

# TOWN OF AMHERST, NEW HAMPSHIRE

## FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022

**TOWN OF AMHERST, NEW HAMPSHIRE  
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# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen  
Town of Amherst  
2 Main Street  
Amherst, New Hampshire 03031

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amherst as of and for the year ended June 30, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2022, and the respective changes in financial position thereof, and where applicable, cash flows, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, any 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, and the pension and OPEB related schedules on pages 3 – 9 and 46 – 49, respectively, 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 and economic 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 combining and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual general fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

June 26, 2023

*Roberts & Heene, PLLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Having responsibility for the financial management of the Town of Amherst ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2022.

### Financial Highlights

As of June 30, 2022, the assets of the Town exceeded its liabilities by \$39,521,466 (net position). Of this amount, the unrestricted net position is \$5,050,010.

The Town's net position increased by \$2,829,197. This was due primarily to increases in the investment in capital assets from construction and some reduction in outstanding bonds through principal payments.

As of June 30, 2022, the Town's governmental funds reported combined ending fund balances of \$12,779,839, an increase of \$329,581 in comparison with the prior year.

As of June 30, 2022, the unassigned fund balance of the General Fund is \$6,095,153 which represents 39.5% of total General Fund expenditures and other financing sources.

During the year ended June 30, 2022, the Town's total general obligation bonded debt decreased by \$1,105,999, which represents bond principal payments.

### Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: government-wide financial statements; fund financial statements; and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the year ended June 30, 2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

Proprietary fund. The proprietary fund is used to account for the resources and activity of the Baboosic Septic Fund, where the intent is that expenses be covered by charges to users.

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Schedules related to pensions and other post-employment benefits are in the Required Supplementary Information Section, which follows the notes. The combining statements, referred to above in connection with non-major governmental funds, and detailed General Fund schedules are presented immediately following this information.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-Wide Financial Analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,785,592 at June 30, 2022.

The largest portion of the Town's net position (80%) reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### Town of Amherst Net Position Governmental Activities

	June 30, 2022	June 30, 2021
Governmental Activities:		
Current Assets	\$ 41,005,473	\$ 39,685,773
Capital Assets	<u>34,399,631</u>	<u>32,636,777</u>
Total Assets	75,405,104	72,322,550
Deferred Outflows of Resources	<u>1,246,329</u>	<u>1,812,070</u>
Current Liabilities	22,343,563	22,604,942
Long-term Liabilities	<u>7,896,069</u>	<u>11,121,384</u>
Total Liabilities	30,239,632	33,726,326
Deferred Inflows of Resources	7,435,954	5,137,110
Net Position:		
Net Investment in Capital Assets	31,232,811	28,346,084
Restricted	2,805,780	2,939,634
Unrestricted	<u>4,937,256</u>	<u>3,985,466</u>
Net Position	<u>38,975,847</u>	<u>35,271,184</u>
Business-Type Activities:		
Current Assets	115,025	108,352
Capital Assets	<u>524,873</u>	<u>538,628</u>
Total Assets	639,898	646,980
Current Liabilities	34,198	40,564
Long-term Liabilities	<u>60,081</u>	<u>92,008</u>
Total Liabilities	94,279	132,572
Net Position:		
Net Investment in Capital Assets	432,865	414,693
Unrestricted	<u>112,754</u>	<u>99,715</u>
Net Position	<u>545,619</u>	<u>514,408</u>
Total Net Position	<u><u>\$ 39,521,466</u></u>	<u><u>\$ 35,785,592</u></u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Another portion of the Town's net position, \$2,805,780, represents resources that are subject to external restrictions on how they may be used.

As indicated by the schedule below, the Town's net position increased by \$2,829,175 during the year ended June 30, 2022.

### Town of Amherst Changes in Net Position

	Year Ended June 30, 2022	Year Ended June 30, 2021
Governmental Activities:		
Expenses, net of program revenue:		
General government	\$ 2,710,010	\$ 2,190,510
Public safety	3,965,481	4,639,473
Highways and streets	2,648,180	2,670,559
Sanitation	587,308	534,569
Health	57,639	52,960
Welfare	5,844	419
Culture and recreation	1,596,443	1,402,266
Conservation	40,517	34,988
Interest on long-term debt	83,351	111,360
Capital outlay	304,047	699,454
COVID-19	-	(277,910)
Total	<u>11,998,820</u>	<u>12,058,648</u>
General Revenues:		
Property taxes	9,671,679	9,077,643
Other taxes	586,810	413,410
Licenses and permits	3,483,695	3,519,599
Non-specific Grants and Contributions	856,890	671,250
Miscellaneous	197,710	587,350
Total General Revenues	<u>14,796,784</u>	<u>14,269,252</u>
Change in Net Position	<u>2,797,964</u>	<u>2,210,604</u>
Net Position, beginning of year, restated	<u>36,177,883</u>	<u>33,060,580</u>
Net Position, end of year	<u>38,975,847</u>	<u>35,271,184</u>
Business-Type Activities:		
Expenses, net of revenue	(31,211)	(22,663)
Net position, beginning of year, as restated	<u>514,408</u>	<u>491,745</u>
Net position, end of year	<u>545,619</u>	<u>514,408</u>
Total Net Position	<u>\$ 39,521,466</u>	<u>\$ 35,785,592</u>



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the Town's Funds

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

### Governmental Funds

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

As of June 30, 2022, the Town's governmental funds reported combined fund balances of \$12,779,839, an decrease of \$660,156 in comparison to the prior year. This amount consists of: non-spendable fund balances of \$2,320,100 representing, tax deeded property for resale, prepaid expenditures, inventory and the non-spendable portion of permanent funds; restricted fund balances of \$598,048 representing the library fund, grants, and the expendable portion of permanent funds; committed fund balances of \$3,623,341 representing the special revenue and capital project funds; assigned fund balances of \$1,158,867 representing purchase orders or encumbrances authorized by the Board of Selectmen; and unassigned fund balance of \$5,079,483, representing the General Fund unassigned balance of \$6,095,153 and the deficit balances in the Roads and Bridges Capital Project Funds which equal \$1,015,670.

During the year ended June 30, 2022, the unassigned fund balance of the General Fund decreased by \$670,337.

### Budgetary Highlights

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual demonstrates compliance with the adopted budget for the year ended June 30, 2022. Actual revenues and transfers in of the General Fund were over budgetary estimates by \$416,641, while expenditures and transfers out were \$553,077 under budget. This produced a favorable total variance of \$969,718.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets as of June 30, 2022 amounted to \$31,665,676 (net of accumulated depreciation and related long-term debt).

	Investment in Capital Assets	
	June 30, 2022	June 30, 2021
Governmental activities:		
Land	\$ 8,497,757	\$ 8,646,280
Art	22,079	22,079
Construction in progress	260,409	-
Land improvements	565,106	565,106
Buildings and building improvements	4,512,972	4,364,449
Vehicles and equipment	7,770,457	8,107,420
Infrastructure	24,868,772	22,197,449
Total Investment in Capital Assets	46,497,552	43,902,783
Related Long-Term Debt	3,166,820	4,290,693
Accumulated Depreciation	12,097,921	11,266,006
Net Investment in Capital Assets	31,232,811	28,346,084
Business-Type Activities:		
Infrastructure	1,552,000	1,552,000
Related Long-Term Debt	92,008	123,935
Accumulated Depreciation	1,027,127	1,013,372
Net Investment in Capital Assets	432,865	414,693
 Total Net Investment in Capital Assets	 <u>\$ 31,665,676</u>	 <u>\$ 28,760,777</u>

Additional information on the Town's capital assets can be found in the notes to the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term bonded debt. As of June 30, 2022, the Town had total long-term bonded debt outstanding of \$4,223,996. The entire amount is backed by the full faith and credit of the Town.

### Long-Term Bonded Debt

	June 30, 2022	June 30, 2021
Governmental activities:		
2014 Road Reconstruction	\$ 200,000	\$ 400,000
2015 Road Reconstruction	400,000	600,000
2016 Refunding	917,997	1,223,996
2017 Road Reconstruction	1,600,000	2,000,000
	<u>\$ 3,117,997</u>	<u>\$ 4,223,996</u>

In addition, the Town has outstanding notes payable as follow:

	June 30, 2022	June 30, 2021
Business-Type Activities:		
2008 Phase II	\$ 11,900	\$ 23,800
2011 Phase III	45,520	56,900
2011 Phase IV	34,588	43,235
	<u>\$ 92,008</u>	<u>\$ 123,935</u>

Debt authorized, but unissued at June 30, 2022, consisted of \$6,000,000 authorized at the 2021 Town Meeting for the purpose of open space acquisition.

### Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address.

Town of Amherst  
Selectmen's Office  
2 Main Street  
Amherst, NH 03031

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT 1**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Net Position**  
**June 30, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,308,704	\$ 5,112	\$ 26,313,816
Investments	10,563,751	-	10,563,751
Intergovernmental receivable	248,959	87,264	336,223
Other receivables, net of allowance for uncollectibles	3,771,691	22,649	3,794,340
Inventory	44,997	-	44,997
Prepaid items	41,478	-	41,478
Tax deeded property held for resale	25,893	-	25,893
Capital assets, not being depreciated:			
Land	8,497,757	-	8,497,757
Art	22,079	-	22,079
Construction in progress	260,409	-	260,409
Capital assets, net of accumulated depreciation:			
Land improvements	44,474	-	44,474
Buildings and building improvements	2,498,340	-	2,498,340
Vehicles and equipment	2,030,429	-	2,030,429
Infrastructure	21,046,143	524,873	21,571,016
Total assets	<u>75,405,104</u>	<u>639,898</u>	<u>76,045,002</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	1,188,067	-	1,188,067
Deferred amounts related to OPEB	58,262	-	58,262
Total deferred outflows of resources	<u>1,246,329</u>	<u>-</u>	<u>1,246,329</u>
<b>LIABILITIES</b>			
Accounts payable	829,476	839	830,315
Accrued payroll and benefits	197,110	-	197,110
Accrued interest payable	48,018	1,432	49,450
Intergovernmental payable	19,857,464	-	19,857,464
Retainage payable	40,414	-	40,414
Performance and escrow deposits	204,220	-	204,220
Noncurrent obligations:			
Due within one year:			
Bonds and notes payable	1,105,999	31,927	1,137,926
Capital leases payable	48,823	-	48,823
Compensated absences payable	12,039	-	12,039
Due in more than one year:			
Bonds and notes payable	2,011,998	60,081	2,072,079
Compensated absences payable	328,463	-	328,463
Net pension liability	4,231,285	-	4,231,285
Other postemployment benefits liability	1,324,323	-	1,324,323
Total liabilities	<u>30,239,632</u>	<u>94,279</u>	<u>30,333,911</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	6,022,870	-	6,022,870
Deferred amounts related to pensions	1,235,561	-	1,235,561
Deferred amounts related to OPEB	177,523	-	177,523
Total deferred inflows of resources	<u>7,435,954</u>	<u>-</u>	<u>7,435,954</u>
<b>NET POSITION</b>			
Net investment in capital assets	31,232,811	432,865	31,665,676
Restricted for:			
Endowments:			
Nonexpendable	2,207,732	-	2,207,732
Expendable	155,250	-	155,250
Other purposes	442,798	-	442,798
Unrestricted	4,937,256	112,754	5,050,010
Total net position	<u>\$ 38,975,847</u>	<u>\$ 545,619</u>	<u>\$ 39,521,466</u>

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

**EXHIBIT 2**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,574,782	\$ 3,487,863	\$ (139,396)	\$ -	\$ 773,685	\$ -	\$ 773,685
Public safety	4,685,648	585,739	134,428	-	(3,965,481)	-	(3,965,481)
Highways and streets	2,982,379	10,546	-	323,653	(2,648,180)	-	(2,648,180)
Sanitation	686,935	99,627	-	-	(587,308)	-	(587,308)
Health	57,639	-	-	-	(57,639)	-	(57,639)
Welfare	5,844	-	-	-	(5,844)	-	(5,844)
Culture and recreation	2,163,214	566,771	-	-	(1,596,443)	-	(1,596,443)
Conservation	40,529	-	12	-	(40,517)	-	(40,517)
Interest on long-term debt	83,351	-	-	-	(83,351)	-	(83,351)
Capital outlay	304,047	-	-	-	(304,047)	-	(304,047)
Total governmental activities	13,584,368	4,750,546	(4,956)	323,653	(8,515,125)	-	(8,515,125)
Business-type activities:							
Baboosic Septic	46,841	76,319	-	1,733	-	31,211	31,211
Total primary government	\$ 13,631,209	\$ 4,826,865	\$ (4,956)	\$ 325,386	(8,515,125)	31,211	(8,483,914)
General revenues:							
Property taxes					9,671,679	-	9,671,679
Other taxes					586,810	-	586,810
Grants and contributions not restricted to specific programs					856,890	-	856,890
Miscellaneous					197,710	-	197,710
Total general revenues					11,313,089	-	11,313,089
Change in net position					2,797,964	31,211	2,829,175
Net position, beginning, as restated, see Note III.D.3.					36,177,883	514,408	36,692,291
Net position, ending					\$ 38,975,847	\$ 545,619	\$ 39,521,466

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

**EXHIBIT 3**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,235,734	\$ 3,072,970	\$ 26,308,704
Investments	7,008,828	3,554,923	10,563,751
Receivables, net of allowance for uncollectibles:			
Taxes	3,184,585	6,550	3,191,135
Accounts	350,735	29,484	380,219
Intergovernmental	248,959	-	248,959
Interfund receivable	1,476,012	275,039	1,751,051
Inventory	44,997	-	44,997
Prepaid items	41,478	-	41,478
Tax deeded property held for resale	25,893	-	25,893
Total assets	<u>\$ 35,617,221</u>	<u>\$ 6,938,966</u>	<u>\$ 42,556,187</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 772,659	\$ 56,817	\$ 829,476
Accrued salaries and benefits	183,983	13,127	197,110
Intergovernmental payable	19,857,464	-	19,857,464
Retainage payable	40,414	-	40,414
Interfund payable	273,241	1,477,810	1,751,051
Total liabilities	<u>21,331,981</u>	<u>1,547,754</u>	<u>22,879,735</u>
Deferred inflows of resources:			
Deferred revenue	<u>6,896,613</u>	<u>-</u>	<u>6,896,613</u>
Fund balances:			
Nonspendable	112,368	2,207,732	2,320,100
Restricted	22,239	575,809	598,048
Committed	-	3,623,341	3,623,341
Assigned	1,158,867	-	1,158,867
Unassigned	6,095,153	(1,015,670)	5,079,483
Total fund balances	<u>7,388,627</u>	<u>5,391,212</u>	<u>12,779,839</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,617,221</u>	<u>\$ 6,938,966</u>	<u>\$ 42,556,187</u>

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

**EXHIBIT 4**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position**  
**June 30, 2022**

Total fund balances of governmental funds (Exhibit 3)		\$ 12,779,839
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.		
Cost	\$ 46,497,552	
Less accumulated depreciation	<u>(12,097,921)</u>	
		34,399,631
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (1,751,051)	
Payables	<u>1,751,051</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 729,694	
Unavailable ambulance revenue	144,049	
Unavailable elderly and welfare liens	<u>200,337</u>	
		1,074,080
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(48,018)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds outstanding	\$ 3,117,997	
Capital leases outstanding	48,823	
Compensated absences payable	340,502	
Net pension liability	4,231,285	
Other postemployment benefits liability	<u>1,324,323</u>	
		(9,062,930)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 1,188,067	
Deferred outflows of resources related to OPEB	58,262	
Deferred inflows of resources related to pensions	(1,235,561)	
Deferred inflows of resources related to OPEB	<u>(177,523)</u>	
		(166,755)
Total net position of governmental activities (Exhibit 1)		<u><u>\$ 38,975,847</u></u>

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



**EXHIBIT 5**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 9,637,492	\$ 498,512	\$ 10,136,004
Licenses, permits and fees	3,483,695	-	3,483,695
Intergovernmental	1,315,726	-	1,315,726
Charges for services	552,029	656,590	1,208,619
Miscellaneous	234,625	(125,529)	109,096
Total revenues	<u>15,223,567</u>	<u>1,029,573</u>	<u>16,253,140</u>
Expenditures:			
Current:			
General government	2,493,579	40,670	2,534,249
Public safety	4,643,874	147,454	4,791,328
Highways and streets	3,709,680	-	3,709,680
Sanitation	688,590	-	688,590
Health	57,639	-	57,639
Welfare	5,844	-	5,844
Culture and recreation	1,450,558	608,413	2,058,971
Conservation	16,480	24,049	40,529
Debt service:			
Principal	1,106,000	-	1,106,000
Interest	97,205	-	97,205
Capital outlay	424,322	409,202	833,524
Total expenditures	<u>14,693,771</u>	<u>1,229,788</u>	<u>15,923,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>529,796</u>	<u>(200,215)</u>	<u>329,581</u>
Other financing sources (uses):			
Transfers in	12,491	755,170	767,661
Transfers out	(752,000)	(15,661)	(767,661)
Total other financing sources and uses	<u>(739,509)</u>	<u>739,509</u>	<u>-</u>
Net change in fund balances	(209,713)	539,294	329,581
Fund balances, beginning	7,598,340	4,851,918	12,450,258
Fund balances, ending	<u>\$ 7,388,627</u>	<u>\$ 5,391,212</u>	<u>\$ 12,779,839</u>

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

**EXHIBIT 6**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2022**

Net change in fund balances of governmental funds (Exhibit 5)		\$ 329,581
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 2,141,526	
Depreciation expense	<u>(1,223,081)</u>	
		918,445
The net effect of capital asset disposals is to decrease net position.		(62,289)
Payments not due until the subsequent period are recorded as prepaid in the governmental funds.		
Change in prepaid debt		43,385
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (767,661)	
Transfers out	<u>767,661</u>	
		-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable tax revenue	\$ 124,166	
Change in unavailable ambulance revenue	58,232	
Change in unavailable elderly and welfare liens	<u>(1,681)</u>	
		180,717
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of bond principal	\$ 1,105,999	
Repayment of capital lease principal	<u>17,874</u>	
		1,123,873
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 13,869	
Decrease in compensated absences payable	23,860	
Change in OPEB liability and related deferrals	<u>50,024</u>	
		87,753
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	\$ 554,168	
Cost of benefits earned, net of employee contributions	<u>(377,669)</u>	
		176,499
Change in net position of governmental activities (Exhibit 2)		<u>\$ 2,797,964</u>

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

**EXHIBIT 7**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**General Fund**  
**Statement of Revenue, Expenditures and Changes in Unassigned Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUE</b>			
Taxes	\$ 9,578,657	\$ 9,761,658	\$ 183,001
Licenses, permits and fees	3,405,848	3,483,695	77,847
Intergovernmental	1,287,038	1,315,726	28,688
Charges for services	405,355	552,029	146,674
Miscellaneous	266,685	234,625	(32,060)
Total revenues	14,943,583	15,347,733	404,150
<b>EXPENDITURES</b>			
Current:			
General government	2,697,950	2,446,047	251,903
Public safety	4,690,302	4,899,410	(209,108)
Highways and streets	3,986,167	3,803,911	182,256
Sanitation	711,327	688,590	22,737
Health	57,557	57,639	(82)
Welfare	14,326	5,844	8,482
Culture and recreation	1,527,066	1,450,558	76,508
Conservation	14,028	16,480	(2,452)
Debt service:			
Principal	1,106,000	1,106,000	-
Interest	256,860	97,205	159,655
Capital outlay	200,000	136,822	63,178
Total expenditures	15,261,583	14,708,506	553,077
Excess (deficiency) of revenue over (under) expenditures	(318,000)	639,227	957,227
Other financing sources (uses):			
Transfers in	-	12,491	12,491
Transfers out	(752,000)	(752,000)	-
Total other financing sources and uses	(752,000)	(739,509)	12,491
Net change in fund balance	\$ (1,070,000)	(100,282)	\$ 969,718
Decrease in nonspendable fund balance		21,328	
Unassigned fund balance, beginning		6,903,801	
Unassigned fund balance, ending		\$ 6,824,847	

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

**EXHIBIT 8**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	Business-type Activites - Enterprise Fund <u>Baboosic Septic</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,112
Accounts receivable	22,649
Intergovernmental receivable	87,264
Noncurrent assets:	
Capital assets, not being depreciated:	
Infrastructure	524,873
Total assets	<u>639,898</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	839
Accrued interest payable	1,432
Noncurrent obligations:	
Due within one year:	
Notes payable	31,927
Due in more than one year:	
Notes payable	60,081
Total liabilities	<u>94,279</u>
<b>NET POSITION</b>	
Net investment in capital assets	432,865
Unrestricted	112,754
Total net position	<u>\$ 545,619</u>

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

**EXHIBIT 9**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Business-type Activites - Enterprise Fund <u>Baboosic Septic</u>
Operating revenues:	
Charges for services	\$ 75,820
Miscellaneous	499
Total operating revenues	<u>76,319</u>
Operating expenses:	
Plant operation and maintenance	29,468
Depreciation	13,755
Total operating expenses	<u>43,223</u>
Operating income	<u>33,096</u>
Nonoperating revenue (expense):	
Intergovernmental revenue	1,733
Interest expense	(3,618)
Total nonoperating revenue (expense)	<u>(1,885)</u>
Change in net position	31,211
Net position, beginning	514,408
Net position, ending	<u>\$ 545,619</u>

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

**EXHIBIT 10**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Business -type Activities- Enterprise Fund Baboosic Septic
Cash flows from operating activities:	
Receipts from customers and users	\$ 75,856
Payments to vendors	(35,384)
Net cash provided by operating activities	<u>40,472</u>
Cash flows from capital and related financing activities:	
Proceeds from state grants	15,197
Principal paid on notes	(31,927)
Interest paid on notes	(4,068)
Net cash used in capital and related financing activities	<u>(20,798)</u>
Increase in cash	19,674
Cash and cash equivalents, beginning*	(14,562)
Cash and cash equivalents, ending	<u><u>\$ 5,112</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 33,096</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	13,755
Increase in accounts receivable	(463)
Decrease in accounts payable	(5,916)
Total adjustments	<u>7,376</u>
Net cash provided by operating activities	<u><u>\$ 40,472</u></u>

\*As this fund records cash activity through the pooled cash account, this overdraft represents interfund borrowing.

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

**EXHIBIT 11**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	Private Purpose Trust	Custodial
Assets:		
Cash and cash equivalents	\$ 187,588	\$ 850,763
Investments	1,321,046	1,222,393
Total assets	1,508,634	2,073,156
Liabilities	-	-
Net position:		
Held in trust for specific purposes	1,508,634	-
Held on behalf of School Districts	-	2,073,156
Total net position	\$ 1,508,634	\$ 2,073,156

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

**EXHIBIT 12**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	Private Purpose Trust	Custodial
Additions:		
Receipts from Amherst School District	\$ -	\$ 663,000
Investment earnings:		
Interest and dividends	21,231	4,648
Net change in fair value of investments	(119,188)	(47,453)
Total additions	(97,957)	620,195
Deductions:		
Trust distributions	24,397	-
Change in net position	(122,354)	620,195
Net position, beginning	1,630,988	1,452,961
Net position, ending	\$ 1,508,634	\$ 2,073,156

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



## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**I. Summary of Significant Accounting Principles**

**I.A. Introduction**

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Amherst (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2022.

**I.B. Financial Reporting Entity – Basis of Presentation**

**I.B.1. *Entity Defined***

The Town of Amherst is a municipal corporation governed by a board of selectmen consisting of five members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the Town's financial statements do not include any component units.

**I.B.2. *Government-Wide and Fund Financial Statements***

*Government-Wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Individual funds are not displayed.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. Direct expenses are those that are clearly identifiable with a specific function. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to users for sales and services. Operating expenses include the cost of sales and services and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Fund Financial Statements*

Fund financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual, governmental fund is reported in separate columns in the basic fund financial statements with composite columns for nonmajor funds.

**I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. As well, the proprietary fund applies all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued in or before 1989, unless those pronouncements conflict with or contradict the GASB.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within sixty days of the end of the fiscal year. Expenditures are

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

recorded when the related fund liability is incurred, except for general obligation debt principal and interest, which are reported as expenditures in the year due.

Major revenues susceptible to accrual are property taxes, intergovernmental amounts and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

**I.B.4. *Fund Types and Major Funds***

*Governmental Funds*

The Town reports the following major governmental fund:

*General Fund* – Reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

The Town also reports ten nonmajor governmental funds.

*Proprietary Fund*

The Town reports the Baboosic Septic Fund as a Proprietary Fund, which accounts for the financial activity associated with this septic system.

*Fiduciary Funds*

The Town reports the following fiduciary funds:

*Private Purpose Trust Funds* – Account for financial resources of the Town used only for the benefit of other entities or individuals.

*Custodial Funds* – Account for fiduciary assets held by the Town in a custodial capacity on behalf of others. These assets are therefore not available to support the Town's own programs. The Town's custodial funds are used to account for the various capital reserve and scholarship accounts held by the Trustees of Trust Funds on behalf of the local school districts.

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**I.C. Assets, Liabilities, and Net Position or Fund Equity**

**I.C.1. *Cash and Investments***

The laws of the State of New Hampshire require that the Town's treasurer have custody of all monies belonging to the Town, other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the Board of Selectmen or where applicable, Conservation Commissioners. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Investments are stated at fair value based on quoted market prices.

New Hampshire law authorizes the Town to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

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

**I.C.2. *Receivables***

Receivables include taxes and amounts due for ambulance, septic, and other user charges. These are reported net of any allowances for uncollected amounts.

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**I.C.3. Capital Assets and Depreciation**

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. The Town generally capitalizes assets with cost of \$10,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follow:

	<u>Years</u>
Land improvements	15-40
Buildings and building improvements	15-40
Vehicles and equipment	5-60
Infrastructure	40

**I.C.4. Long-Term Debt**

In the government-wide financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is not reported in the governmental funds.

**I.C.5. Equity**

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, nonexpendable, which consists of the principal balance of the permanent funds that must be invested to generate income and cannot be expended.
- Restricted for endowments, expendable, which consists of the balance of the permanent funds' income that is allowed to be expended for Town purposes.
- Restricted for other purposes, which consists of the balance of the library fund, and the balance of grants that are restricted to specific uses.
- Unrestricted, which consists of the remaining balance of net position.

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The governmental funds report the following components of fund balance:

- Nonspendable, representing the principal balance of the permanent funds that cannot be spent, and inventory, prepaid items and tax deeded property held for resale which are not in a spendable form.
- Restricted, representing the income portion of the permanent funds and the balance of the library fund that can only be used for specific purposes per terms of endowments or State law, and the balances of grants whose use is restricted by grantor terms or law.
- Committed, representing the positive balances of capital projects funds (including the capital reserve fund), and special revenue funds (excluding the library fund which is restricted).
- Assigned, representing amounts encumbered by purchase order or action of the Board of Selectmen.
- Unassigned, representing the remaining balance of the General Fund, and the deficit balances in the Roads and Bridges Capital Project Funds.

**I.C.6. *Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II. Stewardship, Compliance and Accountability**

**II.A. Budgetary Information**

An annual budget was adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all governmental fund appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. For fiscal year 2022, \$750,000 was so used, and \$320,000 was appropriated from fund balance.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments of fund balance and do not constitute expenditures or liabilities because they will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures in the General Fund are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

**II.B. Reconciliation of General Fund Budgetary Basis to GAAP**

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 15,360,224
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	605,528
Tax revenue deferred in the current year	(729,694)
Per Exhibit 5 (GAAP basis)	<u>\$ 15,236,058</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 15,460,506
Adjustments:	
Basis difference:	
Encumbrances, beginning	1,144,132
Encumbrances, ending	(1,158,867)
Per Exhibit 5 (GAAP basis)	<u>\$ 15,445,771</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 6,824,847
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(729,694)
Per Exhibit 3 (GAAP basis)	<u>\$ 6,095,153</u>

**II.C. Deficit Fund Equity**

The Roads and Bridges Capital Project Funds both ended the year with deficit balances of \$616,842 and \$398,828, respectively. The deficit balances remain unchanged from the prior year. Management intends to fund the deficits through additional State bridge aid, long-term borrowing and use of capital reserve funds.

*The notes continue on the following page.*



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**III. Detailed Notes on Funds and Government-Wide Statements**

**III.A. Assets**

**III.A.1. Cash and Investments**

*Custodial Credit Risk for Deposits*

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$2,421,477 of the Town's bank balances of \$29,470,582 was exposed to custodial credit risk as uninsured and uncollateralized.

As of June 30, 2022, the Town had the following investments:

Certificates of Deposit	\$ 8,998,853
US Government Agencies	679,907
Mutual Funds	347,364
Common Stock	2,624,562
Corporate Bonds	456,504
	<u>\$ 13,107,190</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 10,563,751
Fiduciary funds - statement of fiduciary net position (Exhibit 7)	2,543,439
Total	<u>\$ 13,107,190</u>

*Fair Value Measurement*

The Town categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2022:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
U.S. Government Agencies	\$ 679,907	\$ -	\$ 679,907
Mutual Funds	347,364	-	347,364
Common Stock	2,624,562	-	2,624,562
Corporate Bonds	456,504	-	456,504
Certificates of Deposit	-	8,998,853	8,998,853
	<u>\$ 4,108,337</u>	<u>\$ 8,998,853</u>	<u>\$ 13,107,190</u>

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The Town classifies its investments into Level 1, which refers to investments traded in an active market; and Level 2, which refers to investments not traded on an active market but for which observable market inputs are readily available. The levels relate to valuation only and do not necessarily indicate a measure of risk.

*Investment Policies*

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both the Board of Selectmen and the Trustees of Trust Funds have adopted investment policies that address the minimum credit ratings of investments to reduce this risk.

The Town has the following investments subject to credit risk:

	Fair Value
Aaa	\$ 679,907
Aa	43,952
A	412,552
Exempt from disclosure	11,970,779
	<u>\$ 13,107,190</u>

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town's investment policies limit average maturities in order to reduce this risk.

The Town has the following investments subject to interest rate risk:

	Fair Value	Investment maturities (in years)	
		1 to 5	5 to 10
U.S. Government Agencies	\$ 679,907	\$ 679,907	\$ -
Corporate Bonds	456,504	367,087	89,417
	<u>\$ 1,136,411</u>	<u>\$ 1,046,994</u>	<u>\$ 89,417</u>

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Other than certificates of deposit in a bank that are collateralized with U.S. government agency obligations, the Town has no single investment that exceeds 5% of total investments.

**III.A.2. Receivables, Uncollectible Accounts and Deferred Revenue**

*Property Taxes Receivable and Property Tax Calendar*

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 8% per annum on all taxes not received by the due date. The spring billing is an estimate only based on half of the previous year's tax rate. The final

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billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien should be executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes levied prior to 2019, and 14% per annum for the redemption of taxes levied thereafter. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Amherst School District, the Souhegan Cooperative School District, and Hillsborough County. The Town is responsible for the collection of all these taxes. During the annual tax rate setting process, the Town sets an amount for potential abatements and tax deedings, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

The net assessed valuation as of April 1, 2021, upon which the 2021 property tax levy was based was:

For the New Hampshire education tax	\$ 2,271,714,537
For all other taxes	\$ 2,334,610,437

The tax rates and amounts assessed for the year ended June 30, 2022 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$4.30	\$ 10,048,442
School portion:		
State of New Hampshire	\$1.62	3,672,792
Local	\$14.46	33,749,033
County portion	\$0.93	2,178,391
Total property taxes assessed		<u>\$ 49,648,658</u>

*This note continues on the following page.*

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The following details the taxes receivable at year-end:

Property:	
Levy of 2022	\$ 2,905,155
Unredeemed (under tax lien):	
Levy of 2021	170,787
Levy of 2020	83,869
Levy of 2019	31,707
Levy of 2018	1,184
Levy of 2017	1,094
Levy of 2016	1,059
Levy of 2015	1,189
Levy of 2014	1,194
Levy of 2013	1,184
Levy of 2012	5,672
Levy of 2011	5,491
Land Use Change Tax	6,550
Less: allowance for estimated uncollectible taxes	(25,000)
Net taxes receivable	<u><u>\$ 3,191,135</u></u>

*Other Receivables and Uncollectible/Unavailable Accounts*

Other receivables include amounts due for ambulance and other service fees, and in the Septic Fund, septic fees. The accounts receivable are reported net of an allowance for uncollectible accounts, which is comprised of an amount for potential adjustments to ambulance receivables. There are also elderly and welfare liens receivable which are reported in the General Fund, net of an allowance equal to their totals as the timing of collection is indeterminable.

Related amounts in the Governmental Funds are as follow:

Accounts	\$ 913,219
Intergovernmental	248,959
Liens	200,337
Less: allowance for uncollectible amounts	(733,337)
Net total receivables	<u><u>\$ 629,178</u></u>

Deferred revenue in the governmental funds consists of \$729,694 of taxes, and \$144,049 of ambulance charges that were not received within sixty days of year-end; \$596,365 of ARPA grant proceeds that have not been expended, \$284,632 of impact fees that are deferred until the Town establishes a legally enforceable claim, \$5,039,703 of property taxes committed for the fiscal year 2023, and \$102,170 of tax overpayments to be applied to the next billing. In the governmental activities, the amounts that were not received within sixty days are not considered to be deferred, and the other amounts are reported as unearned.

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**III.A.3. Capital Assets**

*Changes in Capital Assets*

The following provides a summary of changes in capital assets:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 8,646,280	\$ -	\$ (148,523)	\$ 8,497,757
Art	22,079	-	-	22,079
Construction in progress	-	260,409	-	260,409
Total capital assets not being depreciated	<u>8,668,359</u>	<u>260,409</u>	<u>(148,523)</u>	<u>8,780,245</u>
Being depreciated:				
Land improvements	565,106	-	-	565,106
Buildings and building improvements	4,364,449	148,523	-	4,512,972
Vehicles and equipment	8,136,356	172,928	(538,827)	7,770,457
Infrastructure	23,160,583	1,708,189	-	24,868,772
Total capital assets being depreciated	<u>35,234,424</u>	<u>2,029,640</u>	<u>(538,827)</u>	<u>37,717,307</u>
Total all capital assets	<u>43,902,783</u>	<u>2,290,049</u>	<u>(687,350)</u>	<u>46,497,552</u>
Less accumulated depreciation:				
Land improvements	(483,946)	(36,686)	-	(520,632)
Buildings and building improvements	(1,903,046)	(111,586)	-	(2,014,632)
Vehicles and equipment	(5,742,123)	(474,443)	476,538	(5,740,028)
Infrastructure	(3,222,263)	(600,366)	-	(3,822,629)
Total accumulated depreciation	<u>(11,266,006)</u>	<u>(1,223,081)</u>	<u>476,538</u>	<u>(12,097,921)</u>
Net book value, capital assets being depreciated	<u>23,968,418</u>	<u>806,559</u>	<u>(62,289)</u>	<u>25,619,386</u>
Net book value, all capital assets	<u>\$ 32,636,777</u>	<u>\$ 1,066,968</u>	<u>\$ (210,812)</u>	<u>\$ 34,399,631</u>

	Balance, beginning	Additions	Balance, ending
Business-type activities:			
At cost:			
Infrastructure:			
Phase I	\$ 355,051	\$ -	\$ 355,051
Phase II	445,808	-	445,808
Phase III	494,060	-	494,060
Phase IV	257,081	-	257,081
Total all capital assets	<u>1,552,000</u>	<u>-</u>	<u>1,552,000</u>
Less accumulated depreciation:			
Phase I	(304,551)	(1,403)	(305,954)
Phase II	(276,263)	(3,187)	(279,450)
Phase III	(306,164)	(4,347)	(310,511)
Phase IV	(126,394)	(4,818)	(131,212)
Total accumulated depreciation	<u>(1,013,372)</u>	<u>(13,755)</u>	<u>(1,027,127)</u>
Net book value, all capital assets	<u>\$ 538,628</u>	<u>\$ (13,755)</u>	<u>\$ 524,873</u>

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Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	
General government	\$ 53,729
Public safety	262,389
Highways and streets	779,615
Culture and recreation	127,348
Total	<u>\$ 1,223,081</u>

In the Business-type activities, the depreciation was all charged to septic expense.

**III.B. Liabilities**

**III.B.1. Intergovernmental Payable**

The amounts due to other governments at June 30, 2022 consist of \$9,746 of miscellaneous fees due to the State of New Hampshire, and the portions of the June property tax commitment due to the School District (\$18,757,649) and Hillsborough County (\$1,090,069).

**III.B.2. Long-Term Liabilities**

General obligation bonds are approved by the voters and repaid with general revenues (property taxes). Bonds of the Septic Fund are repaid from user fees. These liabilities are backed by the full faith and credit of the Town. Long-term liabilities also include capital leases, compensated absences, the net pension liability, and the OPEB liability.

*This note continues on the following page.*

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Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 06/30/2022	Current Portion
Governmental activities:						
General obligation bonds payable:						
Road reconstruction	\$2,000,000	2014	2023	2.25	\$ 200,000	\$ 200,000
Road reconstruction	\$2,000,000	2015	2024	2.30	400,000	200,000
Refunding	\$3,059,999	2016	2025	2.39	917,997	305,999
Road reconstruction	\$4,000,000	2017	2026	2.30	1,600,000	400,000
					<u>3,117,997</u>	<u>1,105,999</u>
Capital leases payable:						
Six-wheeled dump truck	\$129,764	2018	2023	3.39	27,043	27,043
International truck	\$149,764	2019	2023	3.68	17,864	17,864
Copiers	\$22,282	2020	2023	0.67	3,916	3,916
					<u>48,823</u>	<u>48,823</u>
Compensated absences payable:						
Accrued vacation leave					340,502	12,039
Net pension liability					4,231,285	-
Other postemployment benefits payable					1,324,323	-
					<u>\$ 9,062,930</u>	<u>\$ 1,166,861</u>
Business-type activities:						
General obligation notes payable:						
Phase II	\$178,500	2008	2023	4.20	\$ 11,900	\$ 11,900
Phase III	\$170,700	2011	2026	3.17	45,520	11,380
Phase IV	\$258,039	2011	2026	2.91	34,588	8,647
					<u>\$ 92,008</u>	<u>\$ 31,927</u>

The following is a summary of changes in the long-term liabilities of the Governmental Activities for the year ended June 30, 2022:

	General Obligation Bonds Payable	Capital Leases Payable	Compensated Absences Payable	Net Pension Liability	OPEB Liability	Total
Governmental activities:						
Balance, beginning	\$ 4,223,996	\$ 66,697	\$ 364,362	\$ 6,093,565	\$ 1,511,220	\$ 12,259,840
Reductions	(1,105,999)	(17,874)	(23,860)	(1,862,280)	(186,897)	(3,196,910)
Balance, ending	<u>\$ 3,117,997</u>	<u>\$ 48,823</u>	<u>\$ 340,502</u>	<u>\$ 4,231,285</u>	<u>\$ 1,324,323</u>	<u>\$ 9,062,930</u>

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The following is a summary of changes in the long-term liabilities of the Business-type Activities for the year ended June 30, 2022:

	General Obligation Notes Payable
Balance, beginning	\$ 123,935
Reductions	(31,927)
Balance, ending	<u>\$ 92,008</u>

The annual debt service requirements to maturity for the bonds and notes as of year-end are as follow:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,105,999	\$ 71,290	\$ 1,177,289
2024	905,999	45,717	951,716
2025	705,999	22,764	728,763
2026	400,000	9,200	409,200
Totals	<u>\$ 3,117,997</u>	<u>\$ 148,971</u>	<u>\$ 3,266,968</u>

Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2023	\$ 31,927	\$ 2,700	\$ 34,627
2024	20,027	1,837	21,864
2025	20,027	1,226	21,253
2026	20,027	613	20,640
Totals	<u>\$ 92,008</u>	<u>\$ 6,376</u>	<u>\$ 98,384</u>

The final lease payments of \$48,823 in principal and \$1,655 in interest are due in fiscal year 2023.

*Debt Authorized – Unissued*

Bonds and notes authorized and unissued as of June 30, 2022 are \$6,000,000 for open space acquisition, authorized at the June 8, 2021 Town Meeting.

**III.C. Balances and Transfers – Payments Within the Reporting Entity**

**III.C.1. Receivables and Payables**

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of



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lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as "interfund receivables/payables."

The following shows the interfund balances at June 30, 2022:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,476,012
Nonmajor governmental	General	273,241
Nonmajor governmental	Nonmajor governmental	1,798
		<u>\$ 1,751,051</u>

The amount due to the General Fund from the Nonmajor Governmental Funds represents overdrafts of pooled cash in the Roads and Bridges Capital Projects Funds, and reimbursement for cemetery care from the Permanent Fund and relevant expenditures from the Conservation Commission, Capital Reserve, and Other Funds. The amount due to the Nonmajor Governmental Funds from the General Fund represents an amount to the Conservation Commission Fund for land use change tax collected. The amount due from Nonmajor Governmental Funds to other Nonmajor Governmental Funds represents interest earned in the Permanent Fund due to the Library Fund.

### **III.C.2. Transfers**

Transfers within the reporting entity are substantially for the purposes of making additions to and using capital reserve accounts, and using income from the Permanent Fund. The government-wide statement of activities eliminates transfers reported within the activities columns. The following shows the transfers within the reporting entity:

	<u>Transfers In:</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers out:			
General fund	\$ -	\$ 752,000	\$ 752,000
Nonmajor funds	12,491	3,170	15,661
	<u>\$ 12,491</u>	<u>\$ 755,170</u>	<u>\$ 767,661</u>

The transfers from the General Fund represent additions to the Capital Reserve Fund. The transfers from the nonmajor funds to the General Fund represent \$4,527 from the Permanent Fund, and \$7,964 from the Capital Reserve Fund for reimbursement of expenditures. The transfer from nonmajor funds to other nonmajor funds represents interest earned in the Permanent Fund transferred to the Library Fund.

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**III.D. Net Position and Fund Balances**

**III.D.1. *Restricted Net Position***

The government-wide statement of net position includes restricted net position of \$2,362,982 for public trust funds reported as restricted to reflect purpose restrictions contained in trust indentures; and \$442,798 representing the balance of the Library Fund, and prior year highway block grant funds not yet expended.

**III.D.2. *Components of Fund Balances***

Fund balance of the Governmental Funds is categorized in the following components as described in Note I.C.5.:

	General Fund	Nonmajor Funds
Nonspendable:		
Endowments	\$ -	\$ 2,207,732
Inventory	44,997	-
Prepaid items	41,478	-
Tax deeded property	25,893	-
Total nonspendable	<u>112,368</u>	<u>2,207,732</u>
Restricted:		
General government	-	155,250
Highways and streets	22,239	-
Culture and recreation	-	420,559
Total restricted	<u>22,239</u>	<u>575,809</u>
Committed:		
General government	-	19,754
Public safety	-	134,028
Culture and recreation	-	223,585
Conservation	-	1,127,833
Capital outlay	-	2,118,141
Total committed	<u>-</u>	<u>3,623,341</u>
Assigned:		
Public safety	282,068	-
Highways and streets	876,799	-
Total assigned	<u>1,158,867</u>	<u>-</u>
Unassigned	<u>6,095,153</u>	<u>(1,015,670)</u>
Total fund balance	<u>\$ 7,388,627</u>	<u>\$ 5,391,212</u>

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**III.D.3. Restatement of Beginning Equity Balances**

The beginning equity balance in the governmental activities was restated as follows:

To correct capital asset balances	\$ 906,699
Net position, as previously reported	35,271,184
Net position, as restated	<u><u>\$ 36,177,883</u></u>

**IV. Other Information**

**IV.A. Risk Management**

The Town's risk management activities are reported with governmental activities and recorded in the General Fund. During the fiscal year, the Town was a member of the NH Public Risk Management Exchange (Primex), which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

Primex's Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Coverage was provided for the fiscal year for property/liability and workers' compensation. Contributions billed and paid in fiscal year 2022 to be recorded as an insurance expenditure/expense totaled \$137,835 for property/liability and \$176,835 for workers' compensation. The member agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

**IV.B. Retirement Pensions**

*General Information about the Pension Plan*

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for employees and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at [www.nhrs.org](http://www.nhrs.org) or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers and firefighters were 11.55% and 11.80% of gross earnings, respectively. During fiscal year 2022, the rates of contribution from the Town for the pension and the medical subsidy were 33.88% for police and 32.99% for fire personnel, which are

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actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during fiscal years 2020, 2021, and 2022 were \$423,226, \$438,628, and \$554,168, respectively.

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

At June 30, 2022, the Town reported a liability of \$4,231,285 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2022, the Town's proportion was 0.0955%, which was an increase of 0.0002% from its proportion reported as of June 30, 2021.

For the year ended June 30, 2022, the Town recognized pension expense of \$377,669. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 73,483	\$ 7,868
Net differences between projected and actual earnings on pension plan investments	-	1,183,394
Changes in assumptions	441,934	-
Differences between expected and actual experience	118,482	44,299
Town contributions subsequent to the measurement date	554,168	-
	<u>\$ 1,188,067</u>	<u>\$ 1,235,561</u>

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The Town reported \$554,168 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follow:

Fiscal Year	
2023	\$ (65,367)
2024	(51,061)
2025	(102,333)
2026	(382,901)
	<u>\$ (601,662)</u>

*Actuarial Assumptions*

The total pension liability in the June 30, 2021 valuation was determined using the valuation as of June 30, 2020 rolled forward, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	18 years beginning July 1, 2021
Asset Valuation Method	5-year smoothed market for funding purposes; 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year
Salary Increases	5.6% average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Healthy Annuitant and Employee Generational Mortality Table for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015 based on the 2010-2015 experience study

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of net pension liability	\$6,051,222	\$4,231,285	\$2,713,161

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, is available in the separately issued NHRS report.

**IV.C. Other Postemployment Benefits (OPEB)**

*Plan Description*

The Town is part of two different OPEB plans, one that is a retiree health care benefits program operating as a single-employer plan that is used to provide OPEB for all permanent full-time employees (implicit rate subsidy); and the other that consists of benefits to its retired employees and their beneficiaries as required by NH RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*. The latter are provided through the New Hampshire Retirement System (NHRS) operating as a cost-sharing, multiple-employer OPEB medical subsidy healthcare plan (medical insurance subsidy). Further information on this plan can be found in the audited report of the NHRS Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan, which is available on the NHRS website at [www.nhrs.org](http://www.nhrs.org).

*Benefits Provided*

The Town provides its eligible retirees and terminated employees including certain beneficiaries, the ability to purchase health, dental and prescription drug coverage at the Town's group rates. All active employees who retire from the Town and meet the eligibility requirements can receive these benefits. The Town does not supplement the cost of these plans directly, but recognizes the liability for the inclusion of implicit rate subsidies to the retirees. The subsidy occurs because when a blended rate is used for a group of individuals that includes younger and presumably healthier people along with older, retired people, implicitly, the premiums for the active employees are subsidizing the retirees. As of June 30, 2022, there were four retirees, and forty-five active employees participating in the plan.

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Funding Policy*

With the medical insurance subsidy plan, there is a payment made by the NHRS to the former employer or its insurance administrator toward the cost of health insurance for the qualified retiree, his/her qualified spouse, and dependent children who are living in the retiree's household and being cared for by the retiree. If the health insurance premium is less than the medical subsidy amount, then only the premium amount is paid by the NHRS. If the insurance premium is more than the medical subsidy amount, then the retiree or other qualified person is responsible for paying the balance of the premium. Benefits are based on age, creditable service, and retirement or hire dates. This plan is closed to new entrants.

Retirees contribute all of the premiums as determined by the Town, but the remainder of the costs as derived from the implicit rate subsidy is paid by the Town on a pay-as-you-go basis.

*Total OPEB Liability*

The Town's total OPEB liability of \$1,324,323 consists of \$789,560 for the implicit rate subsidy determined by an actuarial valuation as of June 30, 2021 rolled forward to determine the liability as of June 30, 2022 and \$534,763 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2020 with roll-forward procedures used to determine the liability as of June 30, 2021.

*Actuarial Assumptions and Other Inputs*

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Implicit rate subsidy:

Discount rate	4.09%
Healthcare cost trend rates:	
Current year trend	7.50%
Second year trend	7.00%
Decrement	0.50%
Ultimate trend	4.50%
Year ultimate trend rate is reached	2029
Payroll growth	2.75%
Inflation rate	2.00%

Medical Insurance Subsidy:

Discount rate	6.75%
Healthcare cost trend rates	N/A, benefits are fixed stipends
Payroll growth	2.75%
Inflation rate	2.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Mortality	RP-2014 Healthy Annuitant and Employee Generational Mortality Tables with credibility adjustments and adjusted for fully generational mortality improvements using Scale MP-2015 based on the last experience study

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Changes in the Total OPEB Liability*

The Town's total OPEB liability decreased by \$186,897 during the year from a beginning balance of \$1,511,220 to \$1,324,323.

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

The following presents what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for each portion of the total OPEB liability.

Implicit Rate Subsidy

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Town's OPEB liability	<u>\$845,812</u>	<u>\$789,560</u>	<u>\$738,200</u>

Medical Insurance Subsidy

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's OPEB liability	<u>\$581,330</u>	<u>\$534,763</u>	<u>\$494,248</u>

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

The following presents what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate for the implicit rate subsidy.

	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Town's OPEB liability	<u>\$727,096</u>	<u>\$789,560</u>	<u>\$861,623</u>

*This note continues on the following page.*



**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

For the year ended June 30, 2022, the Town recognized credit to OPEB expense of \$50,024. At year-end, the Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 5	\$ -
Net differences between projected and actual earnings on OPEB plan investments	-	6,680
Changes in assumptions	-	77,205
Differences between expected and actual experience	-	93,638
Town contributions subsequent to the measurement date	58,257	-
	<u>\$ 58,262</u>	<u>\$ 177,523</u>

The Town reported \$58,257 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the total OPEB liability in fiscal year 2023.

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

Year Ending June 30,	
2023	\$ (172,366)
2024	(1,404)
2025	(1,573)
2026	(2,175)
	<u>\$ (177,518)</u>

**IV.D. Contingent Liabilities**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBIT 13**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Pension Liability*  
**New Hampshire Retirement System**

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Town's proportion of net pension liability	0.0955%	0.0953%	0.0955%	0.0918%	0.0917%	0.0888%	0.0813%	0.0920%	0.0931%
Town's proportionate share of the net pension liability	\$4,231,285	\$6,093,565	\$4,597,414	\$4,420,860	\$4,511,453	\$4,722,645	\$3,220,451	\$3,454,042	\$4,007,767
Town's covered-employee payroll	\$1,814,854	\$1,753,334	\$1,691,801	\$1,618,110	\$1,516,099	\$1,464,927	\$1,324,835	\$1,266,132	\$1,370,568
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	233.15%	347.54%	271.75%	273.21%	297.57%	322.38%	243.08%	272.80%	292.42%
Plan fiduciary position as a percentage of the total pension liability	72.2%	58.7%	65.6%	64.7%	62.7%	58.3%	65.5%	66.3%	59.8%

The note to the required supplementary information is an integral part of this schedule.

**EXHIBIT 14**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Schedule of the Town's Pension Contributions**  
**New Hampshire Retirement System**

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required contribution	\$ 554,168	\$ 438,628	\$ 423,226	\$ 482,148	\$ 450,177	\$ 318,016	\$ 301,135	\$ 272,727
Contribution in relation to the contractually required contribution	(554,168)	(438,628)	(423,226)	(482,148)	(450,177)	(318,016)	(301,135)	(272,727)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$1,814,854	\$1,753,334	\$1,691,801	\$1,618,110	\$1,516,099	\$1,464,927	\$1,324,835	\$1,266,132
Contributions as a percentage of covered-employee payroll	30.54%	25.02%	25.02%	29.80%	29.69%	21.71%	22.73%	21.54%

The note to the required supplementary information is an integral part of this schedule.

**EXHIBIT 15**  
**TOWN OF AMHERST**

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

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Total OPEB liability:					
Service cost	\$ 89,238	\$ 85,822	\$ 44,534	\$ 42,004	\$ 65,844
Interest	62,152	69,922	86,739	37,793	32,293
Changes in proportion and differences between employer contributions and share of contributions	-	-	-	44,335	-
Changes in assumptions	(77,205)	57,945	41,199	19,203	(25,843)
Differences between expected and actual experience	(106,763)	(85,600)	(40,496)	(44,306)	102,131
Differences between projected and actual investment earnings on OPEB plan investments	14,293	-	-	(2,043)	-
Change in actuarial cost method	(31,155)	(49,327)	19,056	168,921	-
Benefit payments	(137,457)	(140,005)	(163,374)	(92,619)	(65,573)
Net change in total OPEB liability	(186,897)	(61,243)	(12,342)	173,288	108,852
Total OPEB liability, beginning	1,511,220	1,572,463	1,584,805	1,411,517	868,706
Restatement for medical subsidy portion for fiscal year 2018	-	-	-	-	433,959
Total OPEB liability, ending	<u>\$ 1,324,323</u>	<u>\$ 1,511,220</u>	<u>\$ 1,572,463</u>	<u>\$ 1,584,805</u>	<u>\$ 1,411,517</u>
Covered-employee payroll	\$4,304,227	\$4,284,010	\$4,060,620	\$4,437,900	\$3,823,622

The note to the required supplementary information is an integral part of this schedule.

**EXHIBIT 16**  
**TOWN OF AMHERST**  
**Schedule of the Town's OPEB Contributions**

	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially determined contribution	\$ 134,958	\$ 141,725	\$ 155,808	\$ 148,940	\$ 65,573
Contributions in relation to the actuarially determined contribution	(134,958)	(141,725)	(155,808)	(148,940)	(65,573)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$4,304,227	\$4,284,010	\$4,060,620	\$4,437,900	\$3,823,622
Contributions as a percentage of covered-employee payroll	3.14%	3.31%	3.84%	3.36%	1.71%

The note to the required supplementary information is an integral part of this schedule.

**TOWN OF AMHERST, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The pension and OPEB information presented in the preceding four schedules is meant to present related information for ten years. Because this is the eighth year that the Town has presented the pension schedules, and the fifth year that the OPEB information has been presented since the change in standard, only nine years and five years worth of information are shown. An additional year's information will be added each year until there are ten years shown.

## **COMBINING AND INDIVIDUAL FUND SCHEDULES**



**EXHIBIT 17**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2022**

	Special Revenue Funds						Capital Projects Funds			Permanent	Total
	Conservation Commission	Recreation Revolving	July 4th Revolving	Police Detail Revolving	Library	Other	Capital Reserve	Roads	Bridges	Fund	
<b>ASSETS</b>											
Cash and cash equivalents	\$ 848,042	\$ 256,549	\$ 3,776	\$ 128,944	\$ 295,526	\$ 18,259	\$ 1,226,016	\$ -	\$ -	\$ 295,858	\$ 3,072,970
Investments	-	-	-	-	125,337	-	1,346,071	-	-	2,083,515	3,554,923
Receivables:											
Taxes	6,550	-	-	-	-	-	-	-	-	-	6,550
Accounts	-	22,978	-	6,506	-	-	-	-	-	-	29,484
Interfund receivable	275,039	-	-	-	-	-	-	-	-	-	275,039
Total assets	<u>\$ 1,129,631</u>	<u>\$ 279,527</u>	<u>\$ 3,776</u>	<u>\$ 135,450</u>	<u>\$ 420,863</u>	<u>\$ 18,259</u>	<u>\$ 2,572,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,379,373</u>	<u>\$ 6,938,966</u>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	\$ -	\$ 44,237	\$ 855	\$ -	\$ 304	\$ -	\$ 11,421	\$ -	\$ -	\$ -	\$ 56,817
Accrued salaries and benefits	-	11,705	-	1,422	-	-	-	-	-	-	13,127
Interfund payable	1,798	-	-	-	-	1,426	442,525	616,842	398,828	16,391	1,477,810
Total liabilities	<u>1,798</u>	<u>55,942</u>	<u>855</u>	<u>1,422</u>	<u>304</u>	<u>1,426</u>	<u>453,946</u>	<u>616,842</u>	<u>398,828</u>	<u>16,391</u>	<u>1,547,754</u>
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	2,207,732	2,207,732
Restricted	-	-	-	-	420,559	-	-	-	-	155,250	575,809
Committed	1,127,833	223,585	2,921	134,028	-	16,833	2,118,141	-	-	-	3,623,341
Unassigned	-	-	-	-	-	-	-	(616,842)	(398,828)	-	(1,015,670)
Total fund balances	<u>1,127,833</u>	<u>223,585</u>	<u>2,921</u>	<u>134,028</u>	<u>420,559</u>	<u>16,833</u>	<u>2,118,141</u>	<u>(616,842)</u>	<u>(398,828)</u>	<u>2,362,982</u>	<u>5,391,212</u>
Total liabilities and fund balances	<u>\$ 1,129,631</u>	<u>\$ 279,527</u>	<u>\$ 3,776</u>	<u>\$ 135,450</u>	<u>\$ 420,863</u>	<u>\$ 18,259</u>	<u>\$ 2,572,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,379,373</u>	<u>\$ 6,938,966</u>

**EXHIBIT 18**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	Special Revenue Funds						Capital Projects Funds			Permanent Fund	Total
	Conservation Commission	Recreation Revolving	July 4th Revolving	Police Detail Revolving	Library	Other	Capital Reserve	Roads	Bridges		
<b>REVENUES</b>											
Taxes	\$ 498,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,512
Charges for services	-	563,035	-	92,629	926	-	-	-	-	-	656,590
Miscellaneous	16,642	5,226	13,027	-	14,297	1,898	(36,480)	-	-	(140,139)	(125,529)
Total revenues	515,154	568,261	13,027	92,629	15,223	1,898	(36,480)	-	-	(140,139)	1,029,573
<b>EXPENDITURES</b>											
Current:											
General government	-	-	-	-	-	-	40,670	-	-	-	40,670
Public safety	-	-	-	112,778	-	1,439	33,237	-	-	-	147,454
Culture and recreation	-	571,673	25,299	-	7,923	3,518	-	-	-	-	608,413
Conservation	24,049	-	-	-	-	-	-	-	-	-	24,049
Capital outlay	-	-	-	-	-	-	409,202	-	-	-	409,202
Total expenditures	24,049	571,673	25,299	112,778	7,923	4,957	483,109	-	-	-	1,229,788
Excess (deficiency) of revenues over (under) expenditures	491,105	(3,412)	(12,272)	(20,149)	7,300	(3,059)	(519,589)	-	-	(140,139)	(200,215)
Other financing sources (uses):											
Transfers in	-	-	-	-	3,170	-	752,000	-	-	-	755,170
Transfers out	-	-	-	-	-	-	(7,964)	-	-	(7,697)	(15,661)
Total other financing sources and uses	-	-	-	-	3,170	-	744,036	-	-	(7,697)	739,509
Net change in fund balances	491,105	(3,412)	(12,272)	(20,149)	10,470	(3,059)	224,447	-	-	(147,836)	539,294
Fund balances, beginning	636,728	226,997	15,193	154,177	410,089	19,892	1,893,694	(616,842)	(398,828)	2,510,818	4,851,918
Fund balances, ending	\$ 1,127,833	\$ 223,585	\$ 2,921	\$ 134,028	\$ 420,559	\$ 16,833	\$ 2,118,141	\$ (616,842)	\$ (398,828)	\$ 2,362,982	\$ 5,391,212

**EXHIBIT 19**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Estimated and Actual Revenue (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2022**

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 9,463,808	\$ 9,671,679	\$ 207,871
Timber	4,000	2,375	(1,625)
Excavation	50	127	77
Elderly lien redemption	4,000	1,719	(2,281)
Payments in lieu of taxes	16,799	40,165	23,366
Interest and penalties on delinquent taxes	90,000	45,593	(44,407)
Total taxes	<u>9,578,657</u>	<u>9,761,658</u>	<u>183,001</u>
<b>Licenses, permits and fees:</b>			
Business licenses and permits	212,000	218,027	6,027
Motor vehicle permits	3,000,000	2,971,611	(28,389)
Building permits	110,000	151,102	41,102
Other	83,848	142,955	59,107
Total licenses, permits and fees	<u>3,405,848</u>	<u>3,483,695</u>	<u>77,847</u>
<b>Intergovernmental:</b>			
State sources:			
Meals and rooms distributions	856,238	856,238	-
Highway block grant	324,939	323,653	(1,286)
State and federal forest land	12	12	-
Railroad tax	652	1,423	771
Water pollution grant	15,197	-	(15,197)
Opioid abatement	-	1,205	1,205
Federal sources:			
Public safety	-	16,210	16,210
COVID-19 grant	-	743	743
Other government sources:			
SRO reimbursement from school	90,000	116,242	26,242
Total intergovernmental	<u>1,287,038</u>	<u>1,315,726</u>	<u>28,688</u>
<b>Charges for services:</b>			
Income from departments	<u>405,355</u>	<u>552,029</u>	<u>146,674</u>
<b>Miscellaneous:</b>			
Sale of property	12,000	14,416	2,416
Interest on investments	215,757	62,561	(153,196)
Insurance dividends and reimbursements	38,928	138,128	99,200
Contributions and donations	-	6,050	6,050
Other	-	13,470	13,470
Total miscellaneous	<u>266,685</u>	<u>234,625</u>	<u>(32,060)</u>
<b>Other financing sources:</b>			
Transfers in:			
Nonmajor funds	<u>-</u>	<u>12,491</u>	<u>12,491</u>
Total revenue and other financing sources	14,943,583	<u>\$ 15,360,224</u>	<u>\$ 416,641</u>
Use of fund balance to reduce taxes	750,000		
Fund balance appropriated	320,000		
Total revenue, other financing sources and use of fund balance	<u>\$ 16,013,583</u>		

**EXHIBIT 20**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**General Fund**

***Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)***  
***For the Year Ended June 30, 2022***

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 451,226	\$ 478,453	\$ -	\$ (27,227)
Election and registration	-	216,063	214,717	-	1,346
Financial administration	-	460,332	490,817	-	(30,485)
Revaluation of property	-	183,145	139,878	-	43,267
Legal	-	45,101	41,892	-	3,209
Personnel administration	-	233,030	172,789	-	60,241
Planning and zoning	41,446	552,381	477,933	-	115,894
General government buildings	6,086	255,082	306,005	-	(44,837)
Cemeteries	-	41,755	64,840	-	(23,085)
Insurance, not otherwise allocated	-	139,835	106,255	-	33,580
Other	-	120,000	-	-	120,000
Total general government	47,532	2,697,950	2,493,579	-	251,903
Public safety:					
Police	-	2,839,460	2,800,516	249,918	(210,974)
Ambulance	-	647,701	642,305	-	5,396
Fire	26,532	695,067	703,134	-	18,465
Emergency management	-	8,501	9,053	32,150	(32,702)
Other	-	499,573	488,866	-	10,707
Total public safety	26,532	4,690,302	4,643,874	282,068	(209,108)
Highways and streets:					
Administration	23,013	424,021	359,426	117,755	(30,147)
Highways and streets	759,555	3,535,039	3,330,709	759,044	204,841
Street lighting	-	27,107	19,545	-	7,562
Total highways and streets	782,568	3,986,167	3,709,680	876,799	182,256
Sanitation:					
Solid waste collection	-	388,000	383,600	-	4,400
Solid waste disposal	-	323,327	304,990	-	18,337
Total sanitation	-	711,327	688,590	-	22,737
Health:					
Administration	-	2,156	2,239	-	(83)
Animal control	-	401	400	-	1
Health agencies and hospitals	-	55,000	55,000	-	-
Total health	-	57,557	57,639	-	(82)
Welfare	-	14,326	5,844	-	8,482

(continued)

**EXHIBIT 20 (continued)**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**General Fund**

**Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2022**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	468,313	445,806	-	22,507
Public library	-	1,047,624	992,235	-	55,389
Patriotic purposes	-	8,500	8,000	-	500
Other	-	2,629	4,517	-	(1,888)
Total culture and recreation	-	1,527,066	1,450,558	-	76,508
Conservation	-	14,028	16,480	-	(2,452)
Debt service:					
Principal	-	1,106,000	1,106,000	-	-
Interest	-	256,860	97,205	-	159,655
Total debt service	-	1,362,860	1,203,205	-	159,655
Capital outlay:					
Buildings	-	200,000	136,822	-	63,178
Improvements other than buildings	287,500	-	287,500	-	-
Total capital outlay	287,500	200,000	424,322	-	63,178
Other financing uses:					
Transfers out:					
Nonmajor funds	-	752,000	752,000	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 1,144,132	\$ 16,013,583	\$ 15,445,771	\$ 1,158,867	\$ 553,077

**EXHIBIT 21**  
**TOWN OF AMHERST, NEW HAMPSHIRE**  
**General Fund**  
**Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2022**

Unassigned fund balance, beginning		\$ 6,903,801
Changes:		
Unassigned fund balance used to reduce tax rate	\$ (750,000)	
Unassigned fund balance appropriated	<u>(320,000)</u>	
		(1,070,000)
Budget summary:		
Revenue surplus (Exhibit 19)	\$ 416,641	
Unexpended balance of appropriations (Exhibit 20)	<u>553,077</u>	
Budget surplus		969,718
Decrease in nonspendable fund balance		<u>21,328</u>
Unassigned fund balance, ending		<u><u>\$ 6,824,847</u></u>



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Members of the Board of Selectmen  
Town of Amherst  
2 Main Street  
Amherst, NH 03031

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amherst as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Amherst's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiencies:

### *Cash Reconciliations*

Significant time was spent by the Town to reconcile its cash accounts, and additional audit time was necessary to further audit those balances. This resulted in a delay in completing the audit. This was likely the result of turnover in Finance Department staff, with a gap of many months where no reconciliations were performed. In order to identify and correct errors in a timely manner, we recommend that the Town reconcile its bank balances to the general ledger on a monthly basis, and that such reconciliations be reviewed by a person other than the one preparing the reconciliation.

### *Escrow and Performance Deposit Accounts*

We noted that there are a significant number of escrow accounts and transactions related to those accounts. The Town spent a significant amount of time reconciling the accounts, resulting in a delay in completing the audit. Further, there were transactions that occurred from the General Fund on behalf of various escrow accounts that were not yet reimbursed from the separate escrow bank accounts. We recommend that the Town develop processes and procedures to track activities as transactions occur, to assist in timely reconciliations at month-end. We further recommend considering consolidating accounts within the bank, and maintaining subledgers through

***Town of Amherst  
Independent Auditor's Communication to Management***

spreadsheets or the accounting software to track individual escrow and performance deposits. This would reduce the time it takes to do monthly bank reconciliations, while maintaining a segregation of deposits for each purpose.

This communication is intended solely for the information and use of management, the Board of Selectmen and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

June 26, 2023

*Roberts & Heine, PLLC*