

**TOWN OF BARRINGTON,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

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

TOWN OF BARRINGTON, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
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 Select Board
Town of Barrington
Barrington, 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 Barrington 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 Barrington, as of December 31, 2022, and 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 Barrington 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 Barrington'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 Barrington'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 Barrington
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 Barrington'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 Barrington'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-D 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:

- 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.

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

Supplementary Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Barrington'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.

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

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023 on our consideration of the Town of Barrington'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 Barrington's internal control over financial reporting and compliance.

June 30, 2023
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 16,643,616
Investments	50,346
Taxes receivables (net)	1,206,515
Accounts receivable (net)	156,204
Intergovernmental receivable	2,131,666
Due from external parties	2,638
Prepaid items	42,798
Tax deeded property, subject to resale	56,651
Capital assets:	
Land and construction in progress	4,465,504
Other capital assets, net of depreciation	10,650,919
Total assets	<u>35,406,857</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	1,033,557
Amounts related to other postemployment benefits	180,514
Total deferred outflows of resources	<u>1,214,071</u>
LIABILITIES	
Accounts payable	374,693
Accrued salaries and benefits payable	67,261
Intergovernmental payable	8,754,564
Escrow and performance deposits	9,804
Long-term liabilities:	
Due within one year	8,250
Due in more than one year	5,889,272
Total liabilities	<u>15,103,844</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	18,909
Unavailable revenue - grants	1,087,796
Amounts related to pensions	92,506
Amounts related to other postemployment benefits	517,710
Total deferred inflows of resources	<u>1,716,921</u>
NET POSITION	
Net investment in capital assets	15,116,423
Restricted	176,272
Unrestricted	4,507,468
Total net position	<u>\$ 19,800,163</u>

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

EXHIBIT B
TOWN OF BARRINGTON, 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	Capital Grants and Contributions	
General government	\$ 2,403,958	\$ 18,973	\$ 303,300	\$ 1,500,000	\$ (581,685)
Public safety	2,839,914	249,875	210,735	-	(2,379,304)
Highways and streets	2,435,950	-	236,918	-	(2,199,032)
Sanitation	352,200	225,047	-	-	(127,153)
Water distribution and treatment	11,689	-	-	-	(11,689)
Health	16,571	-	-	-	(16,571)
Welfare	25,631	690	-	-	(24,941)
Culture and recreation	1,015,258	504,167	-	-	(511,091)
Conservation	3,162	-	295,606	-	292,444
Total governmental activities	<u>\$ 9,104,333</u>	<u>\$ 998,752</u>	<u>\$ 1,046,559</u>	<u>\$ 1,500,000</u>	<u>(5,559,022)</u>
General revenues:					
Taxes:					
Property					3,736,924
Other					319,396
Motor vehicle permit fees					2,042,787
Licenses and other fees					250,513
Grants and contributions not restricted to specific programs					842,003
Unrestricted investment earnings					117,979
Miscellaneous					114,841
Total general revenues					<u>7,424,443</u>
Change in net position					1,865,421
Net position, beginning					17,934,742
Net position, ending					<u>\$ 19,800,163</u>

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

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

	General	Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 14,944,305	\$ 43	\$ 1,699,268	\$ 16,643,616
Investments	-	-	50,346	50,346
Taxes receivable	1,316,515	-	-	1,316,515
Accounts receivable (net)	147,136	-	9,068	156,204
Intergovernmental receivable	412,329	1,719,337	-	2,131,666
Due from external parties	2,638	-	-	2,638
Interfund receivable	740,849	4,444	50,106	795,399
Voluntary tax liens	78,932	-	-	78,932
Voluntary tax liens reserved until collected	(78,932)	-	-	(78,932)
Prepaid items	42,798	-	-	42,798
Tax deeded property, subject to resale	56,651	-	-	56,651
Total assets	<u>\$ 17,663,221</u>	<u>\$ 1,723,824</u>	<u>\$ 1,808,788</u>	<u>\$ 21,195,833</u>
LIABILITIES				
Accounts payable	\$ 365,363	\$ 120	\$ 9,210	\$ 374,693
Accrued salaries and benefits payable	67,261	-	-	67,261
Intergovernmental payable	8,754,564	-	-	8,754,564
Interfund payable	54,550	638,036	102,813	795,399
Escrow and performance deposits	9,804	-	-	9,804
Total liabilities	<u>9,251,542</u>	<u>638,156</u>	<u>112,023</u>	<u>10,001,721</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	173,832	-	-	173,832
Unavailable revenue - grants	-	1,087,796	-	1,087,796
Total deferred inflows of resources	<u>173,832</u>	<u>1,087,796</u>	<u>-</u>	<u>1,261,628</u>
FUND BALANCES (DEFICIT)				
Nonspendable	99,449	-	98,568	198,017
Restricted	-	-	77,704	77,704
Committed	2,396,130	-	1,520,493	3,916,623
Unassigned (deficit)	5,742,268	(2,128)	-	5,740,140
Total fund balances (deficit)	<u>8,237,847</u>	<u>(2,128)</u>	<u>1,696,765</u>	<u>9,932,484</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,663,221</u>	<u>\$ 1,723,824</u>	<u>\$ 1,808,788</u>	<u>\$ 21,195,833</u>

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

EXHIBIT C-2
TOWN OF BARRINGTON, 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)		\$ 9,932,484
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 24,274,825	
Less accumulated depreciation	<u>(9,158,402)</u>	
		15,116,423
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	\$ 1,033,557	
Deferred inflows of resources related to pensions	(92,506)	
Deferred outflows of resources related to OPEB	180,514	
Deferred inflows of resources related to OPEB	<u>(517,710)</u>	
		603,855
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (795,399)	
Payables	<u>795,399</u>	
		-
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.		
Deferred property taxes	\$ 154,923	
Allowance for uncollectible taxes	<u>(110,000)</u>	
		44,923
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Compensated absences	\$ 198,869	
Accrued landfill postclosure care costs	195,750	
Net pension liability	4,787,048	
Other postemployment benefits	<u>715,855</u>	
		<u>(5,897,522)</u>
Net position of governmental activities (Exhibit A)		<u>\$ 19,800,163</u>

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

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

	General	Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 3,859,746	\$ -	\$ 146,300	\$ 4,006,046
Licenses and permits	2,293,300	-	-	2,293,300
Intergovernmental	1,065,603	2,155,546	167,413	3,388,562
Charges for services	320,606	-	678,146	998,752
Miscellaneous	190,055	4,750	38,015	232,820
Total revenues	<u>7,729,310</u>	<u>2,160,296</u>	<u>1,029,874</u>	<u>10,919,480</u>
EXPENDITURES				
Current:				
General government	2,082,492	373,183	-	2,455,675
Public safety	2,520,327	173,999	103,210	2,797,536
Highways and streets	2,355,467	-	-	2,355,467
Water distribution and treatment	11,689	-	-	11,689
Sanitation	352,317	-	-	352,317
Health	16,571	-	-	16,571
Welfare	25,631	-	-	25,631
Culture and recreation	559,733	-	619,636	1,179,369
Conservation	-	-	3,162	3,162
Capital outlay	681,720	1,637,965	25,623	2,345,308
Total expenditures	<u>8,605,947</u>	<u>2,185,147</u>	<u>751,631</u>	<u>11,542,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(876,637)</u>	<u>(24,851)</u>	<u>278,243</u>	<u>(623,245)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,444	-	4,444
Transfers out	(4,444)	-	-	(4,444)
Total other financing sources (uses)	<u>(4,444)</u>	<u>4,444</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(881,081)	(20,407)	278,243	(623,245)
Fund balances, beginning, as restated (see Note 16)	9,118,928	18,279	1,418,522	10,555,729
Fund balances, ending	<u>\$ 8,237,847</u>	<u>\$ (2,128)</u>	<u>\$ 1,696,765</u>	<u>\$ 9,932,484</u>

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

EXHIBIT C-4
TOWN OF BARRINGTON, 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

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

Net change in fund balances of governmental funds (Exhibit C-3) \$ (623,245)

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 expenditures exceeded depreciation expense in the current year, as
follows:

Capitalized capital outlay	\$ 3,226,054	
Depreciation expense	<u>(926,887)</u>	
		2,299,167

The net effect of various miscellaneous transactions involving capital assets
(i.e., sales and donations) is to decrease net position. (1,000)

Transfers in and out between governmental funds are eliminated
on the Statement of Activities.

Transfers in	\$ (4,444)	
Transfers out	<u>4,444</u>	
		-

Revenue in the Statement of Activities that does not provide current financial
resources are not reported as revenue in the governmental funds.

Change in deferred tax revenue	50,274
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Some expenses reported in the Statement of Activities do not require the use of current
financial resources, and therefore, are not reported as expenditures in governmental funds.

Decrease in compensated absences	\$ 47,425	
Decrease in accrued landfill postclosure care costs	2,250	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	108,521	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(17,971)</u>	
		<u>140,225</u>

Change in net position of governmental activities (Exhibit B)	<u><u>\$ 1,865,421</u></u>
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EXHIBIT D
TOWN OF BARRINGTON, 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

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,805,726	\$ 3,910,020	\$ 104,294
Licenses and permits	2,298,050	2,293,300	(4,750)
Intergovernmental	1,046,295	1,065,603	19,308
Charges for services	271,800	320,606	48,806
Miscellaneous	226,000	95,316	(130,684)
Total revenues	<u>7,647,871</u>	<u>7,684,845</u>	<u>36,974</u>
EXPENDITURES			
Current:			
General government	1,903,860	2,082,492	(178,632)
Public safety	2,539,759	2,385,836	153,923
Highways and streets	2,142,782	2,129,751	13,031
Water distribution and treatment	12,800	11,689	1,111
Sanitation	399,459	348,634	50,825
Health	16,571	16,571	-
Welfare	50,702	25,631	25,071
Culture and recreation	556,936	546,578	10,358
Debt service:			
Principal	1	-	1
Interest	25,001	-	25,001
Capital outlay	100,000	71,188	28,812
Total expenditures	<u>7,747,871</u>	<u>7,618,370</u>	<u>129,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,000)</u>	<u>66,475</u>	<u>166,475</u>
OTHER FINANCING USES			
Transfers out	<u>(626,000)</u>	<u>(626,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (726,000)</u>	<u>(559,525)</u>	<u>\$ 166,475</u>
Decrease in nonspendable fund balance		1,729,159	
Increase in committed fund balance		(28,812)	
Unassigned fund balance, beginning, as restated (see Note 16)		4,646,369	
Unassigned fund balance, ending		<u>\$ 5,787,191</u>	

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

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

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 1,909,909
Intergovernmental receivables	10,504,921
Total assets	<u>12,414,830</u>
LIABILITIES	
Intergovernmental payables:	
School	10,502,144
State	2,777
Due to others	2,638
Total liabilities	<u>10,507,559</u>
NET POSITION	
Restricted	<u>\$ 1,907,271</u>

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

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

	Custodial Funds
ADDITIONS	
Contributions	\$ 234,934
Investment earnings	15,100
Tax collections for other governments	23,830,681
Other	700,686
Total additions	<u>24,781,401</u>
DEDUCTIONS	
Payments from trust funds	248,533
Payments of taxes to other governments	24,214,841
Payments of motor vehicle fees to State	700,686
Payments for escrow purposes	12,153
Total deductions	<u>25,176,213</u>
Decrease in fiduciary net position	(394,812)
Net position, beginning	<u>2,302,083</u>
Net position, ending	<u><u>\$ 1,907,271</u></u>

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

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

	<u>NOTE</u>
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Barrington, 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 Barrington is a municipal corporation governed by an elected five-member Select Board. 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 three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

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

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

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

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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, and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the expendable trust funds are consolidated in the general fund.

Grants Fund – accounts for the resources received from various state and federal agencies. The resources are restricted to accomplishing the various objectives of the grantor agencies.

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.

Capital Projects Fund – are used to account for the financial resources and activities relating to specific construction projects.

Permanent Fund – is 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 seven 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 custodial funds, which are custodial in nature and do not belong to the primary government. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

1-C Cash and Cash Equivalents

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

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

1-D Investments

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

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

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

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.

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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 Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The nonspendable fund balance at the governmental fund level is equal to the amount of prepaid items at year-end to indicate that portion of the governmental fund balance that is nonspendable.

1-G Capital Assets

Capital assets are reported 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.

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

	<u>Years</u>
Capital Asset Classes:	
Land improvements	9 - 30
Buildings and building improvements	7 - 50
Machinery, equipment, and vehicles	5 - 30
Software and other related equipment	5 - 10
Infrastructure	13

TOWN OF BARRINGTON, NEW HAMPSHIRE
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1-H Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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-I 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 9, 2022, and November 7, 2022, and due on July 1, 2022, and December 15, 2022, respectively. 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. The Town placed a lien on all outstanding taxes from 2021 on June 16, 2022 and August 11, 2022.

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, Barrington School District, and Strafford County, which are remitted to these entities as required by law.

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

Total assessment valuation with utilities	\$	1,415,742,739
Total assessment valuation without utilities	\$	1,382,598,171

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

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.00	\$ 4,234,359
School portion:		
State of New Hampshire	\$1.13	1,564,779
Local	\$13.62	19,286,302
County portion	\$2.10	2,979,600
Total	\$19.85	\$ 28,065,040

1-J 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.

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1-K 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 two 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-L Compensated Absences

Vacation – The Town’s policy allows certain employees to earn varying amounts of vacation based on the employee’s length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by the Town’s personnel policy. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Sick Leave – Accumulated sick leave lapses when employees leave the employment of the Town and when, upon separation from service, no monetary obligation exists. The liability for compensated absences includes salary-related benefits, where applicable.

1-M Long-term Obligations

In the government-wide financial statements, other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position.

1-N Defined Benefit Pension Plan

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

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

1-O 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

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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-P 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.

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

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

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

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

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

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

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

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When multiple net position/fund balance classifications are available for use, it is the Town'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 8-17% of regular general fund operating revenues, based on guidelines established by the New Hampshire Government Finance Officers Association (NHGFOA).

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1-Q 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 receivables, the useful lives 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 closure and 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.

1-R Material Change in Fund Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the grants fund which accounts for the resources received from various state and federal agencies qualified as a major fund for the current fiscal year. As such it was reclassified from the nonmajor governmental funds.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2022, none of the beginning general fund unassigned fund balance was applied for this purpose. However, \$626,000 was voted from unassigned fund balance as a transfer to various capital reserve and expendable trust funds and \$100,000 was voted from unassigned fund balance for paving and road reconstruction costs.

2-B Budgetary Reconciliation to GAAP Basis

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for each major governmental fund which had a budget. There are no differences between the budgetary basis of accounting for the major grants fund.

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

Revenues:	
Per Exhibit D (budgetary basis)	\$ 7,684,845
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	94,739
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(50,274)
Per Exhibit C-3 (GAAP basis)	<u>\$ 7,729,310</u>
Expenditures:	
Per Exhibit D (budgetary basis)	\$ 8,244,370
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	987,577
To eliminate transfers between general and blended expendable trust funds	(626,000)
To recognize transfers out of the blended expendable trust funds	4,444
Per Exhibit C-3 (GAAP basis)	<u>\$ 8,610,391</u>

2-C Deficit Fund Balance

The grants special revenue fund had a deficit fund balance of \$2,128 at December 31, 2022. This deficit will be financed through future reimbursements in accordance with the applicable grant agreements.

2-D 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 \$18,553,525 and the bank balances totaled \$20,470,157. Petty cash totaled \$215.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 16,643,616
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	1,909,909
Total cash and cash equivalents	<u>\$ 18,553,525</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's recurring fair value measurements and maturities as of December 31, 2022 related to certificates of deposit for \$50,346. The certificates of deposits are classified under the Valuation Measurement Method as Level 2.

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's investment policy does not specifically address this risk.

Credit Risk – The Town's investment policy does not address this risk; however, state law limits investments as explained in Note 1-D. As of December 31, 2022, the Town's investment in certificates of deposit are exempt from credit risk rating.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy does not address this risk.

Concentration of Credit Risk – The Town's investment policy does not place a limit on the amount it may invest in any one issuer. All the Town's certificates of deposit are held by TD Bank.

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 \$110,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2022	\$ 1,007,847	\$ 1,007,847
Unredeemed (under tax lien):		
Levy of 2021	188,280	188,280
Levy of 2020	75,375	75,375
Levies of 2019 and prior	30,941	30,941
Yield	4,072	4,072
Land use change	10,000	10,000
Less: allowance for estimated uncollectible taxes	(110,000) *	-
Net taxes receivable	<u>\$ 1,206,515</u>	<u>\$ 1,316,515</u>

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

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2022, consisted of accounts (billings for police details, ambulance, and other user charges) and intergovernmental amounts arising from taxes and 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.

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Receivables as of December 31, 2022 for the Town's governmental activities, general fund, grants fund, nonmajor funds and fiduciary funds including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Governmental Funds				Fiduciary Funds
		General	Grants	Nonmajor	Total	
Receivables:						
Accounts	\$ 281,478	\$ 272,410	\$ -	\$ 9,068	\$ 281,478	\$ -
Intergovernmental	412,329	412,329	1,719,337	-	2,131,666	8,754,564
Welfare liens	78,932	78,932	-	-	78,932	-
Gross receivables	772,739	763,671	1,719,337	9,068	2,492,076	8,754,564
Less: allowance for uncollectibles	(204,206)	(204,206)	-	-	(204,206)	-
Net total receivables	\$ 568,533	\$ 559,465	\$ 1,719,337	\$ 9,068	\$ 2,287,870	\$ 8,754,564

¹ Governmental Activities - intergovernmental receivables represent reimbursements due from the State of New Hampshire, Department of Transportation, Department of Environmental Services, and Barrington School District.

² Fiduciary Funds - intergovernmental receivables represent property taxes collected on behalf of the Barrington 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	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 3,848,732	\$ -	\$ -	\$ 3,848,732
Construction in progress	1,115,635	-	(498,863)	616,772
Total capital assets not being depreciated	4,964,367	-	(498,863)	4,465,504
Being depreciated:				
Land improvements	50,042	-	-	50,042
Buildings and building improvements	1,716,216	2,651,459	-	4,367,675
Machinery, equipment, and vehicles	3,774,247	414,075	(42,051)	4,146,271
Software and other related equipment	70,452	-	-	70,452
Infrastructure	10,515,498	659,383	-	11,174,881
Total capital assets being depreciated	16,126,455	3,724,917	(42,051)	19,809,321
Total all capital assets	21,090,822	3,724,917	(540,914)	24,274,825
Less accumulated depreciation:				
Land improvements	(42,090)	(749)	-	(42,839)
Buildings and building improvements	(709,555)	(34,757)	-	(744,312)
Machinery, equipment, and vehicles	(2,123,270)	(200,002)	41,051	(2,282,221)
Software and other related equipment	(35,037)	(8,173)	-	(43,210)
Infrastructure	(5,362,614)	(683,206)	-	(6,045,820)
Total accumulated depreciation	(8,272,566)	(926,887)	41,051	(9,158,402)
Net book value, capital assets being depreciated	7,853,889	2,798,030	(1,000)	10,650,919
Net book value, all capital assets	\$ 12,818,256	\$ 2,798,030	\$ (499,863)	\$ 15,116,423

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

General government	\$ 11,572
Public safety	158,976
Highways and streets	730,783
Sanitation	5,416
Culture and recreation	20,140
Total depreciation expense	<u>\$ 926,887</u>

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 638,036
General	Nonmajor	102,813
Grants	General	4,444
Nonmajor	General	50,106
		<u>\$ 795,399</u>

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

Interfund Transfers - 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.

The \$4,444 transfer from the general fund to the grants fund represents cost incurred in the grants fund for fire equipment that was reimbursed by the fire/rescue equipment capital reserve fund.

NOTE 9 – INTERGOVERNMENTAL PAYABLES

	General Fund	Fiduciary Funds
Motor vehicle fees due to the custodial funds	\$ 2,777	\$ -
Property taxes due to the custodial funds	10,502,144	-
Property taxes due to the Barrington School District	-	10,502,144
Motor vehicle fees due to the State of New Hampshire	-	2,777
Total intergovernmental payables due	<u>\$ 10,504,921</u>	<u>\$ 10,504,921</u>

³ Property taxes due to the custodial fund represent amounts collected by the Town on behalf of Barrington School District and are reported as a component of general fund cash at year-end.

⁴ Property taxes due to the Barrington 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 at December 31, 2022 consist of amounts related to pensions totaling \$1,033,557 and amounts related to OPEB totaling \$180,514. For further discussion on these amounts, see Note 12 and 13, respectively.

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Deferred inflows of resources are as follows:

	Government-wide	Governmental Funds		
		General	Grants	Total
Property taxes levied prior to their due date	\$ 18,909	\$ 18,909	\$ -	\$ 18,909
Deferred property taxes not collected within 60 days of fiscal year-end	-	154,923	-	154,923
Federal grant revenue collected in advance of eligible expenditures being made	1,087,796	-	1,087,796	1,087,796
Amounts related to pensions (see Note 12)	92,506	-	-	-
Amounts related to other postemployment benefits (see Note 13)	517,710	-	-	-
Total deferred inflows of resources	<u>\$ 1,716,921</u>	<u>\$ 173,832</u>	<u>\$ 1,087,796</u>	<u>\$ 1,261,628</u>

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
Compensated absences	\$ 246,294	\$ -	\$ (47,425)	\$ 198,869	\$ -	\$ 198,869
Accrued landfill postclosure care costs	198,000	-	(2,250)	195,750	8,250	187,500
Net pension liability	3,620,962	1,166,086	-	4,787,048	-	4,787,048
Net other postemployment benefits	1,303,195	-	(587,340)	715,855	-	715,855
Total long-term liabilities	<u>\$ 5,368,451</u>	<u>\$ 1,166,086</u>	<u>\$ (637,015)</u>	<u>\$ 5,897,522</u>	<u>\$ 8,250</u>	<u>\$ 5,889,272</u>

Accrued Landfill Postclosure Care Costs – The Town ceased operating its landfill in 1988. 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 after the date the landfill no longer accepts waste. The recognition of these landfill postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill postclosure care costs has a balance of \$195,750 as of December 31, 2022, which is based on 100% usage (filled) of the landfill. 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.

Bonds Authorized and Unissued – Bonds and notes authorized and unissued as of December 31, 2022 were as follows:

Per Town Meeting Vote of	Warrant Article No.	Purpose	Unissued Amount
March 2019	4	Town Hall Project	\$ 875,000
March 2020	4	Stormwater Asset Management	30,000
			<u>\$ 905,000</u>

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.

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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 \$492,711, 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 \$4,787,048 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 0.08% which was the same as its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Town recognized pension expense of \$477,508. 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	\$ 174,780	\$ 74,129
Changes in assumptions	254,633	-
Net difference between projected and actual investment earnings on pension plan investments	181,423	-
Differences between expected and actual experience	89,844	18,377
Contributions subsequent to the measurement date	332,877	-
Total	<u>\$ 1,033,557</u>	<u>\$ 92,506</u>

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The \$332,877 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	\$ 218,099
2024	169,669
2025	(45,154)
2026	265,560
Thereafter	-
Totals	<u>\$ 608,174</u>

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

Inflation:	2.00%
Salary increases:	5.40% 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. 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%

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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	\$ 6,423,012	\$ 4,787,048	\$ 3,426,896

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, 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.

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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 \$47,431, 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 \$305,270 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 0.08% 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 \$28,167. 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	\$ 834	\$ -
Differences between expected and actual experience	-	-
Contributions subsequent to the measurement date	23,375	-
Total	<u>\$ 24,209</u>	<u>\$ -</u>

The \$23,375 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	\$ 139
2024	36
2025	(328)
2026	987
Thereafter	-
Totals	<u>\$ 834</u>

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:	2.00% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.40% 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

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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	\$ 331,422	\$ 305,270	\$ 282,493

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 Barrington 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.

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Benefits Provided – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees. The benefits are provided through the New Hampshire Health Trust.

Employees Covered by Benefit Terms – At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	22
Total participants covered by OPEB plan	<u>25</u>

Total OPEB Liability – The Town's total OPEB liability of \$410,585 was measured as of December 31, 2022 and was determined by an actuarial valuation of January 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$410,585 in the January 1, 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:	3.72%
Healthcare Cost Trend Rates:	
Current Year Trend	26.01%
Second Year Trend	7.50%
Decrement	0.50%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached	2090
Salary Increases:	3.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2022.

Mortality rates were based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weight Mortality fully generational using Scale MP-2021.

Changes in the Total OPEB Liability

	December 31,	
	2021	2022
OPEB liability beginning of year	\$ 913,731	\$ 996,739
Changes for the year:		
Service cost	96,081	34,195
Interest	19,031	15,023
Assumption changes and difference between actual and expected experience	-	(618,826)
Benefit payments	(32,104)	(16,546)
OPEB liability end of year	<u>\$ 996,739</u>	<u>\$ 410,585</u>

Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The January 1, 2022 actuarial valuation was prepared using a discount rate of 3.72%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$373,008 or by 9.15%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$453,257 or by 10.39%.

	Discount Rate		
	1% Decrease	Baseline 3.72%	1% Increase
Total OPEB Liability	\$ 453,257	\$ 410,585	\$ 373,008

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Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2022 actuarial valuation was prepared using an initial trend rate of 26.01%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$476,740 or by 16.11%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$357,180 or by 13.01%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 26.01%	1% Increase
Total OPEB Liability	\$ 357,180	\$ 410,585	\$ 476,740

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2022, the Town recognized OPEB expense of \$41,957. 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
Changes in assumptions	\$ 112,808	\$ 501,641
Differences between expected and actual experience	43,497	16,069
Total	<u>\$ 156,305</u>	<u>\$ 517,710</u>

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	\$ (4,631)
2024	(41,296)
2025	(101,116)
2026	(101,115)
2027	(101,115)
Thereafter	(12,132)
Totals	<u>\$ (361,405)</u>

NOTE 14 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary funds 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 governmental activities capital assets	\$ 15,116,423	\$ -
Restricted net position:		
Library	76,337	-
Perpetual care - nonspendable	98,568	-
Perpetual care - expendable	1,367	-
School impact fees	-	-
School trust funds	-	1,806,684
Water district trust funds	-	82,269
Bonds and sureties	-	18,318
Total restricted net position	<u>176,272</u>	<u>1,907,271</u>
Unrestricted	<u>4,507,468</u>	<u>-</u>
Total net position	<u>\$ 19,800,163</u>	<u>\$ 1,907,271</u>

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

NOTE 15 – GOVERNMENTAL FUND BALANCES

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

	General Fund	Special Revenue Fund Grants Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 1,793,155	\$ -	\$ -	\$ 1,793,155
Tax deeded property	56,651	-	-	56,651
Permanent fund - principal balance	-	-	98,568	98,568
Total nonspendable fund balance	<u>1,849,806</u>	<u>-</u>	<u>98,568</u>	<u>1,948,374</u>
Restricted:				
Library	-	-	76,337	76,337
Permanent - income balance	-	-	1,367	1,367
Total restricted fund balance	<u>-</u>	<u>-</u>	<u>77,704</u>	<u>77,704</u>
Committed:				
Expendable trust	2,355,513	-	-	2,355,513
Non-lapsing appropriations	40,617	-	-	40,617
Recreation revolving fund	-	-	360,376	360,376
Ambulance	-	-	325,777	325,777
Conservation commission	-	-	433,357	433,357
Outside details	-	-	61,928	61,928
Capital project fund	-	-	339,055	339,055
Total committed fund balance	<u>2,396,130</u>	<u>-</u>	<u>1,520,493</u>	<u>3,916,623</u>
Unassigned (deficit)	<u>3,991,911</u>	<u>(2,128)</u>	<u>-</u>	<u>3,989,783</u>
Total governmental fund balances	<u>\$ 8,237,847</u>	<u>\$ (2,128)</u>	<u>\$ 1,696,765</u>	<u>\$ 9,932,484</u>

NOTE 16 – PRIOR PERIOD ADJUSTMENTS

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

	General Fund Fund (GAAP Basis)	General Fund Unassigned Fund Balance (Budgetary Basis)	Special Revenue Fund Grants Fund	Nonmajor Funds
To restate for prior year revenue recognized in wrong fund	\$ (6,394)	\$ (6,394)	\$ 6,394	\$ -
To reclassify major fund	-	-	11,885	(11,885)
Net position/fund balance, as previously reported	9,125,322	4,652,763	-	1,430,407
Net position/fund balance, as restated	<u>\$ 9,118,928</u>	<u>\$ 4,646,369</u>	<u>\$ 18,279</u>	<u>\$ 1,418,522</u>

NOTE 17 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 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

TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DECEMBER 31, 2022

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 \$70,414 and \$65,532 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 18 – COVID-19

As a result of the spread of COVID-19 Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The Town was allotted a total of \$969,845 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$484,923, or the second half of the total award, was received in 2022. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue, and necessary water, sewer, and broadband investment. For the year ended December 31, 2022, the Town spent \$297,780. The remaining funds of \$672,065 are included in deferred inflows of resources until eligible expenditures have been made.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 19 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures, 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.

The Town had no material tax abatements or programs for the year ended December 31, 2022.

NOTE 20 – 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 June 30, 2023, the date the December 31, 2022 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF BARRINGTON, 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	0.09%	0.09%	0.09%	0.08%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%
Proportionate share of the net pension liability	\$ 3,739,646	\$ 3,269,851	\$ 3,397,692	\$ 4,511,355	\$ 4,219,711	\$ 3,818,233	\$ 4,010,206	\$ 5,076,396	\$ 3,620,962	\$ 4,787,048
Covered payroll	\$ 1,820,197	\$ 1,824,772	\$ 1,877,206	\$ 1,901,391	\$ 1,941,565	\$ 1,929,632	\$ 2,097,408	\$ 2,262,514	\$ 2,262,514	\$ 2,997,109
Proportionate share of the net pension liability as a percentage of its covered payroll	205.45%	179.19%	181.00%	237.27%	217.34%	197.87%	191.20%	224.37%	160.04%	159.72%
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%

EXHIBIT G
TOWN OF BARRINGTON, 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
Measurment 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	\$ 247,511	\$ 288,206	\$ 295,386	\$ 308,194	\$ 331,989	\$ 345,447	\$ 353,392	\$ 374,130	\$ 408,152	\$ 492,711
Contributions in relation to the contractually required contributions	247,511	288,206	295,386	308,194	331,989	345,447	353,392	374,130	408,152	492,711
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,820,197	\$ 1,824,772	\$ 1,877,206	\$ 1,901,391	\$ 1,941,565	\$ 1,929,632	\$ 2,097,408	\$ 2,262,514	\$ 2,528,246	\$ 3,026,787
Contributions as a percentage of covered payroll	13.60%	15.79%	15.74%	16.21%	17.10%	17.90%	16.85%	16.54%	16.14%	16.28%

TOWN OF BARRINGTON, 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 BARRINGTON, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended 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	0.06%	0.06%	0.08%	0.09%	0.07%	0.08%	0.08%
Town's proportionate share of the net OPEB liability (asset)	\$ 283,501	\$ 277,997	\$ 383,165	\$ 383,115	\$ 327,434	\$ 306,456	\$ 305,270
Town's covered payroll	\$ 1,901,391	\$ 1,941,565	\$ 1,929,632	\$ 2,097,408	\$ 2,262,514	\$ 2,262,514	\$ 2,997,109
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.91%	14.32%	19.86%	18.27%	14.47%	13.54%	10.19%
Plan fiduciary net position as percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

EXHIBIT I
TOWN OF BARRINGTON, 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	\$ 34,884	\$ 37,727	\$ 38,175	\$ 36,360	\$ 36,853	\$ 38,850	\$ 47,431
Contributions in relation to the contractually required contribution	34,884	37,727	38,175	36,360	36,853	38,850	47,431
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,901,391	\$ 1,941,565	\$ 1,929,632	\$ 2,097,408	\$ 2,262,514	\$ 2,528,246	\$ 3,026,787
Contributions as a percentage of covered payroll	1.83%	1.94%	1.98%	1.73%	1.63%	1.54%	1.57%

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

EXHIBIT J
TOWN OF BARRINGTON, 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
Unaudited

	December 31,				
	2018	2019	2020	2021	2022
OPEB liability, beginning of year	\$ 362,703	\$ 366,710	\$ 387,981	\$ 913,731	\$ 996,739
Changes for the year:					
Service cost	20,210	18,976	94,086	96,081	34,195
Interest	12,271	14,779	17,342	19,031	15,023
Assumption changes and difference between actual and expected experience	(16,482)	-	445,760	-	(618,826)
Benefit payments	(11,992)	(12,484)	(31,438)	(32,104)	(16,546)
OPEB liability, end of year	<u>\$ 366,710</u>	<u>\$ 387,981</u>	<u>\$ 913,731</u>	<u>\$ 996,739</u>	<u>\$ 410,585</u>
Covered payroll	<u>\$ 1,203,126</u>	<u>\$ 1,230,196</u>	<u>\$ 1,577,856</u>	<u>\$ 1,613,358</u>	<u>\$ 1,274,275</u>
Total OPEB liability as a percentage of covered payroll	30.48%	31.54%	57.91%	61.78%	32.22%

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

TOWN OF BARRINGTON, 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 I 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

Significant Changes from the Previous Actuarial Valuation included the following:

- The discount rate was increased from 2.12% to 3.72%
- The initial trend rates were advanced, with the model for trends in subsequent years is based on the Getzen Model as updated through September 2022.
- The payroll growth rate was increased from 2.25% to 3.00%.
- The election rate was reduced to 50% based on expected future enrollment.
- The mortality assumptions changed from the SOA-2014 Total Dataset Mortality with Scale MP-2020 (base year 2006) to Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021.

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 BARRINGTON, 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	\$ 3,634,236	\$ 3,736,924	\$ 102,688
Land use change	40,000	48,767	8,767
Yield	17,000	10,592	(6,408)
Excavation	5,500	4,625	(875)
Other	6,000	6,398	398
Payment in lieu of taxes	13,790	25,400	11,610
Interest and penalties on taxes	89,200	77,314	(11,886)
Total from taxes	<u>3,805,726</u>	<u>3,910,020</u>	<u>104,294</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	3,500	3,060	(440)
Motor vehicle permit fees	2,045,600	2,042,787	(2,813)
Building permits	228,500	226,028	(2,472)
Other	20,450	21,425	975
Total from licenses, permits, and fees	<u>2,298,050</u>	<u>2,293,300</u>	<u>(4,750)</u>
Intergovernmental:			
State:			
Meals and rooms distribution	821,824	821,824	-
Highway block grant	224,471	223,600	(871)
Other	-	20,179	20,179
Total from intergovernmental	<u>1,046,295</u>	<u>1,065,603</u>	<u>19,308</u>
Charges for services:			
Income from departments	<u>271,800</u>	<u>320,606</u>	<u>48,806</u>
Miscellaneous:			
Sale of municipal property	200,000	13,395	(186,605)
Interest on investments	15,000	69,310	54,310
Other	11,000	12,611	1,611
Total from miscellaneous	<u>226,000</u>	<u>95,316</u>	<u>(130,684)</u>
Total revenues	<u>7,647,871</u>	<u>\$ 7,684,845</u>	<u>\$ 36,974</u>
Amounts voted from fund balance	<u>726,000</u>		
Total revenues and use of fund balance	<u>\$ 8,373,871</u>		

See Independent Auditor's Report.

SCHEDULE 2
TOWN OF BARRINGTON, NEW HAMPSHIRE
Major General Fund

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Appropriations	Expenditures	Variance Positive (Negative)
Current:			
General government:			
Executive	\$ 274,471	\$ 312,567	\$ (38,096)
Election and registration	270,300	266,139	4,161
Financial administration	599,228	614,412	(15,184)
Revaluation of property	45,000	34,681	10,319
Legal	48,000	42,597	5,403
Personnel administration	15,005	33,213	(18,208)
Planning and zoning	193,010	190,646	2,364
General government buildings	359,367	499,462	(140,095)
Cemeteries	20,401	14,385	6,016
Insurance, not otherwise allocated	70,414	65,727	4,687
Advertising and regional associations	8,664	8,663	1
Total general government	<u>1,903,860</u>	<u>2,082,492</u>	<u>(178,632)</u>
Public safety:			
Police	1,537,984	1,470,189	67,795
Fire	773,732	687,238	86,494
Building inspection	228,043	228,409	(366)
Total public safety	<u>2,539,759</u>	<u>2,385,836</u>	<u>153,923</u>
Highways and streets:			
Administration	977,780	906,443	71,337
Highways and streets	1,150,002	1,218,660	(68,658)
Bridges	15,000	4,648	10,352
Total highways and streets	<u>2,142,782</u>	<u>2,129,751</u>	<u>13,031</u>
Sanitation:			
Administration	152,959	138,181	14,778
Solid waste disposal	246,500	210,453	36,047
Total sanitation	<u>399,459</u>	<u>348,634</u>	<u>50,825</u>
Water distribution and treatment	<u>12,800</u>	<u>11,689</u>	<u>1,111</u>
Health:			
Health agencies	16,571	16,571	-
Total health	<u>16,571</u>	<u>16,571</u>	<u>-</u>
Welfare:			
Administration and direct assistance	202	-	202
Intergovernmental welfare payments	20,500	20,500	-
Vendor payments and other	30,000	5,131	24,869
Total welfare	<u>50,702</u>	<u>25,631</u>	<u>25,071</u>
Culture and recreation:			
Parks and recreation	182,989	198,809	(15,820)
Library	373,946	347,177	26,769
Patriotic purposes	1	592	(591)
Total culture and recreation	<u>556,936</u>	<u>546,578</u>	<u>10,358</u>

(Continued)

SCHEDULE 2 (Continued)
TOWN OF BARRINGTON, NEW HAMPSHIRE
Major General Fund

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2022

	Appropriations	Expenditures	Variance Positive (Negative)
Debt service:			
Principal of long-term debt	1	-	1
Interest on long-term debt	25,000	-	25,000
Interest on tax anticipation notes	1	-	1
Total debt service	<u>25,002</u>	<u>-</u>	<u>25,002</u>
Capital outlay	<u>100,000</u>	<u>71,188</u>	<u>28,812</u>
Other financing uses:			
Transfers out	<u>626,000</u>	<u>626,000</u>	<u>-</u>
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 8,373,871</u>	<u>\$ 8,244,370</u>	<u>\$ 129,501</u>

See Independent Auditor's Report.

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

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 17)		\$ 4,646,369
Changes:		
Amounts voted from fund balance		(726,000)
2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 36,974	
Unexpended balance of appropriations (Schedule 2)	<u>129,501</u>	
2022 Budget surplus		166,475
Increase in nonspendable fund balance		(21,198)
Increase in committed fund balance		<u>(28,812)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		4,036,834
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		(154,923)
Elimination of the allowance for uncollectible taxes		<u>110,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u>\$ 3,991,911</u>

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

	Special Revenue Funds					Capital	Permanent	
	Library	Recreation Revolving	Ambulance Revolving	Conservation Commission	Outside Details	Project Fund	Fund	Total
ASSETS								
Cash and cash equivalents	\$ 25,991	\$ 453,348	\$ 308,052	\$ 403,368	\$ 65,314	\$ 343,260	\$ 99,935	\$ 1,699,268
Investments	50,346	-	-	-	-	-	-	50,346
Accounts receivable (net)	-	-	-	-	9,068	-	-	9,068
Interfund receivable	-	-	17,725	32,381	-	-	-	50,106
Total assets	<u>\$ 76,337</u>	<u>\$ 453,348</u>	<u>\$ 325,777</u>	<u>\$ 435,749</u>	<u>\$ 74,382</u>	<u>\$ 343,260</u>	<u>\$ 99,935</u>	<u>\$ 1,808,788</u>
LIABILITIES								
Accounts payable	\$ -	\$ 2,613	\$ -	\$ 2,392	\$ -	\$ 4,205	\$ -	\$ 9,210
Interfund payable	-	90,359	-	-	12,454	-	-	102,813
Total liabilities	<u>-</u>	<u>92,972</u>	<u>-</u>	<u>2,392</u>	<u>12,454</u>	<u>4,205</u>	<u>-</u>	<u>112,023</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	98,568	98,568
Restricted	76,337	-	-	-	-	-	1,367	77,704
Committed	-	360,376	325,777	433,357	61,928	339,055	-	1,520,493
Total fund balances	<u>76,337</u>	<u>360,376</u>	<u>325,777</u>	<u>433,357</u>	<u>61,928</u>	<u>339,055</u>	<u>99,935</u>	<u>1,696,765</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 76,337</u>	<u>\$ 453,348</u>	<u>\$ 325,777</u>	<u>\$ 435,749</u>	<u>\$ 74,382</u>	<u>\$ 343,260</u>	<u>\$ 99,935</u>	<u>\$ 1,808,788</u>

See Independent Auditor's Report.

SCHEDULE 5
TOWN OF BARRINGTON, 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					Capital	Permanent	
	Library	Recreation Revolving	Ambulance Revolving	Conservation Commission	Outside Details	Project Fund	Fund	Total
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ 146,300	\$ -	\$ -	\$ -	\$ 146,300
Intergovernmental	-	-	-	167,413	-	-	-	167,413
Charges for services	-	504,167	83,438	-	90,541	-	-	678,146
Miscellaneous	19,520	5,109	-	12,628	-	-	758	38,015
Total revenues	19,520	509,276	83,438	326,341	90,541	-	758	1,029,874
EXPENDITURES								
Current:								
Public safety	-	-	40,533	-	62,677	-	-	103,210
Culture and recreation	15,617	604,019	-	-	-	-	-	619,636
Conservation	-	-	-	3,162	-	-	-	3,162
Capital outlay	-	-	-	-	-	25,623	-	25,623
Total expenditures	15,617	604,019	40,533	3,162	62,677	25,623	-	751,631
Net change in fund balances	3,903	(94,743)	42,905	323,179	27,864	(25,623)	758	278,243
Fund balances, beginning, as restated (see Note 17)	72,434	455,119	282,872	110,178	34,064	364,678	99,177	1,418,522
Fund balances, ending	\$ 76,337	\$ 360,376	\$ 325,777	\$ 433,357	\$ 61,928	\$ 339,055	\$ 99,935	\$ 1,696,765

See Independent Auditor's Report.

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

	Custodial Funds							
		State			School	Trust Funds		
	Taxes	Fees	Bonds	Sureties	Impact Fees	School	Water District	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 4,937	\$ 16,019	\$ -	\$ 1,806,684	\$ 82,269	\$ 1,909,909
Intergovernmental receivables	10,502,144	2,777	-	-	-	-	-	10,504,921
Total assets	10,502,144	2,777	4,937	16,019	-	1,806,684	82,269	12,414,830
LIABILITIES								
Intergovernmental payables:								
School	\$ 10,502,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,502,144
State	-	2,777	-	-	-	-	-	2,777
Due to others	-	-	2,638	-	-	-	-	2,638
Total liabilities	10,502,144	2,777	2,638	-	-	-	-	10,507,559
NET POSITION								
Restricted	\$ -	\$ -	\$ 2,299	\$ 16,019	\$ -	\$ 1,806,684	\$ 82,269	\$ 1,907,271

See Independent Auditor's Report.

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

	Custodial Funds							
	Taxes	State Fees	Bonds	Sureties	School Impact Fees	Trust Funds		Total
						School	Water District	
Additions:								
Contributions	\$ -	\$ -	\$ -	\$ 10,000	\$ 59,934	\$ 150,000	\$ 15,000	\$ 234,934
Investment earnings	-	-	41	129	1,106	13,291	533	15,100
Tax collections for other governments	23,830,681	-	-	-	-	-	-	23,830,681
Other	-	700,686	-	-	-	-	-	700,686
Total additions	23,830,681	700,686	41	10,129	61,040	163,291	15,533	24,781,401
Deductions:								
Payments from trust funds	-	-	-	-	-	248,533	-	248,533
Payments of taxes to other governments	23,830,681	-	-	-	384,160	-	-	24,214,841
Payments of motor vehicle fees to State	-	700,686	-	-	-	-	-	700,686
Payments for escrow purposes	-	-	6,143	6,010	-	-	-	12,153
Total deductions	23,830,681	700,686	6,143	6,010	384,160	248,533	-	25,176,213
Change in fiduciary net position	-	-	(6,102)	4,119	(323,120)	(85,242)	15,533	(394,812)
Net position, beginning	-	-	8,401	11,900	323,120	1,891,926	66,736	2,302,083
Net position, ending	\$ -	\$ -	\$ 2,299	\$ 16,019	\$ -	\$ 1,806,684	\$ 82,269	\$ 1,907,271

See Independent Auditor's Report.

***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 Select Board
Town of Barrington
Barrington, 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 Barrington, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Barrington's basic financial statements, and have issued our report thereon dated June 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Barrington'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 Barrington's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Barrington'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 Barrington'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 Barrington, New Hampshire
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.

June 30, 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 Select Board
Town of Barrington
Barrington, New Hampshire

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Barrington'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 Barrington's major federal programs for the year ended December 31, 2022. The Town of Barrington'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 Barrington 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 Barrington 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 Barrington'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 Barrington'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 Barrington'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 Barrington, New Hampshire
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 Barrington'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 Barrington'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 Barrington'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 Barrington'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.

June 30, 2023
Concord, New Hampshire



PLODZIK & SANDERSON
Professional Association

SCHEDULE I
TOWN OF BARRINGTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified opinions on governmental activities, each major fund, and aggregate remaining fund information.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.251	Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

Dollar threshold used to distinguish between type A and
type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SCHEDULE II
TOWN OF BARRINGTON
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	20-207-CDPF	\$ -	\$ 93,058
Community Development Block Grant/State's Program	14.228	21-207-CDPF	-	34,587
<i>PROGRAM TOTAL</i>			-	127,645
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through the New Hampshire Department of Safety				
State and Community Highway Safety	20.600	21-012	-	8,636
U.S. DEPARTMENT OF TREASURY				
Passed Through the New Hampshire Governor's Office for Emergency Relief and Recovery (GOFERR)				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	50,000
Passed Through the New Hampshire Department of Justice				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	87,294
DIRECT FUNDING				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	B-22-CP-NH-0560	-	1,500,000
U.S. DEPARTMENT OF JUSTICE				
Bullet Proof Vest Partnership Program	16.607	N/A	-	1,422
U.S. DEPARTMENT OF TREASURY				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	297,780
U.S. DEPARTMENT OF HOMELAND SECURITY				
Emergency Management Performance Grants	97.042	EMB-2021-EP-00004	-	62,930
Total Expenditures of Federal Awards			\$ -	\$ 2,135,707

The accompanying notes are an integral part of this schedule.

TOWN OF BARRINGTON, 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 Barrington 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 Barrington, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Barrington.

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 Barrington has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.