>	<u>Multi-Modal Route</u>	<u>Permanent Funds</u>	
<b>REVENUES</b>											
Licenses and permits				\$ 9,276							\$ 9,276
Federal support	\$ 2,986										2,986
Charges for services	808				144,649		\$ 19,090				164,547
Miscellaneous	11,212			\$ 905	\$ 18,245				\$ 52		30,414
	<u>15,006</u>	<u>-</u>	<u>-</u>	<u>10,181</u>	<u>144,649</u>	<u>18,245</u>	<u>-</u>	<u>19,090</u>	<u>-</u>	<u>52</u>	<u>207,223</u>
<b>EXPENDITURES</b>											
Current:											
Public safety		\$ 761		\$ 11,552							\$ 12,313
Culture and recreation	\$ 166,270				\$ 100,318						266,588
Conservation						\$ 15,380					15,380
	<u>166,270</u>	<u>761</u>	<u>-</u>	<u>11,552</u>	<u>100,318</u>	<u>15,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,281</u>
Excess (deficiency) of revenues over (under) expenditures	(151,264)	(761)	-	(1,371)	44,331	2,865	-	19,090	-	52	(87,058)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	161,488										161,488
	<u>161,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,488</u>
Net change in fund balances	10,224	(761)	-	(1,371)	44,331	2,865	-	19,090	-	52	74,430
Fund balances - beginning, <i>as restated</i>	71,076	4,394	2,369	4,686	80,528	58,677		77,403	(833)	236,406	534,706
Fund balances - ending	\$ <u>81,300</u>	\$ <u>3,633</u>	\$ <u>2,369</u>	\$ <u>3,315</u>	\$ <u>124,859</u>	\$ <u>61,542</u>	\$ <u>-</u>	<u>96,493</u>	<u>(833)</u>	<u>236,458</u>	\$ <u>609,136</u>
Fund balances - beginning (prior audit GFs)	71,076	4,394	2,369	4,686	80,528	58,677	84,279	77,403	(833)	236,406	618,985
Adjustments:											
Restatements for unknown differences with general ledger							(84,279)				(84,279)
Fund Balances, as restated	<u>71,076</u>	<u>4,394</u>	<u>2,369</u>	<u>4,686</u>	<u>80,528</u>	<u>58,677</u>	<u>-</u>	<u>77,403</u>	<u>(833)</u>	<u>236,406</u>	<u>534,706</u>

See independent auditor's report and accompanying notes to financial statements.

SCHEDULE D2b(1)  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
*Special Revenue Fund - Gorham Public Library*  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
For the Fiscal Year Ended December 31, 2021

*All amounts are expressed in USA Dollars.*

	R1	R3	R4	R5	
	Town Accounts [Interfund]	Equipment Generated Income	Gifts, Personal Property, Other Income	Grants	Total
<b>REVENUES</b>					
Federal support	2,986				2,986
Charges for services					-
Equipment generated income		808			808
Miscellaneous					-
Gifts, personal property and other unanticipated			3,401		3,401
Grants				7,811	7,811
	<u>2,986</u>	<u>808</u>	<u>3,401</u>	<u>7,811</u>	<u>15,006</u>
<b>EXPENDITURES</b>					
Current - Culture and Recreation					-
Culture and Recreation	160,240	230	2,560	3,240	166,270
	<u>160,240</u>	<u>230</u>	<u>2,560</u>	<u>3,240</u>	<u>166,270</u>
Excess (deficiency) of revenues over (under) expenditures	(157,254)	578	841	4,571	(151,264)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					-
General Fund	161,488				161,488
	<u>161,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,488</u>
Net change in fund balances	4,234	578	841	4,571	10,224
Fund balances - beginning	64,454	1,207	5,415		71,076
Fund balances - ending	<u>68,688</u>	<u>1,785</u>	<u>6,256</u>	<u>4,571</u>	<u>81,300</u>

SCHEDULE E1  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
*Enterprise Fund - Water Department*  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
For the Fiscal Year Ended December 31, 2021

All amounts are expressed in USA Dollars.

	Operations	Total Town Budgetary Basis	GAAP (Accrual) Basis	Prior Year	Capital Reserve Fund
<b>OPERATING REVENUE</b>					
Intergovernmental		-	-		
Operating grants		-	-		
Charges for services		-	-		
Water sales	467,784	467,784	467,784		
Surcharge		-	-		
Job works & materials	14,080	14,080	14,080		
Municipal charges		-	-		
Administrative charges	2,130	2,130	2,130		
Cost reimbursements	4,392	4,392	4,392		
Late Fees	832	832	832		
Abatements	(11,159)	(11,159)	(11,159)		
		-	-		
	478,060	478,060	478,060	-	-
<b>OPERATING EXPENSE</b>					
Wages and benefits		-	-		
Professional services		-	-		
Chemicals & supplies		-	-		
Operations & maintenance	422,842	422,842	422,842		23,170
General and administrative		-	-		
Outside Sales Reimbursed		-	-		
Other operating expenses		-	-		
Nondepreciable capital expenses		-	-		
Depreciation		-	-		
		-	-		
	422,842	422,842	422,842	-	23,170
Operating Income(Loss)	55,218	55,218	55,218	-	(23,170)
<b>NONOPERATING INCOME(EXPENSE)</b>					
Interest income		-	-		49
State aid grants		-	-		
Debt service:		-	-		
Principal		-	-		
Interest		-	-		
Capital outlay		-	-		
		-	-		
	-	-	-	-	49
Income(Loss) Before Contributions and Transfers	55,218	55,218	55,218	-	(23,121)
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Capital contributions		-	-		
Transfers in		-	-		
Transfers out		-	-		
Intra-fund transfers, net	(25,010)	(25,010)	(25,010)	-	25,010
	(25,010)	(25,010)	(25,010)	-	25,010
Net Income(Loss)	30,208	30,208	30,208	-	1,889
Net Position - Beginning	18,792	18,792	18,792		229,917
Net Position - Ending	49,000	49,000	49,000	-	231,805
<b>Analysis of Net Position December 31:</b>					
			<b>2021</b>	<b>2020</b>	
Cash		-	-	164,715	231,805
AR Water rents	27,303	27,303	27,303	24,773	
AR Job works & materials	6,899	6,899			
Allowance for uncollectable accounts				(1,283)	
Intergovernmental receivable		-	-		
Interfund receivable(payable)		-	-		
GF	14,798	14,798	14,798	(42,581)	
Water		-	-		
Capital assets (net of accumulated depreciation)		-	-		
Accounts payable		-	-		
Accrued payroll and benefits		-	-		
Contracts payable		-	-		
Long-term debt:		-	-		
Unpaid principal		-	-		
State grants receivable		-	-		
	49,000	49,000	42,101	145,624	231,805

SCHEDULE E2  
**TOWN OF GORHAM, NEW HAMPSHIRE**  
*Enterprise Fund - Sewer Department*  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
For the Fiscal Year Ended December 31, 2021

All amounts are expressed in USA Dollars.

	<b>Operating Budget</b>	<b>Capital Reserve Fund</b>	<b>Total Town Budgetary Basis</b>	<b>GAAP (Accrual) Basis</b>	<b>Prior Year</b>
<b>OPERATING REVENUE</b>					
Charges for services				-	
Wastewater user charges	447,341		447,341	447,341	
Job Works & Materials	29,409		29,409	29,409	
Cost Reimbursements	4,041		4,041	4,041	
Late Fees	829		829	829	
Abatements	(17,644)		(17,644)	(17,644)	
	<u>463,977</u>	-	<u>463,977</u>	<u>463,977</u>	-
<b>OPERATING EXPENSE</b>					
Operations & maintenance	435,831	62,085	497,916	497,916	
	<u>435,831</u>	<u>62,085</u>	<u>497,916</u>	<u>497,916</u>	-
Operating Income(Loss)	28,145	(62,085)	(33,940)	(33,940)	-
<b>NONOPERATING INCOME(EXPENSE)</b>					
Interest income		40	40	40	
	-	<u>40</u>	<u>40</u>	<u>40</u>	-
Income(Loss) Before Contributions and Transfer:	28,145	(62,044)	(33,899)	(33,899)	-
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Intra-Fund Transfers	(39,097)	39,097	-	-	
	<u>(39,097)</u>	<u>39,097</u>	<u>-</u>	<u>-</u>	-
Net Income(Loss)	(10,952)	(22,947)	(33,899)	(33,899)	-
Net Position - Beginning	(64,103)	209,651	145,548	145,548	
Net Position - Ending	<u>(75,056)</u>	<u>186,704</u>	<u>111,649</u>	<u>111,649</u>	-
<b>Analysis of Net Position December 31:</b>				<b>2021</b>	<b>2,020</b>
Cash		186,704	186,704	186,704	
Accounts receivable					
Sewer Rents	9,930		9,930		
Job Works & Materials	990		990		
Interfund receivable(payable)	(85,976)		(85,976)	(85,976)	
Capital assets <i>(net of accumulated depreciation)</i>			-	-	
Accounts payable			-	-	
Accrued payroll and benefits			-	-	
Contracts payable			-	-	
Long-term debt:			-	-	
Unpaid principal			-	-	
State grants receivable			-	-	
	<u>(75,056)</u>	<u>186,704</u>	<u>111,649</u>	<u>100,729</u>	-