

TOWN OF GORHAM, NEW HAMPSHIRE

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

FOR THE YEAR ENDED DECEMBER 31, 2022

TOWN OF GORHAM, NEW HAMPSHIRE
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Gorham, New Hampshire, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedules of estimated and actual revenues, appropriations, expenditures, and encumbrances, and non-major funds' balance sheet and statement of revenues, expenditures, and changes in fund balances, and statement of changes in assets and liabilities – all agency funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Alta CPA Group, LLC

December 11, 2023

Exhibit A1
TOWN OF GORHAM, NEW HAMPSHIRE
Statement of Net Position
December 31, 2022

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 692,923
Investments	2,825,545
Receivables <i>(net of allowance for uncollectibles)</i>	
Taxes	4,742,657
Liens	124,167
Accounts	176,175
Capital assets:	
Land	3,989,746
Buildings and other structures	8,891,957
Construction in progress	1,090,185
Equipment & furnishings	1,406,661
Vehicles	2,667,006
Infrastructure	49,868,768
Accumulated depreciation	(21,669,116)
	54,806,674
DEFERRED OUTFLOW OF RESOURCES	
Pension related <i>(NHRS)</i>	595,460
OPEB related <i>(NHRS)</i>	517
	\$ 595,977
LIABILITIES	
Accounts payable and other current liabilities	\$ 119,975
Compensated absences payable	70,686
Intergovernmental payable	1,960,513
Due Beyond one year:	
Town share of NHRS net pension liability	3,758,109
Town share of NHRS OPEB liability	189,119
	6,098,402
DEFERRED INFLOWS OF RESOURCES	
Pension related <i>(NHRS)</i>	\$ 106,034
OPEB related <i>(NHRS)</i>	-
	106,034
NET POSITION	
Net investment in capital assets	\$ 46,245,207
Restricted for:	
Subsequent year's expenditures	92,893
Special Revenue purposes	559,727
Capital projects	114,481
Nonspendable	223,236
Spendable for trust purposes	3,174
Unrestricted	1,959,497
	\$ 49,198,215

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, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Primary government:				
<i>Governmental activities:</i>				
General Government	\$ 986,836	\$ 171,539	\$ 355,529	\$ (459,768)
Public safety	2,006,951	388,899	373,598	(1,244,454)
Highways and streets	966,091	21,012	62,932	(882,147)
Sanitation	813,203	568,270	-	(244,933)
Water distribution & treatment	524,451	493,161	-	(31,290)
Health	115,410	-	-	(115,410)
Welfare	41,679	-	-	(41,679)
Culture and recreation	577,221	-	-	(577,221)
Conservation	20,460	-	-	(20,460)
Economic development	-	-	-	-
Interest on long-term debt	45,828	-	-	(45,828)
Depreciation-unallocated	124,519	-	-	(124,519)
	<u>\$ 6,222,649</u>	<u>\$ 1,642,881</u>	<u>\$ 792,059</u>	<u>(3,787,709)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,747,076
Property taxes, levied for debt services				47,328
Licenses and permits				839,060
Other local revenues				155,038
Change in fair value of investments				(112,339)
				<u>4,676,163</u>
Change in net position				888,454
Net position - beginning, as restated				<u>48,309,761</u>
Net position - ending				<u>\$ 49,198,215</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, 2022

	General	Water Department	Sewer Department	Grants	Capital & Noncapital Reserves	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 601,064	\$ -	\$ -	\$ -	\$ -	\$ 91,859	\$ 692,923
Investments	-	-	-	-	2,682,245	143,300	2,825,545
Receivables:							
Taxes	4,742,657	-	-	-	-	-	4,742,657
Liens	124,167	-	-	-	-	-	124,167
Accounts	124,876	36,925	14,194	-	-	180	176,175
Interfund	-	-	-	242,134	-	372,026	614,160
	<u>\$ 5,592,764</u>	<u>\$ 36,925</u>	<u>\$ 14,194</u>	<u>\$ 242,134</u>	<u>\$ 2,682,245</u>	<u>\$ 607,365</u>	<u>\$ 9,175,627</u>
LIABILITIES							
Accounts payable	\$ 12,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,874
Accrued Liabilities	107,101	-	-	-	-	-	107,101
Interfund payable	614,160	-	-	-	-	-	614,160
Intergovernmental payable	1,960,513	-	-	-	-	-	1,960,513
	<u>2,694,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,694,648</u>
DEFERRED INFLOWS							
Property taxes	\$ 425,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,000
	<u>\$ 425,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,000</u>
FUND BALANCES							
<i>Nonspendable</i>							
Permanent fund - principal	-	-	-	-	-	\$ 223,236	\$ 223,236
<i>Restricted for</i>							
Permanent fund purposes	-	-	-	-	-	3,174	3,174
Special revenue purposes	-	\$ 36,925	14,194	\$ 242,134	-	266,474	559,727
Capital project purpose	-	-	-	-	-	114,481	114,481
<i>Committed for</i>							
Open purchase orders	\$ 92,893	-	-	-	-	-	92,893
Capital & noncapital reserves	-	-	-	\$ 2,682,245	-	-	2,682,245
Unassigned	2,380,223	-	-	-	-	-	2,380,223
	<u>2,473,116</u>	<u>36,925</u>	<u>14,194</u>	<u>242,134</u>	<u>2,682,245</u>	<u>607,365</u>	<u>6,055,979</u>
	<u>\$ 5,592,764</u>	<u>\$ 36,925</u>	<u>\$ 14,194</u>	<u>\$ 242,134</u>	<u>\$ 2,682,245</u>	<u>\$ 607,365</u>	<u>\$ 9,175,627</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, 2022

Total Fund Balance - Governmental Funds (Exhibit B1) \$ 6,055,979

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	1,406,661	
Vehicles	2,667,006	
Infrastructure	49,868,768	
Accumulated depreciation	<u>(21,669,116)</u>	46,245,207

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:

Town's share of New Hampshire Retirement System:		
Net pension liability	\$ (3,758,109)	
Deferred outflows of resources - Pension	595,460	
Deferred inflows of resources - Pension	(106,034)	
OPEB liability	(189,119)	
Deferred outflows of resources - OPEB	<u>517</u>	(3,457,285)
Compensated absences (sick & vacation leave)	<u>(70,686)</u>	<u>(3,527,971)</u>

Net Position of Governmental Activities (Exhibit A1) \$ 49,198,215

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, 2022

	General	Water Department	Sewer Department	Grants	Capital & Noncapital Reserves	Non-major Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 3,794,404	\$ -	\$ -		\$ -	\$ -	\$ 3,794,404
Licenses and permits	830,227	-	-		-	8,833	839,060
State support	418,461	-	-		-	-	418,461
Federal support	-	-	-	373,598	-	-	373,598
Charges for services	422,496	493,161	568,270		-	158,954	1,642,881
Other local sources	63,016	-	-	7,500	21,591	62,931	155,038
Change in fair value of Investments	-	-	-		(100,500)	(11,839)	(112,339)
	<u>5,528,604</u>	<u>493,161</u>	<u>568,270</u>	<u>381,098</u>	<u>(78,909)</u>	<u>218,879</u>	<u>7,111,103</u>
EXPENDITURES							
Current:							
General Government	996,765	-	-	4,638	11,088	-	1,012,491
Public safety	1,791,138	-	-	48,196	167,617	-	2,006,951
Highways and streets	963,665	-	-	-	-	2,426	966,091
Sanitation	295,619	-	454,010		51,542	12,032	813,203
Water distribution & treatment	-	475,033	-	-	49,418	-	524,451
Health	14,300	-	-	101,110	-	-	115,410
Welfare	41,679	-	-	-	-	-	41,679
Culture and recreation	212,725	-	-	13,543	-	350,953	577,221
Conservation	-	-	-	-	-	20,460	20,460
Debt service							
Principal	-	-	-	-	-	-	-
Interest	45,828	-	-	-	-	-	45,828
Capital outlay	579,711	-	-	-	-	-	579,711
Depreciation - unallocated	-	-	-	-	-	-	-
	<u>4,941,430</u>	<u>475,033</u>	<u>454,010</u>	<u>167,487</u>	<u>279,665</u>	<u>385,871</u>	<u>6,703,496</u>
Excess of revenues over(under) expenditures	587,174	18,128	114,260	213,611	(358,574)	(166,992)	407,607
OTHER FINANCING SOURCES(USES)							
Transfers in	757,768	-	-	-	871,014	165,221	1,794,003
Transfers out	(981,021)	(30,203)	(25,011)	-	(757,768)	-	(1,794,003)
	<u>(223,253)</u>	<u>(30,203)</u>	<u>(25,011)</u>	<u>-</u>	<u>113,246</u>	<u>165,221</u>	<u>-</u>
Net change in fund balances	363,921	(12,075)	89,249	213,611	(245,328)	(1,771)	407,607
Fund balances - beginning	2,109,195	49,000	(75,055)	28,523	2,927,573	609,136	5,648,372
Fund balances - ending	<u>\$ 2,473,116</u>	<u>\$ 36,925</u>	<u>\$ 14,194</u>	<u>\$ 242,134</u>	<u>\$ 2,682,245</u>	<u>\$ 607,365</u>	<u>\$ 6,055,979</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, 2022

Net change in fund balances - total governmental funds (Exhibit B3)	\$	407,607
<p>Amounts reported for governmental activities in the statement of activities (Exhibit A2) are different because:</p> <p><i>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.</i></p>		
Reduce expenditures for capital outlays increasing capital assets		579,711
Increase expenditures for depreciation charges		(124,519)
<p><i>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.</i></p> <p>Town's share of New Hampshire Retirement System:</p>		
(increase)decrease in net pension liability	\$ (1,012,763)	
Increase(decrease) in deferred outflows of resources - Pension	181,727	
(Increase)decrease in deferred inflows of resources - Pension	884,703	
(increase)decrease in net OPEB liability	(10,987)	
Increase(decrease) in deferred outflows of resources - OPEB	(448)	
(Increase)decrease in deferred inflows of resources - OPEB	<u>(2,262)</u>	
	39,970	
(Increase)decrease in compensated absences payable	<u>(14,315)</u>	
		<u>25,655</u>
Change in net position of governmental activities (Exhibit A2)	\$	<u>888,454</u>

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

TOWN OF GORHAM, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022

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, 2022

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 2022, \$390,700 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 2022 property tax levy was based on a net assessed valuation as of April 1, 2021 of \$384,951,645. State Education Taxes were based on a state-wide equalized valuation of \$311,838,045. 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, 2022

NOTE 5 - PROPERTY TAXES (CONTINUED)

The tax rates and amounts assessed for the year ended December 31, 2022, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Levied
Municipal portion	\$ 8.58	\$ 3,302,195
County Tax Assessment	2.99	1,152,180
Local School Tax Assessment	11.72	4,510,665
State Education Tax Assessment	0.96	299,848
		\$ 9,264,888

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, 2022

NOTE 6 - TAXES RECEIVABLE

Taxes receivable at December 31, 2022, are as follows:

<u>Uncollected Taxes (current levies)</u>			
Property	\$	4,679,403	
Payment in lieu of taxes		93,000	
Excavation Tax		254	
Allowance for uncollectable taxes receivable		<u>(30,000)</u>	
			\$ 4,742,657
<u>Unredeemed Taxes (under tax liens)</u>			
Levy of 2021	\$	86,911	
Levy of 2020		26,460	
Levy of 2019		<u>10,796</u>	
			<u>124,167</u>
			<u>\$ 4,866,824</u>

NOTE 7 - ACCOUNTS RECEIVABLES

Accounts receivable at December 31, 2022 are as follows:

Ambulance charges	\$	87,408	
Gasoline sales (school)		(921)	
CRF		31,816	
NHRS		11,387	
Miscellaneous		26,420	
Allowance for uncollectable accounts receivable		<u>(31,234)</u>	
			\$ 124,876
<u>Water Department</u>			
Water charges			36,925
<u>Sewer Department</u>			
Sewer charges			14,194
Non-major Governmental Funds			<u>180</u>
			<u>\$ 176,175</u>

TOWN OF GORHAM, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2022 are as follows:

	Internal Balance/ Interfund Receivable	Internal Balance/ Interfund Payable
<i>Governmental Funds:</i>		
General Fund	\$ -	\$ 614,160
<i>Special Revenue Funds:</i>		
Gorham Public Library	67,321	-
Water Department		-
Sewer Department	-	-
Grants	242,134	-
Dare to Lead	6,633	-
Drug Forfeiture	2,369	-
MV Reclamation	116	-
Recreation Revolving	139,024	-
Forestry	42,082	-
<i>Capital Projects:</i>		
Transportation	114,481	-
Multi-Modal Route	-	-
	\$ 614,160	\$ 614,160

NOTE 9 - INTERGOVERNMENTAL PAYABLE

Payables due other governments at December 31, 2022 include:

General Fund

*Gorham Randolph Shelburne Cooperative School District (balance of 2021-2022
School District Assessment due in monthly installments through June 30, 2022)*

\$ 1,960,513

TOWN OF GORHAM, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2022 is as follows:

	<i>Governmental Activities</i>			
	Balance January 1	Additions & Reclassifications	Deductions & Reclassifications	Balance June 30
Land	\$ 3,989,746	\$ -	\$ -	\$ 3,989,746
Buildings & Other Structures	8,891,957	-	-	8,891,957
Construction in Progress	1,090,185	-	-	1,090,185
Equipment & Furnishings	1,060,480	658,370	312,189	1,406,661
Vehicles	2,632,952	232,354	198,300	2,667,006
Infrastructure	49,868,768	-	-	49,868,768
	<u>67,534,088</u>	<u>890,724</u>	<u>510,489</u>	<u>67,914,323</u>
Less: Accumulated Depreciation	<u>(21,708,111)</u>	<u>(124,519)</u>	<u>(163,514)</u>	<u>(21,669,116)</u>
	<u>\$ 45,825,977</u>	<u>\$ 766,205</u>	<u>\$ 346,975</u>	<u>\$ 46,245,207</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, 2022

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 (Primex³) 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 1/1/22 – 12/31/22 by *Primex³*, 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, 2022 are as follows:

Town contributions billed for the coverage period:

Property/Liability	\$ 65,452
Workers' Compensation	\$ 34,673

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, 2022:

	<u>Balance</u> <u>December 31, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Due Within</u> <u>One Year</u>
<i>Governmental Activities:</i>					
Compensated absences:					
Vacation & sick leave	\$ 60,000	\$ 10,686	\$ -	\$ 70,686	\$ 70,686

TOWN OF GORHAM, NEW HAMPSHIRE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

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 January 1, 2022 through December 31, 2022 are as follows:

	Pension	Medical Subsidy	Total
Group I:			
Employees	13.75%	0.31%	14.06%
Group II:			
Police	30.67%	3.21%	33.88%
Fire	29.78%	3.21%	32.99%

TOWN OF GORHAM, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 January 1, 2022 through December 31, 2022 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, 2022

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, 2022 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, 2022

NOTE 16 - FUND BALANCES

Elements of fund balances as of December 31, 2022 were as follows:

Non-spendable and Restricted for Permanent Fund Purposes

Resources held by the Town Trustees at December 31, 2022 for donor-restricted purposes were as follows:

	Non-Spendable Endowment	Spendable for Trust Purposes	Total
Cemetery Care	\$ 131,059	\$ 2,492	\$ 133,551
Gorham Public Library	92,177	682	92,859
	\$ 223,236	\$ 3,174	\$ 226,410

Restricted for Special Revenue Fund Purposes

Resources that may only be spent for specific purposes include:

Major Governmental Funds

Water Department	\$ 36,925
Sewer Department	14,194
Grants	242,134

Non-major Governmental Funds

Restricted for special revenue

Gorham Public Library	\$ 76,070
Dare to Lead	6,633
Drug Forfeiture	2,369
MV Reclamation	116
Recreation Revolving Fund	139,204
Forestry	42,082
	266,474
	\$ 559,727

Restricted for Capital Project Fund Purposes

Resources that may only be spent for specific purposes include:

Non-major Governmental Funds

Transportation	\$ 114,481
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TOWN OF GORHAM, NEW HAMPSHIRE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - FUND BALANCES (CONTINUED)

Committed for Open Purchase Orders

General Fund

Encumbrances:

Property Revaluation	\$	21,200	
Competitive wage review		2,653	
Financial Administration		19,000	
Airport runway paving		10,667	
Personnel Administration		36,643	
Planning and Zoning		2,730	
			92,893
			\$ 92,893

TOWN OF GORHAM, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - FUND BALANCES (CONTINUED)

Committed for Capital Project Fund Purposes

Capital and Non Capital Reserves Fund

Capital Reserves:

Ambulance	\$ 48,918
Ambulance Equipment	29,957
Assessment	50,014
Emergency Disaster	55,051
Emergency Energy	68,294
Dispatch	7,729
Fire Equipment	85,116
Fire Truck	200,497
Highway Heavy Equipment	103,013
Information Technology	48,645
Library Maintenance	4,800
Medallion Opera House	5,972
Police Cruiser	41,605
Police Equipment	19,606
Renewable Energy Projects	10,000
Road Resurfacing & Reconstruction	890,338
Sewer Department Capital Reserve	169,969
Sanitation/Recycling	135,119
Street Light Update	5,684
Town Building Purchases & Repair	188,404
River Maintenance	179,504
Water Department	205,560

Noncapital Reserves:

Longevity/Severance	36,000
East Milan	60,982
Cates Hill Landfill	20,428
Special Insurance	11,040
	<u>\$ 2,682,245</u>

TOWN OF GORHAM, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 16 - FUND BALANCES (CONTINUED)

Unassigned

Unassigned fund balance includes:

General Fund	<u>\$ 2,380,223</u>
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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, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final Budget		Final Budget
REVENUES				
Taxes	3,225,706	\$ 3,225,706	\$ 3,794,404	\$ 568,698
Licenses and permits	737,100	737,100	830,227	93,127
State support	315,242	315,242	418,461	103,219
Charges for services	393,461	393,461	422,496	29,035
Miscellaneous	29,575	29,575	63,016	33,441
	4,701,084	4,701,084	5,528,604	827,520
EXPENDITURES				
Current:				
General government	1,037,120	1,171,633	1,020,980	150,653
Public safety	1,892,635	1,894,135	1,791,138	102,997
Highways and streets	935,110	976,747	953,665	23,082
Sanitation	300,205	305,638	295,619	10,019
Health	23,845	23,845	14,300	9,545
Welfare	39,565	39,565	41,679	(2,114)
Culture and recreation	224,538	224,538	212,725	11,813
Conservation	250	250	-	250
Debt service:				
Principal	-	-	-	-
Interest	47,328	47,328	45,828	1,500
Capital outlay	-	574,685	531,417	43,268
	4,500,596	5,258,364	4,907,351	351,013
Excess of revenues over(under) expenditures	200,488	(557,280)	621,253	1,178,533
OTHER FINANCING				
SOURCES(USES)				
Transfers in	-	757,768	757,768	-
Transfers out	(980,188)	(980,188)	(981,021)	(833)
	(980,188)	(222,420)	(223,253)	(833)
Net change in fund balances	(779,700)	(779,700)	398,000	1,177,700
Fund balances - beginning	1,982,223	1,982,223	1,982,223	-
Fund balances - ending	1,202,523	\$ 1,202,523	\$ 2,380,223	\$ 1,177,700

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, 2022

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 2022/2023, \$390,700 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>	\$ 5,888,372
Adjustments:	
Encumbrances - December 31, 2020	126,972
Encumbrances - December 31, 2021	<u>(92,893)</u>
Expenditures and Other Financing Uses ~ GAAP Basis <i>(see Exhibit B3)</i>	<u>\$ 5,922,451</u>

Exhibit C2
TOWN OF GORHAM, NEW HAMPSHIRE
Comparative Schedule of Pension Obligations
For the Fiscal Year Ended December 31, 2022

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	2022
Proportionate share	0.07161026%	0.07472252%	0.06901241%	0.07278169%	0.07237282%	0.06844475%	0.06371639%	0.06074617%	0.06194486%	0.06551643%
Employer contribution	\$ 178,061	\$ 242,417	\$ 231,528	\$ 260,616	\$ 265,133	\$ 289,287	\$ 277,282	\$ 269,860	\$ 284,591	\$ 379,350
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	\$ 3,758,109
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	70,533
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	-	-	242,142	-	-	-	240,317	-	142,427
Changes of assumptions	<i>base year</i>	-	-	476,303	357,400	228,082	110,000	384,345	286,736	199,901
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	182,599
<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>	<u>\$ 595,460</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)	(14,427)
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)	(91,607)
<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>	<u>\$ (106,034)</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	377,483
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)	(51,803)
<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>	<u>\$ 325,680</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, 2022, 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, 2022

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	2022
Proportionate share	0.03771032%	0.03839880%	0.05370880%	0.04904029%	0.04259412%	0.04448226%	0.05004629%
Employer contribution	\$ 21,912	\$ 22,759	\$ 23,757	\$ 22,380	\$ 19,771	\$ 21,376	\$ 21,074
Net OPEB Liability	\$ 182,558	\$ 175,572	\$ 245,903	\$ 214,998	\$ 186,438	\$ 178,132	\$ 189,119
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	-	517
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>	<u>\$ 517</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>	<u>\$ -</u>
OPEB expense:							
Proportionate share of plan OPEB expense	<i>base year</i>	12,995	22,649	14,069	17,581	8,484	6,717
Net amortization of deferred amounts from changes in proportion	<i>base year</i>	2,331	56,327	(4,147)	(27,096)	4,618	22,633
<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>	<u>\$ 29,350</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, 2022, 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, 2022

	Original & Final Budget	Reserves and RSA 31:95-b Authorizations	Actual (GAAP Basis)	Over (Under) Budget
REVENUES				
Taxes				
Property	\$ 3,274,995	\$ -	\$ 3,549,056	\$ 274,061
Payments in lieu of taxes	200,049	-	206,559	6,510
Excavation tax	100	-	-	(100)
Other taxes	2,000	-	2,899	899
Interest and penalties on delinquent taxes	38,825	-	55,403	16,578
Overlay	(290,263)	-	(19,513)	270,750
	<u>3,225,706</u>	-	<u>3,794,404</u>	<u>568,698</u>
Licenses and permits				
Business licenses and permits	1,500	-	1,529	29
Motor vehicle fees	695,900	-	769,027	73,127
Building permits	5,700	-	7,607	1,907
Other licenses, permits and fees	34,000	-	52,064	18,064
	<u>737,100</u>	-	<u>830,227</u>	<u>93,127</u>
State Support				
Meals and rooms tax distribution	236,736	-	236,736	-
Highway block grant	62,932	-	62,932	-
Other, incl railroad tax	15,574	-	118,793	103,219
	<u>315,242</u>	-	<u>418,461</u>	<u>103,219</u>
Charges for Services				
Income From Departments				
General Government Services	8,550	-	12,585	4,035
<i>Public safety services:</i>				
Police department	18,200	-	26,077	7,877
Fire department	10,000	-	12,471	2,471
Ambulance	339,111	-	350,351	11,240
<i>Highways & Streets:</i>				
Gas/diesel School	15,000	-	17,783	2,783
Other	100	-	-	(100)
<i>Sanitation:</i>				
Motor vehicle surcharge	2,000	-	2,871	871
Commercial hauler fees	500	-	358	(142)
	<u>393,461</u>	-	<u>422,496</u>	<u>29,035</u>
Miscellaneous				
Sale of municipal property	4,500	-	21,614	17,114
Interest on investments	16,800	-	17,270	470
Other:				
Rents of property	500	-	900	400
Reimbursements	7,275	-	23,232	15,957
Other	500	-	-	(500)
	<u>29,575</u>	-	<u>63,016</u>	<u>33,441</u>
OTHER FINANCING SOURCES				
Operating transfers in - Interfund Transfers				
<i>Capital & Noncapital Reserves:</i>				
Highway Heavy Equipment	-	260,611	260,611	-
Fire Equipment	-	6,081	6,081	-
Assessing	-	119,000	119,000	-

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

Schedule D1a
TOWN OF GORHAM, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues
For the Fiscal Year Ended December 31, 2022

	Original & Final Budget	Reserves and RSA 31:95-b Authorizations	Actual (GAAP Basis)	Over (Under) Budget
Police Cruiser & Equipment	-	48,395	48,395	-
Medallion Opera House	-	960	960	-
Town Buildings	-	18,409	18,409	-
Cates Hill	-	5,433	5,433	-
Ambulance	-	198,220	198,220	-
Roadway Resurfacing & Reconstruction	-	41,637	41,637	-
Dispatch Equipment	-	1,500	1,500	-
Information Technology	-	19,111	19,111	-
Ambulance Equipment	-	22,898	22,898	-
Longevity	-	15,513	15,513	-
	-	<u>757,768</u>	<u>757,768</u>	-
Total revenues and other financing sources	4,701,084	<u>757,768</u>	<u>\$ 6,286,372</u>	<u>\$ 827,520</u>
Amounts voted from unassigned fund balance	390,700			
Unassigned fund balance used to reduce tax rate	<u>389,000</u>			
Total revenues and use of fund balance	<u>\$ 5,480,784</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, 2022

	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
EXPENDITURES						
Current						
General Government						
Executive	\$ 2,068	\$ 144,310	\$ -	\$ 138,868	\$ 2,653	\$ 4,857
Election, Registration & Vital Statistics	-	44,257	-	43,172	-	1,085
Financial Administration	-	310,152	-	278,883	19,000	12,269
Revaluation of Property	-	288,524	119,000	328,021	21,200	58,303
Legal Expenses	-	75,000	-	57,017	-	17,983
Personnel Administration	53,213	1,050	15,513	109	36,643	33,024
Planning and Zoning	2,730	4,000	-	4,844	2,730	(844)
General Government Buildings	-	82,594	-	69,983	-	12,611
Cemeteries	-	37,634	-	32,130	-	5,504
Insurance, not otherwise allocated	-	45,149	-	38,703	-	6,446
Advertising and Regional Associations	-	4,450	-	5,035	-	(585)
	<u>58,011</u>	<u>1,037,120</u>	<u>134,513</u>	<u>996,765</u>	<u>82,226</u>	<u>150,653</u>
Public safety						
Police Department	-	815,632	-	804,416	-	11,216
Ambulance	-	564,335	-	496,833	-	67,502
Fire Department	-	179,302	-	160,243	-	19,059
Building Inspection (code enforcement)	-	15,576	-	12,938	-	2,638
Emergency management	-	8,439	-	6,880	-	1,559
Other public safety:						
Dispatch	-	309,351	-	308,328	-	1,023
Dispatch equipment (nondepreciable)	-	-	1,500	1,500	-	-
	<u>-</u>	<u>1,892,635</u>	<u>1,500</u>	<u>1,791,138</u>	<u>-</u>	<u>102,997</u>
Highways and streets						
Administration	10,000	792,210	-	754,125	-	48,085
Highways and streets	-	80,000	-	80,000	-	-
Street Lighting	-	35,500	-	21,393	-	14,107
Road resurfacing & repairs	-	-	41,637	51,133	-	(9,496)
Engineering costs	-	-	-	2,449	-	(2,449)
Other	-	27,400	-	54,565	-	(27,165)
	<u>10,000</u>	<u>935,110</u>	<u>41,637</u>	<u>963,665</u>	<u>-</u>	<u>23,082</u>
Sanitation						
Solid waste collection	-	300,205	-	290,186	-	10,019
Cates Hill Landfill Monitoring	-	-	5,433	5,433	-	-
	<u>-</u>	<u>300,205</u>	<u>5,433</u>	<u>295,619</u>	<u>-</u>	<u>10,019</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, 2022

	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
Health						
Pest Control	-	1,950	-	936	-	1,014
Health Agencies & Hospitals:						
Androscoggin Valley Home Care Services	-	14,000	-	5,469	-	8,531
Northern Human Services TMHC	-	2,895	-	2,895	-	-
NC Home Health & Hospice Agency	-	5,000	-	5,000	-	-
	-	23,845	-	14,300	-	9,545
Welfare						
Administration & Direct Assistance	-	18,540	-	20,654	-	(2,114)
Social Service Agencies:						
Tri-County CAP Programs	-	6,525	-	6,525	-	-
Gorham Community Learning Center	-	4,500	-	4,500	-	-
Family Resource Center	-	10,000	-	10,000	-	-
	-	39,565	-	41,679	-	(2,114)
Culture and recreation						
Parks and Recreation	-	200,538	-	188,330	-	12,208
Patriotic Purposes	-	17,000	-	17,395	-	(395)
Other culture & recreation:						
Gorham Historical Society	-	4,000	-	4,000	-	-
ARA - Special Olympics	-	-	-	-	-	-
Androscoggin Valley Chamber of Commerce	-	3,000	-	3,000	-	-
	-	224,538	-	212,725	-	11,813
Conservation						
Administration	-	250	-	-	-	250
	-	250	-	-	-	250
Debt service						
Interest expense - tax anticipation notes	-	1,500	-	-	-	1,500
Lease payments	-	45,828	-	45,828	-	-
	-	47,328	-	45,828	-	1,500
Facilities acquisition and construction						
Machinery, vehicles & equipment:						
Ambulance purchase & equipment	-	-	221,118	221,118	-	-
Highway heavy equipment	-	-	260,611	260,611	-	-
Police cruiser & equipment	-	-	48,395	49,015	-	(620)
IT Upgrades	-	-	19,111	23,507	-	(4,396)
Fire equipment	-	-	6,081	6,080	-	1
Buildings:						
Cold storage/workshop building	49,515	-	-	-	-	49,515
Building repairs & Improvements	-	-	18,409	18,420	-	(11)
Medallion Opera House Improvements	-	-	960	960	-	-
Improvements other than buildings:						
Airport runway repairs	9,446	-	-	-	10,667	(1,221)
Town History	-	-	-	-	-	-
ARPA Grant Expenditures	-	-	-	-	-	-
	58,961	-	574,685	579,711	10,667	43,268

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, 2022

	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
Operating transfers out - Interfund transfers						
<i>Special revenue</i>						
Gorham Public Library	-	161,388	-	161,388	-	-
Dare to LEAD	-	3,000	-	3,000	-	-
<i>Capital project</i>						
Multi-Modal Route	-	-	-	833	-	(833)
<i>Capital & Noncapital Reserves:</i>						
<i>Capital Reserves:</i>						
Ambulance	-	35,000	-	35,000	-	-
Ambulance Equipment	-	20,000	-	20,000	-	-
Assessment	-	50,000	-	50,000	-	-
Dispatch Equipment	-	10,000	-	10,000	-	-
Fire Equipment	-	20,000	-	20,000	-	-
Fire Truck	-	50,000	-	50,000	-	-
Highway Heavy Equipment	-	100,000	-	100,000	-	-
Information Technology	-	40,000	-	40,000	-	-
Police Cruiser	-	35,000	-	35,000	-	-
Police Equipment	-	10,000	-	10,000	-	-
Road Resurfacing & Reconstruction	-	250,000	-	250,000	-	-
Sanitation/Recycling	-	10,000	-	10,000	-	-
Town Building Purchases & Repair	-	140,000	-	140,000	-	-
River Maintenance	-	15,000	-	15,000	-	-
Renewable Energy Projects	-	10,000	-	10,000	-	-
Medallion Opera House	-	700	-	700	-	-
<i>Noncapital Reserves:</i>						
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	-	-
	-	980,188	-	981,021	-	(833)
	\$ 126,972	\$ 5,480,784	\$ 757,768	\$ 5,922,451	\$ 92,893	\$ 350,180

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, 2022

	<i>Special Revenue</i>						<i>Capital Project</i>			Total
	10 Public Library	15 DARE to LEAD	16 Drug Forfeiture	20 MV Reclamation	22 Recreation Revolving	25 Forestry	18 Transportation	27 Multi-Modal Route	Permanent Funds	
ASSETS										
Cash and cash equivalents	\$ 8,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,110	\$ 91,859
Investments	-	-	-	-	-	-	-	-	143,300	143,300
Accounts	-	-	-	-	180	-	-	-	-	180
Interfund	67,321	6,633	2,369	116	139,024	42,082	114,481	-	-	372,026
	<u>76,070</u>	<u>6,633</u>	<u>2,369</u>	<u>116</u>	<u>139,204</u>	<u>42,082</u>	<u>114,481</u>	<u>-</u>	<u>226,410</u>	<u>607,365</u>
FUND BALANCES										
<i>Nonspendable</i>										
Permanent fund - principal	-	-	-	-	-	-	-	-	223,236	223,236
<i>Restricted for</i>										
Permanent fund purposes	-	-	-	-	-	-	-	-	3,174	3,174
Special revenue purposes	76,070	6,633	2,369	116	139,204	42,082	-	-	-	266,474
Capital project purpose	-	-	-	-	-	-	114,481	-	-	114,481
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>76,070</u>	<u>6,633</u>	<u>2,369</u>	<u>116</u>	<u>139,204</u>	<u>42,082</u>	<u>114,481</u>	<u>-</u>	<u>226,410</u>	<u>607,365</u>
	<u>\$ 76,070</u>	<u>\$ 6,633</u>	<u>\$ 2,369</u>	<u>\$ 116</u>	<u>\$ 139,204</u>	<u>\$ 42,082</u>	<u>\$ 114,481</u>	<u>\$ -</u>	<u>\$ 226,410</u>	<u>\$ 607,365</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, 2022

	<i>Special Revenue</i>						<i>Capital Project</i>			Total
	10	15	16	20	22	25	18	27	Permanent	
	Public Library	DARE to LEAD	Drug Forfeiture	MV Reclamation	Recreation Revolving	Forestry	Transportation	Multi-Modal Route	Funds	
REVENUES										
Licenses and permits	\$ -	\$ -	\$ -	\$ 8,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,833
Federal support	-	-	-	-	-	-	-	-	-	-
Charges for services	1,313	-	-	-	137,227	-	20,414	-	-	158,954
Miscellaneous	8,242	-	-	-	51,898	1,000	-	-	1,791	62,931
Change in fair value of investments	-	-	-	-	-	-	-	-	(11,839)	(11,839)
	<u>9,555</u>	<u>-</u>	<u>-</u>	<u>8,833</u>	<u>189,125</u>	<u>1,000</u>	<u>20,414</u>	<u>-</u>	<u>(10,048)</u>	<u>218,879</u>
EXPENDITURES										
Current:										
Highways and streets	-	-	-	-	-	-	2,426	-	-	2,426
Sanitation	-	-	-	12,032	-	-	-	-	-	12,032
Culture and recreation	176,173	-	-	-	174,780	-	-	-	-	350,953
Conservation	-	-	-	-	-	20,460	-	-	-	20,460
	<u>176,173</u>	<u>-</u>	<u>-</u>	<u>12,032</u>	<u>174,780</u>	<u>20,460</u>	<u>2,426</u>	<u>-</u>	<u>-</u>	<u>385,871</u>
Excess (deficiency) of revenues over (under) expenditures	(166,618)	-	-	(3,199)	14,345	(19,460)	17,988	-	(10,048)	(166,992)
OTHER FINANCING SOURCES (USES)										
Transfers in	161,388	3,000	-	-	-	-	-	833	-	165,221
	<u>161,388</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>833</u>	<u>-</u>	<u>165,221</u>
Net change in fund balances	(5,230)	3,000	-	(3,199)	14,345	(19,460)	17,988	833	(10,048)	(1,771)
Fund balances - beginning, <i>as restated</i>	81,300	3,633	2,369	3,315	124,859	61,542	96,493	(833)	236,458	609,136
Fund balances - ending	<u>\$ 76,070</u>	<u>\$ 6,633</u>	<u>\$ 2,369</u>	<u>\$ 116</u>	<u>\$ 139,204</u>	<u>\$ 42,082</u>	<u>\$ 114,481</u>	<u>\$ -</u>	<u>\$ 226,410</u>	<u>\$ 607,365</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, 2022

All amounts are expressed in USA Dollars.

	R1 Town Accounts [Interfund]	Bank of NH Checking			Petty Cash	Total
		R3 Equipment Generated Income	R4 Gifts, Personal Property, Other Income	R5 Grants		
REVENUES						
Charges for services						-
Equipment generated income	-	1,313	-	-	-	1,313
Miscellaneous						
Gifts, personal property and other unanticipated	-	-	1,821	-	-	1,821
Grants	-	-	-	6,320	-	6,320
	-	1,313	1,821	6,320	-	9,454
EXPENDITURES						
Current - Culture and Recreation						
Salaries and Benefits	110,444	-	-	-	-	110,444
Other Administrative Costs	14,913	-	-	-	-	14,913
Books, Periodicals and Programs	20,319	-	-	-	-	20,319
Operations and Maintenance of Facilities	11,510	-	-	-	-	11,510
Nondepreciable capital expenditures	5,570	-	-	-	-	5,570
Unclassified	-	1,277	2,154	9,987	-	13,418
	162,755	1,277	2,154	9,987	-	176,173
Excess (deficiency) of revenues over (under) expenditures	(162,755)	36	(332)	(3,667)	-	(166,719)
OTHER FINANCING SOURCES (USES)						
Transfers in						
General Fund	161,388	-	-	-	-	161,388
	161,388	-	-	-	-	161,388
Net change in fund balances	(1,367)	36	(332)	(3,667)	-	(5,331)
Fund balances - beginning as restated	68,689	1,786	6,255	4,571	100	81,401
Fund balances - ending	67,321	1,822	5,923	904	100	76,071

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, 2022

All amounts are expressed in USA Dollars.

	<u>Operations</u>	<u>Total Town Budgetary Basis</u>	<u>GAAP (Accrual) Basis</u>
OPERATING REVENUE			
Charges for services			
Water sales	483,717	483,717	483,717
Job works & materials	10,501	10,501	10,501
Administrative charges	2,980	2,980	2,980
Cost reimbursements	295	295	295
Late Fees	1,100	1,100	1,100
Abatements	(5,432)	(5,432)	(5,432)
	<u>493,161</u>	<u>493,161</u>	<u>493,161</u>
OPERATING EXPENSE			
Wages and benefits	336,567	336,567	336,567
Professional services	33,268	33,268	33,268
Chemicals & supplies	22,247	22,247	22,247
Operations & maintenance	45,227	45,227	45,227
General and administrative	37,724	37,724	37,724
	<u>475,033</u>	<u>475,033</u>	<u>475,033</u>
Income(Loss) Before Contributions and Transfers	18,128	18,128	18,128
CONTRIBUTIONS AND TRANSFERS			
Intra-fund transfers, net	(30,203)	(30,203)	(30,203)
Net Income(Loss)	<u>(12,075)</u>	<u>(12,075)</u>	<u>(12,075)</u>
Net Position - Beginning	<u>49,000</u>	<u>49,000</u>	<u>49,000</u>
Net Position - Ending	<u><u>36,925</u></u>	<u><u>36,925</u></u>	<u><u>36,925</u></u>
Analysis of Net Position December 31:			
	<u>2022</u>		
AR Water rents	36,925	36,925	36,925
	<u>36,925</u>	<u>36,925</u>	<u>36,925</u>
	<u>Unrestricted</u>	<u>Total Net Position</u>	

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, 2022

All amounts are expressed in USA Dollars.

	<u>Operating Budget</u>	<u>Total Town Budgetary Basis</u>	<u>GAAP (Accrual) Basis</u>
OPERATING REVENUE			
Charges for services			-
Wastewater user charges	547,015	547,015	547,015
Job Works & Materials	24,352	24,352	24,352
Cost Reimbursements	1,097	1,097	1,097
Late Fees	1,256	1,256	1,256
Abatements	(5,450)	(5,450)	(5,450)
	<u>568,270</u>	<u>568,270</u>	<u>568,270</u>
OPERATING EXPENSE			
Wages and benefits	\$ 251,779	251,779	251,779
Professional services	14,235	14,235	14,235
Chemicals & supplies	37,870	37,870	37,870
Operations & maintenance	132,671	132,671	132,671
	<u>454,010</u>	<u>454,010</u>	<u>454,010</u>
Income(Loss) Before Contributions and Transfers:	114,260	114,260	114,260
CONTRIBUTIONS AND TRANSFERS			
Intra-Fund Transfers	(25,011)	(25,011)	(25,011)
Net Income(Loss)	<u>89,249</u>	<u>89,249</u>	<u>89,249</u>
Net Position - Beginning	<u>(75,055)</u>	<u>(75,055)</u>	<u>(75,055)</u>
Net Position - Ending	<u><u>14,194</u></u>	<u><u>14,194</u></u>	<u><u>14,194</u></u>
Analysis of Net Position December 31:			
	<u>2022</u>		
Accounts receivable			
Sewer Rents	14,194	14,194	14,194
	<u>14,194</u>	<u>14,194</u>	<u>14,194</u>
	<u>Unrestricted</u>	<u>Total Net Position</u>	