

**TOWN OF MEREDITH,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022**

TOWN OF MEREDITH, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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DECEMBER 31, 2022

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen and Town Manager
Town of Meredith
Meredith, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Meredith as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Meredith, as of December 31, 2022, the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Meredith and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town of Meredith's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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 of Meredith's ability to continue as a going concern for twelve months beyond the financial statement date including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Meredith's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Meredith's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in fiscal year 2022 the Town adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

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

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

Supplementary Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Meredith's basic financial statements. The accompanying combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

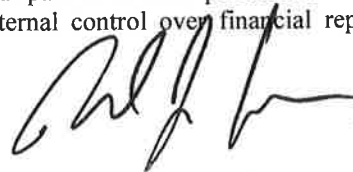
The combining and individual fund schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2023 on our consideration of the Town of Meredith's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Meredith's internal control over financial reporting and compliance.

October 6, 2023
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

TOWN OF MEREDITH, NH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2022

Presented here is the Management Discussion & Analysis Report for the Town of Meredith, NH, for the year ending December 31, 2022. Responsibility for both the accuracy of the data, completeness and fairness of this presentation (including all disclosures) rests with the Board of Selectmen. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. We report this data in a manner designed to present fairly the Town's financial position and the results of operations of the various Town funds. All disclosures necessary to enable the reader to gain an accurate understanding of the Town's financial activities have been included.

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

Financial Highlights

- The assets and deferred outflows of resources for the Town of Meredith exceeded its liabilities and deferred inflows of resources at the close of 2022 resulting in a net position of \$43,934,787 on the government-wide financial statements (Accrual Basis).
- The Town's revenue for all Governmental Activities was \$18,173,536 while expenses totaled \$16,581,830 resulting in a \$1,591,706 excess of revenues over expenses.
- The net change in Total Government Fund Balances was \$4,372,075 resulting in fund balances at the end of 2022 for all Government Funds of \$17,908,763.
- The net change in the Fund Balance of the General Fund was \$661,067, resulting in a total Unassigned Fund Balance of \$5,531,395 as of December 31, 2022 (Non-GAAP Budgetary Basis). GAAP Basis Unassigned Fund Balance was \$5,272,184 (see Exhibit C-3).
- The long-term debt liability decreased, with total outstanding bond debt (principal and unamortized bond premiums) of \$11,078,314, which is a \$1,031,198 decrease from the prior year.
- The Town of Meredith's net pension liability of \$8,313,548 under GASB Statement No. 68 is an increase of \$2,016,783 from the prior year.
- The liability of the closing of the Town's landfill and post-closure care costs is \$48,000, a decrease of \$6,000 from the prior year.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Town of Meredith, NH using the integrated approach prescribed by GASB Statement 34. The intention of this discussion and analysis serves as an introduction to the Town's financial statements. The financial statements are comprised of the following three components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic Financial Statements

Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. All of the current year's revenues and expenses are taken into account regardless of the time of receipt of cash in or pay out.

Fund Financial Statements

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

Governmental funds 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 year. Such information may be useful in evaluating the Town's near-term financing requirements.

The focus of government 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 Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental activities Statement of Net Position and Statement of Activities.

The Town maintains numerous individual government funds. Information is presented separately in a governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the General and Capital Projects Funds, the Town's major funds. Data from all other governmental funds are combined into a single, aggregate presentation.

The Town adopts an annual appropriation budget for its governmental funds. A budgetary comparison is provided for the General Fund to demonstrate compliance with the approved budget.

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes the Schedule of Funding Process for Other Postemployment Benefit Plan, the Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability, and the Schedule of Town Contributions.

Other Supplementary Information

Other supplementary information includes individual and combining financial statements for non-major governmental and fiduciary funds.

Government-Wide Financial Analysis

Statement of Net Position

Net position of the Town of Meredith as of December 31, 2022 and 2021 is as follows:

	2022	2021	Change	% of Change
Capital Assets, Net	\$46,330,139	\$42,227,809	\$ 4,102,330	9.71%
Other Assets	29,071,420	34,420,918	(5,349,498)	-15.54%
Total Assets	<u>75,401,559</u>	<u>76,648,727</u>	<u>(1,247,168)</u>	<u>-1.63%</u>
Total Deferred Outflows of Resources	1,229,064	1,104,165	124,899	11.31%
Long-term Liabilities	21,415,670	21,017,106	398,564	1.90%
Other Liabilities	10,378,790	11,774,227	(1,395,437)	-11.85%
Total Liabilities	<u>31,794,460</u>	<u>32,791,333</u>	<u>(996,873)</u>	<u>-3.04%</u>
Total Deferred Inflows of Resources	901,376	2,618,478	(1,717,102)	-65.58%
Net Position:				
Net Investment in Capital Assets	35,274,676	34,780,051	494,625	1.42%
Restricted	7,671,653	12,216,783	(4,545,130)	-37.20%
Unrestricted	988,458	(4,653,753)	5,642,211	-121.24%
Total Net Position	<u>\$43,934,787</u>	<u>\$42,343,081</u>	<u>\$ 1,591,706</u>	<u>3.76%</u>

Statement of Activities

Changes in net position for the years ending December 31, 2022 and 2021 are as follows:

	2022	2021	Change	% of Change
Revenues				
Program Revenues:				
Charges for Services	\$ 2,714,183	\$ 2,807,727	\$ (93,544)	-3.33%
Operating Grants and Contributions	507,422	234,327	273,095	116.54%
General Revenues:				
Property and Other Taxes	11,252,368	9,104,018	2,148,350	23.60%
Licenses and Permits	2,151,425	2,098,307	53,118	2.53%
Grants and Contributions	1,336,335	471,425	864,910	183.47%
Miscellaneous	211,803	1,406,714	(1,194,911)	-84.94%
Total Revenues	<u>18,173,536</u>	<u>16,122,518</u>	<u>2,051,018</u>	<u>12.72%</u>
Expenses				
General Government	6,159,437	5,116,862	1,042,575	20.38%
Public Safety	2,727,273	2,671,367	55,906	2.09%
Highway and Streets	2,891,418	5,619,038	(2,727,620)	-48.54%
Sanitation	1,793,692	1,670,001	123,691	7.41%
Water Distribution and Treatment	857,701	723,316	134,385	18.58%
Health and Welfare	46,333	29,077	17,256	59.35%
Culture and Recreation	1,773,943	1,313,818	460,125	35.02%
Conservation	38,436	25,406	13,030	51.29%
Interest - Long-term Debt	293,597	355,879	(62,282)	-17.50%
Total Expenditures	<u>16,581,830</u>	<u>17,524,764</u>	<u>(942,934)</u>	<u>-5.38%</u>
Change in Net Position	1,591,706	(1,402,246)	2,993,952	-213.51%
Net Position, Beginning of Year, As Restated	42,343,081	43,745,327	(1,402,246)	-3.21%
Net Position, End of Year	<u>\$43,934,787</u>	<u>\$42,343,081</u>	<u>\$ 1,591,706</u>	<u>3.76%</u>

Town of Meredith Activities

For the year ending December 31, 2022, there was an increase in the Town's total Net Position of \$1,591,706. This is due to an increase in revenues and an increase in capital assets, a continued effect of the further completion of the library and DPW building.

The General Fund ended the year with an unassigned fund balance of \$5,272,184 under the GAAP Basis, or 31% of total general fund expenditures. The decrease was due to an offset of the 2022 tax rate and moving unassigned fund balance to restricted for previously voted on expenditures.

General Fund Budgetary Highlights

The approved appropriations for the Town for the 2022 budget year was \$17,874,793, with separate warrant articles for Expendable Trust Funds totaling \$706,885. Savings were realized in all functions with the exception of the Highway Department and Municipal Administration. Contributing to the savings were changes in personnel with attributable benefits and a reduction in projects and programs. Actual revenues exceeded estimates, with an increase in licenses and permits, charges for services, and building permits.

Capital Assets

The Town of Meredith considers a capital asset to be an asset costing a minimum of \$10,000 and which has a useful life of greater than one (1) year. The Town depreciates its assets using the straight-line method over the course of their estimated useful life beginning the month and year of acquisition.

The book value of all capital assets for the Town of Meredith is \$46,330,139, an increase of \$4,102,330 due to construction on the DPW Facility and purchases of new equipment and vehicles. The investment in capital assets include land, land improvements, conservation easements, infrastructure additions and improvements, buildings and building improvements, equipment and vehicles.

The investment in capital assets for 2022 amounted to \$10,279,881, with \$1,096,073 in depreciation expense. This amount includes improvements to the Library and the DPW garage. There were \$5,081,478 (net) of retired capital assets in 2022.

Additional information on capital assets can be found in Note 1-F and Note 7 of the Basic Financial Statements.

Capital Improvement Planning

Annually, the Capital Improvement Program (CIP) Advisory Committee reviews, updates, and recommends a program of capital improvements for the following year. The primary purpose of the CIP is to assist the Board of Selectmen in their consideration of their annual budget (RSA 674:5). In addition, the CIP identifies future capital needs for a period of ten (10) years. The recommended CIP is a non-binding planning tool. As a preface to the specific recommendations that follow, it is important to note:

The Capital Improvement Program incorporates existing debt service as part of the overall capital program. For 2022, existing debt service payments will total \$1,345,675 representing 76% of the recommended municipal Capital Improvement Program. The recommended municipal Capital Improvement Program includes additional capital program spending in the amount of \$420,000. The CIP Advisory Committee recommends a municipal Capital Improvement Program (debt service plus capital projects) of \$1,765,675. This represents an increase of 4% compared to the 2021 municipal CIP-related appropriations.

The municipal debt service schedule indicates that no additional debt will be acquired in 2022 but more will be retired in 2023 through 2027. The Committee understands that as debt is retired, program capacity associated with the retired debt will be available to support future capital needs.

In addition to what has been identified and programmed, there are significant capital projects that are likely to come before the Committee in the future, including:

- Parks and Recreation Facility Improvements
- Town Wide Infrastructure Replacements and Improvements

The Committee has not programmed these potential projects at this time. It is anticipated, however, that as these projects become more defined, requests will be submitted for consideration in future CIP amendment cycles.

Meredith is one of three communities that compromise the Inter-Lakes School District. Meredith taxpayers are responsible for approximately 75% of the District's costs including capital projects. The District has developed a six-year capital improvements program. The District's program includes three projects that, when prorated to reflect Meredith's share of the district's cost, meet the Meredith CIP threshold of \$90,000. Meredith's pro-rated share is reflected in the Meredith Capital Improvements program for informational purposes.

Long-term Liabilities

At the end of 2022, total general obligation debt outstanding (principal and unamortized bond premiums) was \$11,078,314. During 2022, outstanding general obligation debt decreased by \$1,031,198 as a result of payments made on existing obligations and amortization of related bond premiums.

The Town's other long-term debt obligations consist of compensated absences payable, which had an increase of \$23,177. Compensated absences are liabilities for wages, taxes, and retirement amounts owed to Town employees based upon accrued leave at the end of each year.

See Note 1-L and Note 11 of the Basic Financial Statements for additional information on outstanding long-term liabilities.

Economic Factors, Rate and 2022 Budget

The NH Department of Revenue Administration (DRA) sets the annual Tax Rate for the Town of Meredith. Based upon the Appropriations as approved at the annual Town Meeting, held annually in March each year, the amounts are adjusted for actual revenues and expenditures throughout the year. The Town collects property taxes to fund Town operations and the School Administrative Unit (SAU #2). The property taxes also pay the levy placed on the Town by Belknap County and the State of New Hampshire for the Statewide Property Tax for Education. The levy for Belknap County is apportioned to all towns within the County. The Town of Meredith invoices property taxes semi-annually. Tax billing occurs according to the laws of the State of New Hampshire, under the supervision of the DRA. The first invoice is an estimate based on half of the prior year's collection. The second billing utilizes the set tax for the year as established by the NH DRA applied to the current year's assessment.

Following is a comparison of the 2022 and 2021 tax rates:

	<u>2022</u>	<u>2021</u>
Municipal Rate	\$ 4.69	\$ 3.85
Local School Rate	\$ 6.77	\$ 6.77
State School Rate	\$ 1.28	\$ 1.83
County Rate	<u>\$ 1.23</u>	<u>\$ 0.98</u>
Total Rate	\$13.97	\$13.43

The tax rate increased by \$0.54 from 2021 to 2022, or by 4.02%.

Assessed value 2022 - \$2,355,818,734 2021 - \$2,330,415,957

The assessed value increased by \$25,402,777 from 2021 to 2022, or by 1.09%.

The total Municipal Tax Effort was \$32,888,800 with War Service Credits in the amount of \$314,625.

Requests for Information

The financial report provides our citizens and creditors with a general overview of the Town of Meredith's finances. It demonstrates accountability for the funds the Town receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Meredith, Administrative Services, or the Board of Selectmen at 41 Main Street, Meredith, NH 03253.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF MEREDITH, NEW HAMPSHIRE
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 11,135,473
Investments	3,914,593
Taxes receivable (net)	13,735,113
Accounts receivable	225,987
Tax deeded property, subject to resale	60,254
Capital assets:	
Land and construction in progress	19,899,224
Other capital assets, net of depreciation	26,430,915
Total assets	75,401,559
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	1,204,285
Amounts related to other postemployment benefits	24,779
Total deferred outflows of resources	1,229,064
LIABILITIES	
Accounts payable	515,447
Retainage payable	157,438
Contracts payable	592,427
Accrued interest payable	152,673
Intergovernmental payable	8,918,312
Escrow and performance deposits	42,493
Long-term liabilities:	
Due within one year	1,056,689
Due in more than one year	20,358,981
Total liabilities	31,794,460
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - prepaid property taxes	19,598
Unavailable revenue - ARPA	662,062
Amounts related to pensions	219,716
Total deferred inflows of resources	901,376
NET POSITION	
Net investment in capital assets	35,274,676
Restricted	7,671,653
Unrestricted	988,458
Total net position	\$ 43,934,787

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

EXHIBIT B
TOWN OF MEREDITH, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
General government	\$ 6,159,437	\$ 36,155	\$ 276,668	\$ (5,846,614)
Public safety	2,727,273	120,070	6,581	(2,600,622)
Highways and streets	2,891,418	6,284	211,673	(2,673,461)
Sanitation	1,793,692	1,550,082	2,500	(241,110)
Water distribution and treatment	857,701	803,462	7,500	(46,739)
Welfare	46,333	-	-	(46,333)
Culture and recreation	1,773,943	194,452	-	(1,579,491)
Conservation	38,436	3,678	2,500	(32,258)
Interest on long-term debt	293,597	-	-	(293,597)
Total governmental activities	<u>\$ 16,581,830</u>	<u>\$ 2,714,183</u>	<u>\$ 507,422</u>	<u>(13,360,225)</u>
General revenues:				
Taxes:				
Property				11,001,531
Other				250,837
Motor vehicle permit fees				1,938,376
Licenses and other fees				213,049
Grants and contributions not restricted to specific programs				1,336,335
Unrestricted investment earnings				165,239
Miscellaneous				715,242
Unrealized loss on investments				(668,678)
Total general revenues				<u>14,951,931</u>
Change in net position				1,591,706
Net position, beginning, as restated (see Note 18)				42,343,081
Net position, ending				<u>\$ 43,934,787</u>

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

EXHIBIT C-1
TOWN OF MEREDITH, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2022

	General	Capital Project Funds		Other Governmental Funds	Total Governmental Funds
		DPW Project	Library Project		
ASSETS					
Cash and cash equivalents	\$ 4,543,305	\$ 772,716	\$ -	\$ 5,819,452	\$ 11,135,473
Investments	2,493,796	-	-	1,420,797	3,914,593
Taxes receivable	13,765,113	-	-	-	13,765,113
Accounts receivable	171,659	-	-	54,328	225,987
Tax deeded property, subject to resale	60,254	-	-	-	60,254
Total assets	\$ 21,034,127	\$ 772,716	\$ -	\$ 7,294,577	\$ 29,101,420
LIABILITIES					
Accounts payable	\$ 402,909	\$ -	\$ -	\$ 112,538	\$ 515,447
Retainage payable	-	157,438	-	-	157,438
Contracts payable	-	592,427	-	-	592,427
Intergovernmental payable	8,918,312	-	-	-	8,918,312
Escrow and performance deposits	42,493	-	-	-	42,493
Total liabilities	9,363,714	749,865	-	112,538	10,226,117
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	284,880	-	-	-	284,880
Unavailable revenue - prepaid property taxes	19,598	-	-	-	19,598
Unavailable revenue - ARPA and SB 401	662,062	-	-	-	662,062
Total deferred inflows of resources	966,540	-	-	-	966,540
FUND BALANCES					
Nonspendable	60,254	-	-	167,305	227,559
Restricted	781,067	22,851	-	6,700,430	7,504,348
Committed	3,476,200	-	-	314,304	3,790,504
Assigned	1,114,168	-	-	-	1,114,168
Unassigned	5,272,184	-	-	-	5,272,184
Total fund balances	10,703,873	22,851	-	7,182,039	17,908,763
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,034,127	\$ 772,716	\$ -	\$ 7,294,577	\$ 29,101,420

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

EXHIBIT C-2
TOWN OF MEREDITH, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total fund balances of governmental funds (Exhibit C-1)		\$	17,908,763
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.			
Cost	\$	61,510,848	
Less accumulated depreciation		<u>(15,180,709)</u>	
			46,330,139
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.			
Deferred outflows of resources related to pensions	\$	1,204,285	
Deferred inflows of resources related to pensions		(219,716)	
Deferred outflows of resources related to OPEB		<u>24,779</u>	
			1,009,348
Long-term revenue (taxes) is not available to pay current-period expenditures, and therefore, is deferred in the governmental funds.			284,880
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.			(30,000)
Interest on long-term debt is not accrued in governmental funds.			
Accrued interest payable			(152,673)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.			
Bonds	\$	9,490,500	
Unamortized bond premium		1,587,814	
Compensated absences		604,959	
Accrued landfill postclosure care costs		48,000	
Net pension liability		8,313,548	
Other postemployment benefits		<u>1,370,849</u>	
			<u>(21,415,670)</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>43,934,787</u></u>

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

EXHIBIT C-3
TOWN OF MEREDITH, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2022

	General	Capital Project Funds		Other Governmental Funds	Total Governmental Funds
		DPW Project	Library Project		
REVENUES					
Taxes	\$ 11,092,426	\$ -	\$ -	\$ 50,000	\$ 11,142,426
Licenses and permits	2,064,802	-	-	86,623	2,151,425
Intergovernmental receivable	1,116,257	-	-	727,500	1,843,757
Charges for services	802,134	-	-	1,912,049	2,714,183
Miscellaneous	391,584	-	-	488,897	880,481
Unrealized loss on investments	(548,117)	-	-	(120,561)	(668,678)
Total revenues	<u>14,919,086</u>	<u>-</u>	<u>-</u>	<u>3,144,508</u>	<u>18,063,594</u>
EXPENDITURES					
Current:					
General government	5,942,803	-	-	889,482	6,832,285
Public safety	2,423,490	-	-	-	2,423,490
Highways and streets	2,557,492	-	-	-	2,557,492
Water distribution and treatment	-	-	-	761,484	761,484
Sanitation	765,016	-	-	930,524	1,695,540
Welfare	46,333	-	-	-	46,333
Culture and recreation	1,366,157	-	-	81,337	1,447,494
Conservation	-	-	-	13,227	13,227
Debt service:					
Principal	904,000	-	-	-	904,000
Interest	438,088	-	-	-	438,088
Capital outlay	563,312	4,705,568	47,356	-	5,316,236
Total expenditures	<u>15,006,691</u>	<u>4,705,568</u>	<u>47,356</u>	<u>2,676,054</u>	<u>22,435,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,605)</u>	<u>(4,705,568)</u>	<u>(47,356)</u>	<u>468,454</u>	<u>(4,372,075)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	320,999	-	-	19,566	340,565
Transfers out	(7,566)	-	-	(332,999)	(340,565)
Total other financing sources (uses)	<u>313,433</u>	<u>-</u>	<u>-</u>	<u>(313,433)</u>	<u>-</u>
Net change in fund balances	225,828	(4,705,568)	(47,356)	155,021	(4,372,075)
Fund balances, beginning, as restated (see Note 18)	10,478,045	4,728,419	47,356	7,027,018	22,280,838
Fund balances, ending	<u>\$ 10,703,873</u>	<u>\$ 22,851</u>	<u>\$ -</u>	<u>\$ 7,182,039</u>	<u>\$ 17,908,763</u>

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

EXHIBIT C-4
TOWN OF MEREDITH, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2022

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (4,372,075)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capitalized capital outlay exceeded depreciation expense current year, as follows:		
Capitalized capital outlay	\$ 5,202,881	
Depreciation expense	<u>(1,096,073)</u>	4,106,808
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(4,478)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (340,565)	
Transfers out	<u>340,565</u>	-
Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		
Increase in deferred tax revenue	\$ 99,357	
Decrease in allowance for uncollectable taxes	<u>10,585</u>	109,942
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Repayment of bond principal	\$ 904,000	
Amortization of bond premium	<u>127,198</u>	1,031,198
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	\$ 17,293	
Increase in compensated absences	(23,177)	
Decrease in accrued landfill postclosure care costs	6,000	
Net change in net pension liability, and related deferred outflows of resources and deferred inflows of resources	161,122	
Net change in other postemployment benefits liability, and related deferred outflows of resources and deferred inflows of resources	<u>559,073</u>	720,311
Changes in net position of governmental activities (Exhibit B)		<u>\$ 1,591,706</u>

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

EXHIBIT D
TOWN OF MEREDITH, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,052,679	\$ 11,052,679	\$ 11,202,368	\$ 149,689
Licenses and permits	1,957,000	1,957,000	2,064,802	107,802
Intergovernmental receivable	830,796	1,107,315	1,116,257	8,942
Charges for services	820,000	820,000	802,134	(17,866)
Miscellaneous	318,000	318,000	318,952	952
Total revenues	<u>14,978,475</u>	<u>15,254,994</u>	<u>15,504,513</u>	<u>249,519</u>
EXPENDITURES				
Current:				
General government	6,417,898	6,510,677	6,116,911	393,766
Public safety	2,531,588	2,542,828	2,458,834	83,994
Highways and streets	2,430,763	2,464,513	2,663,415	(198,902)
Sanitation	859,864	873,614	762,216	111,398
Welfare	40,000	40,000	46,333	(6,333)
Culture and recreation	1,422,687	1,447,687	1,337,384	110,303
Debt service:				
Principal	904,000	904,000	904,000	-
Interest	451,675	451,675	438,088	13,587
Capital outlay	400,000	843,036	959,555	(116,519)
Total expenditures	<u>15,458,475</u>	<u>16,078,030</u>	<u>15,686,736</u>	<u>391,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(480,000)</u>	<u>(823,036)</u>	<u>(182,223)</u>	<u>640,813</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	343,036	664,035	320,999
Transfers out	(706,885)	(706,885)	(716,000)	(9,115)
Total other financing sources (uses)	<u>(706,885)</u>	<u>(363,849)</u>	<u>(51,965)</u>	<u>311,884</u>
Net change in fund balances	<u>\$ (1,186,885)</u>	<u>\$ (1,186,885)</u>	(234,188)	<u>\$ 952,697</u>
Decrease in nonspendable fund balance			13,651	
Increase in restricted fund balance			(38,081)	
Increase in committed fund balance			(400,000)	
Increase in assigned fund balance (non-encumbrance)			(2,449)	
Unassigned fund balance, beginning, as restated (see Note 18)			<u>6,192,462</u>	
Unassigned fund balance, ending			<u>\$ 5,531,395</u>	

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

EXHIBIT E-1
TOWN OF MEREDITH, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2022

	Private Purpose Trust Funds	Other Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 4,333	\$ 671,946	\$ 676,279
Investments	9,512	299,281	308,793
Intergovernmental receivable	-	8,789,435	8,789,435
Total assets	<u>13,845</u>	<u>9,760,662</u>	<u>9,774,507</u>
LIABILITIES			
Due to school district	-	8,789,435	8,789,435
Escrow payable	-	92,039	92,039
Total liabilities	<u>-</u>	<u>8,881,474</u>	<u>8,881,474</u>
NET POSITION			
Restricted	<u>\$ 13,845</u>	<u>\$ 879,188</u>	<u>\$ 893,033</u>

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

EXHIBIT E-2
TOWN OF MEREDITH, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022

	Private Purpose Trust Funds	Other Custodial Funds	All Custodial Funds
ADDITIONS			
Contributions	\$ -	\$ 240,917	\$ 240,917
Investment earnings	262	11,099	11,361
Unrealized gain (loss) on investments	(1,660)	122,580	120,920
Tax collections for other governments	-	21,857,149	21,857,149
Collection of motor vehicle for State	-	623,846	623,846
Total additions	<u>(1,398)</u>	<u>22,855,591</u>	<u>22,854,193</u>
DEDUCTIONS			
Withdrawals from trust funds	-	660,095	660,095
Administrative expenses	51	1,533	1,584
Payments of taxes to other governments	-	21,857,149	21,857,149
Payments for escrow purposes	-	34,291	34,291
Payments of motore vehicle fees to State	-	623,846	623,846
Total deductions	<u>51</u>	<u>23,176,914</u>	<u>23,176,965</u>
Change in net position	(1,449)	(321,323)	(322,772)
Net position, beginning	15,294	1,200,511	1,215,805
Net position, ending	<u>\$ 13,845</u>	<u>\$ 879,188</u>	<u>\$ 893,033</u>

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

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1-A Reporting Entity

The Town of Meredith is a municipal corporation governed by an elected 5-member Board of Selectmen and Town Manager. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

1-B Basis of Accounting and Measurement Focus

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

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

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

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

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

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

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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

The Town reports the following major governmental funds:

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

Library Capital Project Fund – the library capital project fund accounts for the activity pertaining to the construction/renovation of the Town of Meredith library.

DPW Capital Project Fund – the DPW capital project fund accounts for the activity pertaining to the construction/renovation of the public works building.

Additionally, the Town reports the following fund types:

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

Permanent Funds – are used to record activity of legal trusts for which the interest on the corpus provides funds for the Town’s cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports 12 nonmajor governmental funds.

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

The Town also reports the following fiduciary funds:

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

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

1-C Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund’s portion of this pool is reflected on the combined financial statements under the caption “cash and cash equivalents.”

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

1-D Investments

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

- New Hampshire law authorizes the Town to invest in the following type of obligations:
- Obligations of the United States government,

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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

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

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

Level 1 – Inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date.

Level 2 – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency.

Level 3 – Inputs are significant unobservable inputs, using assumptions in determining the fair value of investments and derivative instruments.

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

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

1-E Receivables

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

1-F Capital Assets

Capital assets are reported in the governmental activities in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation, if received on or before June 15, 2015. Donated capital assets received after June 15, 2015 are recorded at acquisition value. The Town has established a threshold of \$10,000 or more and an estimate useful life in excess of one year for capitalization of depreciable assets.

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

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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

Capital Asset Classes:	<u>Years</u>
Land improvements	40
Monument	10
Building and building improvements	10-40
Machinery, equipment, and vehicles	5-15
Infrastructure	50

1-G Interfund Transfers

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

1-H Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 20, 2022 and December 9, 2022, and due on July 6, 2022 and January 18, 2023. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at December 31, 2022 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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

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

For the New Hampshire education tax	\$ 2,342,764,034
For all other taxes	\$ 2,355,818,734

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

	<u>Per \$1,000 of Assessed Valuation</u>	<u>Property Taxes Assessed</u>
Municipal portion	\$ 4.69	\$ 11,042,943
School portion:		
State of New Hampshire	1.28	2,991,547
Local	6.77	15,955,888
County portion	1.23	2,903,700
Precinct portions:		
Maple Ridge Road	2.02	6,014
Total	<u>\$ 15.99</u>	<u>\$ 32,900,092</u>

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1-I Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2022.

1-J Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The Town has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. In addition, unavailable revenues from grants arises when the related eligible expenditures will not be made until the subsequent period.

1-K Compensated Absences

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

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

1-L Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

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

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

1-M Defined Benefit Pension Plan

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

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

1-N Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

1-O Net Position/Fund Balances

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

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

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

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

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

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

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

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

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

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

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

In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 5% to 15% of the regular general fund operating revenues or 8% to 17% of regular general fund operating expenditures, in addition to the School and County appropriations in accordance with the recommendations of the NH Department of Revenue Administration.

1-P Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2022, \$500,000 of the beginning general fund unassigned fund balance was applied for this purpose and \$686,885 was voted from unassigned fund balance to fund current year appropriations.

2-B Budgetary Reconciliation to GAAP Basis

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

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 16,168,548
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	(475,485)
To eliminate transfers between general and blended funds	(343,036)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	<u>(109,942)</u>
Per Exhibit C-3 (GAAP basis)	<u>\$ 15,240,085</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 16,402,736
Adjustment:	
Basis differences:	
Encumbrances, beginning	405,751
Encumbrances, ending	(1,099,711)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	13,915
To recognize transfer between blended expendable trust and general fund	<u>(708,434)</u>
Per Exhibit C-3 (GAAP basis)	<u>\$ 15,014,257</u>

2-C Accounting Change

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented during fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 87 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$11,811,752 and the bank balances totaled \$11,146,809. Petty cash totaled \$900.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 11,135,473
Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)	<u>676,279</u>
Total cash and cash equivalents	<u>\$ 11,811,752</u>

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NOTE 4 – INVESTMENTS

Note 1-D describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements and maturities as of December 31, 2022:

Investments type:	Valuation	Fair Value	1-5 Years
	Measurement Method		
Certificates of deposit	Level 1	\$ -	\$ 2,147,981
Common stock	Level 1	350,048	-
Corporate bonds	Level 2	356,741	-
Equity exchange traded funds	Level 1	240,684	-
Equity mutual funds - international	Level 1	36,341	-
Fixed income exchange traded funds	Level 2	79,872	-
Fixed income mutual funds	Level 2	56,737	-
American depository	Level 2	16,649	-
U.S. Government agency bonds	Level 2	687,446	-
U.S. Treasury bonds	Level 2	250,887	-
Total fair value		<u>\$ 2,075,405</u>	<u>\$ 2,147,981</u>

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

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 3,914,593
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	308,793
Total investments	<u>\$ 4,223,386</u>

NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2022. The amount has been reduced by an allowance for an estimated uncollectible amount of \$30,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2022	\$ 13,458,996	\$ 13,458,996
Unredeemed (under tax lien):		
Levy of 2021	130,239	130,239
Levy of 2020	75,756	75,756
Levies of 2019 and prior	20,428	20,428
Yield tax	2,394	2,394
Land use change tax	77,300	77,300
Less: allowance for estimated uncollectible taxes	(30,000) *	-
Net taxes receivable	<u>\$ 13,735,113</u>	<u>\$ 13,765,113</u>

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

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NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2022, consisted of accounts (billings for police details, water, sewer, ambulance, and other user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

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

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 is as follows:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 11,178,977	\$ -	\$ -	\$ 11,178,977
Intangible assets	1,143,098	-	-	1,143,098
Construction in progress	7,901,225	4,752,924	(5,077,000)	7,577,149
Total capital assets not being depreciated	<u>20,223,300</u>	<u>4,752,924</u>	<u>(5,077,000)</u>	<u>19,899,224</u>
Being depreciated/amortized:				
Land improvements	862,644	-	-	862,644
Monument	92,000	-	-	92,000
Buildings and building improvements	21,344,609	5,077,000	-	26,421,609
Equipment	3,172,339	239,818	(39,478)	3,372,679
Vehicles	5,791,208	210,139	(91,438)	5,909,909
Infrastructure	4,952,783	-	-	4,952,783
Total capital assets being depreciated/amortized	<u>36,215,583</u>	<u>5,526,957</u>	<u>(130,916)</u>	<u>41,611,624</u>
Total all capital assets	<u>56,438,883</u>	<u>10,279,881</u>	<u>(5,207,916)</u>	<u>61,510,848</u>
Less accumulated depreciation/amortization:				
Land improvements	(79,145)	(28,711)	-	(107,856)
Monument	(64,000)	(4,000)	-	(68,000)
Buildings and building improvements	(7,091,142)	(501,746)	-	(7,592,888)
Equipment	(2,404,367)	(173,568)	35,000	(2,542,935)
Vehicles	(4,092,548)	(355,030)	91,438	(4,356,140)
Infrastructure	(479,872)	(33,018)	-	(512,890)
Total accumulated depreciation/amortization	<u>(14,211,074)</u>	<u>(1,096,073)</u>	<u>126,438</u>	<u>(15,180,709)</u>
Net book value, capital assets being depreciated/amortized	<u>22,004,509</u>	<u>4,430,884</u>	<u>(4,478)</u>	<u>26,430,915</u>
Net book value, all capital assets	<u>\$ 42,227,809</u>	<u>\$ 9,183,808</u>	<u>\$ (5,081,478)</u>	<u>\$ 46,330,139</u>

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

General government	\$ 32,501
Public safety	345,643
Highways and streets	188,345
Sanitation	109,453
Conservation	25,209
Culture and recreation	305,731
Water distribution and treatment	89,191
Total depreciation expense	<u>\$ 1,096,073</u>

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NOTE 8 – INTERFUND TRANSFERS

Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2022 is as follows:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
Nonmajor funds	\$ 320,999	\$ 19,566	\$ 340,565

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

NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at December 31, 2022 consist of the following:

	Governmental Activities	Governmental Fund General	Fiduciary Funds
	Balance due to the New Hampshire Retirement System	\$ 121,367	\$ 121,367
Property taxes due to the custodial funds ¹	8,789,435	8,789,435	-
Property taxes due to the Interlakes School District ²	-	-	8,789,435
Other intergovernmental payables	7,510	7,510	-
Total	\$ 8,918,312	\$ 8,918,312	\$ 8,789,435

¹ Property taxes due to the custodial fund represent amounts collected by the Town on behalf of the Interlake School District and are reported as a component of general fund cash at year-end.

² Property taxes due to the Interlake School District represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of at December 31, 2022 consist of amounts related to pensions totaling \$1,204,285 and amounts related to OPEB totaling \$24,779. For further discussion on these amounts, see Note 12 and 13 respectively.

Deferred inflows of resources are as follows:

	Exhibit A	Exhibit C-1
Prepaid property taxes	\$ 19,598	\$ 19,598
ARPA and SB 401 grant proceeds received in advance of eligible expenditures	662,062	662,062
Deferred property taxes not collected within 60 days of fiscal year-end	-	284,880
Amounts related to pensions (see Note 12)	219,716	-
Total deferred inflows of resources	\$ 901,376	\$ 966,540

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NOTE 11 – LONG-TERM LIABILITIES

Changes in the Town’s long-term liabilities consisted of the following for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year	Due In More Than One Year
Bonds payable:						
Direct placements	\$ 10,394,500	\$ -	\$ (904,000)	\$ 9,490,500	\$ 906,500	\$ 8,584,000
Premium	1,715,012	-	(127,198)	1,587,814	127,198	1,460,616
Total bonds payable	12,109,512	-	(1,031,198)	11,078,314	1,033,698	10,044,616
Compensated absences	581,782	23,177	-	604,959	16,991	587,968
Accrued landfill postclosure care costs	54,000	-	(6,000)	48,000	6,000	42,000
Net pension liability	6,296,765	2,016,783	-	8,313,548	-	8,313,548
Net other postemployment benefits	1,975,047	-	(604,198)	1,370,849	-	1,370,849
Total long-term liabilities	<u>\$ 21,017,106</u>	<u>\$ 2,039,960</u>	<u>\$ (1,641,396)</u>	<u>\$ 21,415,670</u>	<u>\$ 1,056,689</u>	<u>\$ 20,358,981</u>

Long-term bonds are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding December 31, 2022	Current Portion
Bonds payable:						
Direct placements:						
Community center	\$ 3,500,000	2005	2025	3.75-4.20	\$ 525,000	\$ 175,000
Refinancing bond	\$ 1,007,150	2012	2027	2.49	396,000	72,000
DPW project bond	6,437,275	2020	2035	1.36	5,579,700	429,700
Library project bond	3,448,050	2020	2035	1.37	2,989,800	229,800
					<u>9,490,500</u>	<u>906,500</u>
Bond premium					<u>1,587,814</u>	<u>127,198</u>
Total					<u>\$ 11,078,314</u>	<u>\$ 1,033,698</u>

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2022, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bonds - Direct Placements		
	Principal	Interest	Total
2023	\$ 906,500	\$ 398,079	\$ 1,304,579
2024	910,000	353,670	1,263,670
2025	914,000	308,909	1,222,909
2026	743,000	263,950	1,006,950
2027	747,000	226,140	973,140
2028-2032	3,300,000	619,350	3,919,350
2033-2035	1,970,000	82,636	2,052,636
Totals	<u>\$ 9,490,500</u>	<u>\$ 2,252,734</u>	<u>\$ 11,743,234</u>

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

Accrued Landfill Postclosure Care Costs – The Town ceased operating its landfill in 1983. Federal and State laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs has a balance of \$48,000 as of December 31, 2022. The estimated total current cost of the landfill postclosure care (\$48,000) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2022. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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NOTE 12 – DEFINED BENEFIT PENSION PLAN

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

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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

Contributions – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2022, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$839,184, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2022 the Town reported a liability of \$8,313,548 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town’s proportion was 0.14% which was the same as its proportion measured as of June 30, 2021.

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For the year ended December 31, 2022, the Town recognized pension expense of \$665,366. At December 31, 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	\$ 122,248	\$ 187,802
Changes in assumptions	442,214	-
Net difference between projected and actual investment earnings on pension plan investments	315,073	-
Differences between expected and actual experience	156,031	31,914
Contributions subsequent to the measurement date	168,719	-
Total	\$ 1,204,285	\$ 219,716

The \$168,719 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2023	\$ 269,848
2024	232,546
2025	(146,050)
2026	459,506
2027	-
Thereafter	-
Totals	\$ 815,850

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

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

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

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

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

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

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 11,154,685	\$ 8,313,548	\$ 5,951,405

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

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

13-A New Hampshire Retirement System (NHRS)

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

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

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his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

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

Maximum medical subsidy rates paid during fiscal year 2022 were as follows:

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

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

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2022, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2022, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$47,797, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2022, the Town reported a liability of \$428,932 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town’s proportion was 0.11% which was the same as its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized OPEB expense of \$43,061. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 1,172	\$ -
Contributions subsequent to the measurement date	23,607	-
Total	\$ 24,779	\$ -

The \$23,607 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2023	\$ 195
2024	51
2025	(461)
2026	1,387
2027	-
Thereafter	-
Totals	\$ 1,172

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

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

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

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

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

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 465,678	\$ 428,932	\$ 396,928

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

13-B Town of Meredith Retiree Health Benefit Program

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

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

Employees Covered by Benefit Terms – At December 31, 2022, there were 51 active employees covered by the benefit terms.

Total OPEB Liability – The Town’s total OPEB liability of \$941,917 was measured as of December 31, 2022, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$941,917 in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.31%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Second Year Trend	7.00%
Decrement	0.50%
Ultimate Trend	4.50%
Year Ultimate Trend is Reached	2029
Salary Increases:	2.75%

Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality table fully generational using Scale MP-2021.

Changes in the Total OPEB Liability

	December 31,	
	2021	2022
OPEB liability, beginning of year	\$ 1,525,631	\$ 1,548,008
Changes for the year:		
Service cost	61,147	61,908
Interest	33,640	35,311
Assumption changes and difference between actual and expected experience	(72,410)	(621,748)
Benefit payments	-	(81,562)
OPEB liability, end of year	<u>\$ 1,548,008</u>	<u>\$ 941,917</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The December 31, 2022, actuarial valuation was prepared using a discount rate of 4.31%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$879,249 or by 6.65%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$1,010,868 or by 7.32%.

	Discount Rate		
	1% Decrease	Baseline 4.31%	1% Increase
Total OPEB Liability	\$ 1,010,868	\$ 941,917	\$ 879,249

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The December 31, 2022 actuarial valuation was prepared using an initial trend rate of 7.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$1,027,586 or by 9.10%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$868,462 or by 7.80%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.50%	1% Increase
Total OPEB Liability	\$ 868,462	\$ 941,917	\$ 1,027,586

OPEB Expense – For the year ended December 31, 2022, the Town recognized OPEB expense of \$524,529.

NOTE 14 – COMMITMENTS

The Town has active construction projects as of December 31, 2022. At year-end the Town commitments with contractors for specific projects are as follows:

Capital Project Program	Spent to Date	Remaining Commitment
DPW Project	\$ 6,140,061	\$ 206,432

NOTE 15 - ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2022 are as follows:

General fund:	
General government	\$ 206,216
Public safety	108,901
Highways and streets	131,061
Culture and recreation	65,455
Capital outlay	588,078
Total encumbrances	\$ 1,099,711

NOTE 16 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2022 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 46,330,139	\$ -
Less:		
General obligation bonds payable	(9,490,500)	-
Unamortized bond premiums	(1,587,814)	-
Amount of debt related to unspent proceeds	22,851	-
Total net investment in capital assets	35,274,676	-

(Continued)

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Governmental activities and fiduciary funds net position continued:

	Governmental Activities	Fiduciary Funds
Restricted net position:		
Perpetual care - nonexpendable	167,305	-
Perpetual care - income balance	976,295	-
DPW Project	22,851	-
Library	115,959	-
Water	2,564,364	-
Sewer	2,487,135	-
DARE	532	-
Community Center	242,675	-
Cable Improvements	313,470	-
Grants and donations	781,067	-
Private purpose trust funds	-	13,845
Escrows	-	173,076
School trust funds	-	706,112
Total restricted net position	<u>7,671,653</u>	<u>893,033</u>
Unrestricted	988,458	-
Total net position	<u>\$ 43,934,787</u>	<u>\$ 893,033</u>

NOTE 17 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

	General Fund	DPW Project Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Tax deeded property	\$ 60,254	\$ -	\$ -	\$ 60,254
Permanent fund - principal balance	-	-	167,305	167,305
Total nonspendable fund balance	<u>60,254</u>	<u>-</u>	<u>167,305</u>	<u>227,559</u>
Restricted:				
Permanent - income balance	-	-	976,295	976,295
Special revenue:				
Library	-	-	115,959	115,959
Water	-	-	2,564,364	2,564,364
Sewer	-	-	2,487,135	2,487,135
DARE	-	-	532	532
Community center	-	-	242,675	242,675
Cable improvements	-	-	313,470	313,470
Grants and donations	781,067	-	-	781,067
Capital projects	-	22,851	-	22,851
Total restricted fund balance	<u>781,067</u>	<u>22,851</u>	<u>6,700,430</u>	<u>7,504,348</u>
Committed:				
Expendable trust	3,076,200	-	-	3,076,200
Non-lapsing	400,000	-	-	400,000
Special revenue:				
Conservation	-	-	229,474	229,474
Shep Brown Boat Basic	-	-	84,830	84,830
Total committed fund balance	<u>3,476,200</u>	<u>-</u>	<u>314,304</u>	<u>3,790,504</u>

(Continued)

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Governmental fund balances continued:

	General Fund	DPW Project Fund	Nonmajor Funds	Total Governmental Funds
Assigned:				
Encumbrances	1,099,711	-	-	1,099,711
Non-encumbrance	14,457	-	-	14,457
Total assigned fund balance	<u>1,114,168</u>	<u>-</u>	<u>-</u>	<u>1,114,168</u>
Unassigned	5,272,184	-	-	5,272,184
Total governmental fund balances	<u>\$ 10,703,873</u>	<u>\$ 22,851</u>	<u>\$ 7,182,039</u>	<u>\$ 17,908,763</u>

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

Net position/fund balance at January 1, 2022 was restated to give retroactive effect to the following prior period adjustments:

	Government-wide Statements	General Fund	DPW Project
To restate construction in progress for capital projects	\$ 1,417,664	\$ -	\$ -
To restate for prior year expenditures charged to capital project which should have been posted to the operating budget	-	(66,665)	66,665
Net position/fund balance, as previously reported	<u>40,925,417</u>	<u>10,544,710</u>	<u>4,661,754</u>
Net position/fund balance, as restated	<u>\$ 42,343,081</u>	<u>\$ 10,478,045</u>	<u>\$ 4,728,419</u>

NOTE 19 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2022, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2022 to December 31, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2022 the Town paid \$141,457 and \$195,748 respectively, to Primex for property, liability and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

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

NOTE 20 – TAX ABATEMENTS

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

There were no such agreements as of December 31, 2022.

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NOTE 21 – CONTINGENT LIABILITIES

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

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through October 6, 2023, the date the December 31, 2022 financial statements were available to be issued, and the following events occurred that requires recognition or disclosure:

At the 2023 Annual Meeting the Town approved two warrant articles (#7 and #8) to establish a Police Detail Revolving Fund and Building and Facilities Maintenance Expendable Trust Fund. Both of these warrant articles are funded by unassigned fund balance as of December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF MEREDITH, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net pension liability	0.16%	0.16%	0.16%	0.16%	0.17%	0.15%	0.15%	0.15%	0.14%	0.14%
Town's proportionate share of the net pension liability	\$ 6,963,683	\$ 6,055,994	\$ 6,314,857	\$ 8,322,979	\$ 8,193,577	\$ 7,194,350	\$ 7,226,488	\$ 9,277,256	\$ 6,296,765	\$ 8,313,548
Town's covered payroll (as of the measurement date)	\$ 3,819,212	\$ 3,877,355	\$ 3,955,335	\$ 4,093,348	\$ 4,349,014	\$ 4,313,061	\$ 4,452,757	\$ 4,452,757	\$ 4,504,559	\$ 4,670,054
Town's proportionate share of the net pension liability as a percentage of its covered payroll	182.33%	156.19%	159.65%	203.33%	188.40%	166.80%	162.29%	208.35%	139.79%	178.02%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.
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EXHIBIT G
TOWN OF MEREDITH, NEW HAMPSHIRE
Schedule of Town Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 402,331	\$ 523,421	\$ 534,784	\$ 560,457	\$ 610,343	\$ 631,489	\$ 653,587	\$ 644,348	\$ 652,742	\$ 839,184
Contributions in relation to the contractually required contributions	(402,331)	(523,421)	(534,784)	(560,457)	(610,343)	(631,489)	(653,587)	(644,348)	(652,742)	(839,184)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year-end)	\$ 3,819,212	\$ 3,877,355	\$ 3,955,335	\$ 4,093,348	\$ 4,349,014	\$ 4,313,061	\$ 4,452,757	\$ 4,512,315	\$ 4,572,761	\$ 4,670,054
Contributions as a percentage of covered payroll	10.53%	13.50%	13.52%	13.69%	14.03%	14.64%	14.68%	14.28%	14.27%	17.97%

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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

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

Changes in Assumptions – Salary increases changed to 5.4% from 5.6% in the current period.

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town's pension plan at December 31, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT H
TOWN OF MEREDITH, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefit Plan Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.09%	0.09%	0.12%	0.12%	0.11%	0.11%	0.11%
Town's proportionate share of the net OPEB liability	\$ 414,429	\$ 411,541	\$ 545,662	\$ 532,711	\$ 470,627	\$ 427,039	\$ 428,932
Town's covered payroll (as of the measurement date)	\$ 4,093,348	\$ 4,349,014	\$ 4,313,061	\$ 4,452,757	\$ 4,452,757	\$ 4,504,559	\$ 4,670,054
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.12%	9.46%	12.65%	11.96%	10.57%	9.48%	9.18%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

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

EXHIBIT I
TOWN OF MEREDITH, NEW HAMPSHIRE
Schedule of Town Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2022
Unaudited

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 49,743	\$ 53,347	\$ 52,717	\$ 55,452	\$ 49,908	\$ 51,245	\$ 47,797
Contributions in relation to the contractually required contribution	(49,743)	(53,347)	(52,717)	(55,452)	(49,908)	(51,245)	(47,797)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$ 4,093,348	\$ 4,349,014	\$ 4,313,061	\$ 4,452,757	\$ 4,512,315	\$ 4,572,761	\$ 4,670,054
Contributions as a percentage of covered payroll	1.22%	1.23%	1.22%	1.25%	1.11%	1.12%	1.02%

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

EXHIBIT J
TOWN OF MEREDITH, NEW HAMPSHIRE
Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2022

	December 31,				
	2018	2019	2020	2021	2022
OPEB liability, beginning of year	\$ 855,002	\$ 1,405,138	\$ 1,475,315	\$ 1,525,631	\$ 1,548,008
Changes for the year:					
Service cost	47,678	58,059	64,107	61,147	61,908
Interest	30,663	60,137	50,185	33,640	35,311
Assumption changes and difference between actual and expected experience	494,623	(48,019)	(63,976)	(72,410)	(621,748)
Benefit payments	(22,828)	-	-	-	(81,562)
OPEB liability, end of year	<u>\$ 1,405,138</u>	<u>\$ 1,475,315</u>	<u>\$ 1,525,631</u>	<u>\$ 1,548,008</u>	<u>\$ 941,917</u>
Covered payroll	<u>\$ 4,208,311</u>	<u>\$ 4,582,605</u>	<u>\$ 4,113,940</u>	<u>\$ 4,215,440</u>	<u>\$ 4,566,771</u>
Total OPEB liability as a percentage of covered payroll	33.39%	32.19%	37.08%	36.72%	20.63%

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

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

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

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

Changes in Assumptions – Salary increases changed to 5.4% from 5.6% in the current period.

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

As required by GASB Statement No. 75, Exhibits H, I, and J represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2022. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2022. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF MEREDITH, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 10,671,272	\$ 10,777,696	\$ 106,424
Land use change	50,500	100,600	50,100
Yield	27,000	30,245	3,245
Timber	-	63,055	63,055
Payment in lieu of taxes	112,407	165,558	53,151
Interest and penalties on taxes	191,500	65,214	(126,286)
Total from taxes	<u>11,052,679</u>	<u>11,202,368</u>	<u>149,689</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	13,000	7,750	(5,250)
Motor vehicle permit fees	1,725,000	1,900,459	175,459
Building permits	70,000	86,564	16,564
Other	149,000	70,029	(78,971)
Total from licenses, permits, and fees	<u>1,957,000</u>	<u>2,064,802</u>	<u>107,802</u>
Intergovernmental:			
State:			
Meals and rooms distribution	587,353	587,353	-
Highway block grant	212,497	211,673	(824)
State and federal forest land reimbursement	149	149	-
Other	30,797	35,127	4,330
Federal:			
Other	276,519	281,955	5,436
Total from intergovernmental	<u>1,107,315</u>	<u>1,116,257</u>	<u>8,942</u>
Charges for services:			
Income from departments	820,000	802,134	(17,866)
Miscellaneous:			
Sale of municipal property	103,000	236,220	133,220
Interest on investments	42,000	61,349	19,349
Other	173,000	21,383	(151,617)
Total from miscellaneous	<u>318,000</u>	<u>318,952</u>	<u>952</u>
Other financing sources:			
Transfers in	343,036	664,035	320,999
Total revenues and other financing sources	15,598,030	<u>\$ 16,168,548</u>	<u>\$ 570,518</u>
Unassigned fund balance used to reduce tax rate	500,000		
Amounts voted from fund balance	686,885		
Total revenues, other financing sources, and use of fund balance	<u>\$ 16,784,915</u>		

See Independent Auditor's Report.

SCHEDULE 2
TOWN OF MEREDITH, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ 638	\$ 233,697	\$ 208,552	\$ -	\$ 25,783
Election and registration	-	154,795	147,299	-	7,496
Financial administration	-	429,166	399,461	7,875	21,830
Revaluation of property	-	255,506	238,657	-	16,849
Legal	-	30,000	44,016	-	(14,016)
Personnel administration	-	3,037,543	2,590,772	-	446,771
Planning and zoning	7,741	389,475	377,650	9,194	10,372
General government buildings	9,854	336,357	270,338	4,053	71,820
Cemeteries	-	65,067	55,577	-	9,490
Insurance, not otherwise allocated	-	314,275	247,319	-	66,956
Advertising and regional associations	-	234,667	234,070	-	597
Other	-	1,030,129	1,115,217	185,094	(270,182)
Total general government	18,233	6,510,677	5,928,928	206,216	393,766
Public safety:					
Police	8,866	1,590,480	1,549,064	171	50,111
Ambulance	-	347,054	325,648	-	21,406
Fire	64,691	514,260	457,744	108,730	12,477
Other	-	91,034	91,034	-	-
Total public safety	73,557	2,542,828	2,423,490	108,901	83,994
Highways and streets:					
Administration	-	1,080,468	1,022,644	-	57,824
Highways and streets	25,138	1,384,045	1,534,848	131,061	(256,726)
Total highways and streets	25,138	2,464,513	2,557,492	131,061	(198,902)
Sanitation:					
Administration	-	290,683	307,317	-	(16,634)
Solid waste collection	-	166,981	51,554	-	115,427
Solid waste disposal	2,800	415,950	406,145	-	12,605
Total sanitation	2,800	873,614	765,016	-	111,398
Welfare:					
Administration and direct assistance	-	40,000	46,333	-	(6,333)
Culture and recreation:					
Parks and recreation	92,188	893,396	832,969	65,455	87,160
Library	2,000	554,291	533,148	-	23,143
Total culture and recreation	94,188	1,447,687	1,366,117	65,455	110,303
Debt service:					
Principal of long-term debt	-	904,000	904,000	-	-
Interest on long-term debt	-	441,675	438,088	-	3,587
Interest on tax anticipation notes	-	10,000	-	-	10,000
Total debt service	-	1,355,675	1,342,088	-	13,587

(Continued)

See Independent Auditor's Report.

SCHEDULE 2 (Continued)
TOWN OF MEREDITH, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	191,835	843,036	563,312	588,078	(116,519)
Other financing uses:					
Transfers out	-	706,885	716,000	-	(9,115)
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 405,751	\$ 16,784,915	\$ 15,708,776	\$ 1,099,711	\$ 382,179

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF MEREDITH, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2022

Unassigned fund balance, beginning, as restated (Non-GAAP Budgetary Basis)		\$ 6,192,462
Changes:		
Unassigned fund balance used to reduce 2022 tax rate		(500,000)
Amounts voted from fund balance		(686,885)
2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 570,518	
Unexpended balance of appropriations (Schedule 2)	<u>382,179</u>	
2022 Budget surplus		952,697
Decrease in nonspendable fund balance		13,651
Increase in restricted fund balance		(38,081)
Increase in committed fund balance		(400,000)
Increase in assigned fund balance (non-encumbrance)		<u>(2,449)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		5,531,395
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(284,880)
Deficit balance of the blended funds		(4,331)
Elimination of the allowance for uncollectible taxes		<u>30,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 5,272,184</u></u>

SCHEDULE 4
TOWN OF MEREDITH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds					
	Sewer	Water	Public Library	DARE	Conservation	Cable Improvements
ASSETS						
Cash and cash equivalents	\$ 2,564,269	\$ 2,328,588	\$ 115,959	\$ 532	\$ 229,474	\$ 313,470
Investments	-	216,852	-	-	-	-
Accounts receivable	28,102	26,226	-	-	-	-
Total assets	<u>\$ 2,592,371</u>	<u>\$ 2,571,666</u>	<u>\$ 115,959</u>	<u>\$ 532</u>	<u>\$ 229,474</u>	<u>\$ 313,470</u>
LIABILITIES						
Accounts payable	\$ 105,236	\$ 7,302	-	-	-	-
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,487,135	2,564,364	115,959	532	-	313,470
Committed	-	-	-	-	229,474	-
Total fund balances	<u>2,487,135</u>	<u>2,564,364</u>	<u>115,959</u>	<u>532</u>	<u>229,474</u>	<u>313,470</u>
Total fund balances	<u>\$ 2,592,371</u>	<u>\$ 2,571,666</u>	<u>\$ 115,959</u>	<u>\$ 532</u>	<u>\$ 229,474</u>	<u>\$ 313,470</u>

Special Revenue Funds			Capital Project Fund	Permanent Funds		Total
Community Center	Shep Brown Boat Basin	CDBG	Landfill Closure	Town	Library	
\$ 73,257	\$ 84,830	\$ -	\$ -	\$ 74,536	\$ 34,537	\$ 5,819,452
169,418	-	-	-	163,598	870,929	1,420,797
-	-	-	-	-	-	54,328
<u>\$ 242,675</u>	<u>\$ 84,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,134</u>	<u>\$ 905,466</u>	<u>\$ 7,294,577</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,538</u>
\$ -	\$ -	\$ -	\$ -	\$ 167,305	\$ -	\$ 167,305
242,675	-	-	-	70,829	905,466	6,700,430
-	84,830	-	-	-	-	314,304
<u>242,675</u>	<u>84,830</u>	<u>-</u>	<u>-</u>	<u>238,134</u>	<u>905,466</u>	<u>7,182,039</u>
<u>\$ 242,675</u>	<u>\$ 84,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,134</u>	<u>\$ 905,466</u>	<u>\$ 7,294,577</u>

SCHEDULE 5
TOWN OF MEREDITH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2022

	Special Revenue Funds					
	Sewer	Water	Public Library	DARE	Conservation	Cable Improvements
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Licenses and permits	-	-	-	-	-	86,623
Intergovernmental revenue	2,500	7,500	-	-	2,500	-
Charges for services	1,104,905	803,466	-	-	3,678	-
Miscellaneous	50,000	323,950	72,477	-	4,622	-
Unrealized loss on investments	-	-	-	-	-	-
Total revenues	<u>1,157,405</u>	<u>1,134,916</u>	<u>72,477</u>	<u>-</u>	<u>60,800</u>	<u>86,623</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	144,933
Water distribution and treatment	-	761,484	-	-	-	-
Sanitation	922,958	-	-	-	-	-
Culture and recreation	-	-	81,337	-	-	-
Conservation	-	-	-	-	13,227	-
Total expenditures	<u>922,958</u>	<u>761,484</u>	<u>81,337</u>	<u>-</u>	<u>13,227</u>	<u>144,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>234,447</u>	<u>373,432</u>	<u>(8,860)</u>	<u>-</u>	<u>47,573</u>	<u>(58,310)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	12,000	-	-	-
Transfers out	(40,419)	(280,580)	-	-	-	-
Total other financing sources (uses)	<u>(40,419)</u>	<u>(280,580)</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	194,028	92,852	3,140	-	47,573	(58,310)
Fund balances, beginning	2,293,107	2,471,512	112,819	532	181,901	371,780
Fund balances, ending	<u>\$ 2,487,135</u>	<u>\$ 2,564,364</u>	<u>\$ 115,959</u>	<u>\$ 532</u>	<u>\$ 229,474</u>	<u>\$ 313,470</u>

Special Revenue Funds			Capital Project Fund	Permanent Funds		Total
Community Center	Shep Brown Boat Basin	CDBG	Landfill Closure	Town	Library	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
-	-	-	-	-	-	86,623
-	-	715,000	-	-	-	727,500
-	-	-	-	-	-	1,912,049
11,154	4,400	-	-	4,633	17,661	488,897
-	-	-	-	-	(120,561)	(120,561)
<u>11,154</u>	<u>4,400</u>	<u>715,000</u>	<u>-</u>	<u>4,633</u>	<u>(102,900)</u>	<u>3,144,508</u>
-	-	715,000	-	29,549	-	889,482
-	-	-	-	-	-	761,484
-	-	-	7,566	-	-	930,524
-	-	-	-	-	-	81,337
-	-	-	-	-	-	13,227
<u>-</u>	<u>-</u>	<u>715,000</u>	<u>7,566</u>	<u>29,549</u>	<u>-</u>	<u>2,676,054</u>
<u>11,154</u>	<u>4,400</u>	<u>-</u>	<u>(7,566)</u>	<u>(24,916)</u>	<u>(102,900)</u>	<u>468,454</u>
-	-	-	7,566	-	-	19,566
-	-	-	-	-	(12,000)	(332,999)
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,566</u>	<u>-</u>	<u>(12,000)</u>	<u>(313,433)</u>
11,154	4,400	-	-	(24,916)	(114,900)	155,021
231,521	80,430	-	-	263,050	1,020,366	7,027,018
<u>\$ 242,675</u>	<u>\$ 84,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,134</u>	<u>\$ 905,466</u>	<u>\$ 7,182,039</u>

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF MEREDITH, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
December 31, 2022

	Custodial Funds				Total
	Taxes	Trust Funds	Engineering Escrows	Town Clerk Fees State Portion	
ASSETS					
Cash and cash equivalents	\$ -	\$ 406,831	\$ 265,115	\$ -	\$ 671,946
Investments	-	299,281	-	-	299,281
Intergovernmental receivables	8,789,435	-	-	-	8,789,435
Total assets	<u>8,789,435</u>	<u>706,112</u>	<u>265,115</u>	<u>-</u>	<u>9,760,662</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Due to school district	8,789,435	-	-	-	8,789,435
Escrow payable	-	-	92,039	-	92,039
Total liabilities	<u>8,789,435</u>	<u>-</u>	<u>92,039</u>	<u>-</u>	<u>8,881,474</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 706,112</u>	<u>\$ 173,076</u>	<u>\$ -</u>	<u>\$ 879,188</u>

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF MEREDITH, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2022

	Custodial Funds				Total
	Taxes	Trust Funds	Engineering Escrows	Town Clerk Fees State Portion	
Additions:					
Contributions	\$ -	\$ 170,000	\$ 70,917	\$ -	\$ 240,917
Investment earnings	-	11,099	-	-	11,099
Change in fair market value	-	122,580	-	-	122,580
Tax collections for other governments	21,857,149	-	-	-	21,857,149
Collections of motor vehicle fees for State	-	-	-	623,846	623,846
Total additions	<u>21,857,149</u>	<u>303,679</u>	<u>70,917</u>	<u>623,846</u>	<u>22,855,591</u>
Deductions:					
Withdrawals from trust funds	-	660,095	-	-	660,095
Administrative expenses	-	1,533	-	-	1,533
Payments of taxes to other governments	21,857,149	-	-	-	21,857,149
Payments for escrow purposes	-	-	34,291	-	34,291
Payments of motor vehicle fees for State	-	-	-	623,846	623,846
Total deductions	<u>21,857,149</u>	<u>661,628</u>	<u>34,291</u>	<u>623,846</u>	<u>23,176,914</u>
Change in net position	-	(357,949)	36,626	-	(321,323)
Net position, beginning	-	1,064,061	136,450	-	1,200,511
Net position, ending	<u>\$ -</u>	<u>\$ 706,112</u>	<u>\$ 173,076</u>	<u>\$ -</u>	<u>\$ 879,188</u>

***SINGLE AUDIT ACT SCHEDULES AND
INDEPENDENT AUDITOR'S REPORTS***



PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Members of the Board
Town of Meredith
Meredith, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Meredith, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Meredith's basic financial statements, and have issued our report thereon dated October 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Meredith's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 of Meredith's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Meredith's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Meredith's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Meredith

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



PLODZIK & SANDERSON
Professional Association

October 6, 2023
Concord, New Hampshire



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Members of the Board
Town of Meredith
Meredith, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Meredith's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Meredith's major federal programs for the year ended December 31, 2022. The Town of Meredith's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Meredith complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Meredith and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Meredith's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Meredith's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Meredith's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions,

Town of Meredith

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Meredith's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Meredith's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Meredith's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Meredith's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

October 6, 2023
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

SCHEDULE II
TOWN OF MEREDITH
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through the New Hampshire Community Development Finance Authority				
Community Development Block Grant/State's Program	14.228	20-008-CDHS	\$ 707,000	\$ 715,000
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the New Hampshire Department of Safety				
State and Community Highway Safety	20.600	22-02-04	-	3,969
State and Community Highway Safety	20.600	22-04-04	-	966
State and Community Highway Safety	20.600	22-07-04	-	232
<i>PROGRAM TOTAL</i>			-	5,167
DIRECT FUNDING				
U.S. DEPARTMENT OF TREASURY				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	286,519
Total Expenditures of Federal Awards			\$ 707,000	\$ 1,006,686

The accompanying notes are an integral part of this schedule.

TOWN OF MEREDITH, NEW HAMPSHIRE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Town of Meredith under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Meredith, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Meredith.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Town of Meredith has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.