

**TOWN OF UNITY,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

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

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

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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of Unity
Unity, New Hampshire

Report on the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Unity 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Capital Project Fund	Unmodified
FEMA Project Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matter described in the "Matters Giving Rise to Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Unity, as of December 31, 2022, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major general and capital project fund and aggregate remaining fund information of the Town of Unity 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 Adverse and Unmodified Opinions

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

Matters Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 13-B to the financial statements, management has not recorded the long-term costs of retirement healthcare costs and obligations for other postemployment benefits for the single employer plan in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

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

Responsibilities of Management for the Financial Statements

The Town of Unity'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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with 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 Unity'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 Unity'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, 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

Town of Unity
Independent Auditor's Report

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 Unity'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 combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

February 22, 2024
Concord, New Hampshire

Plodzik & Sanderson
Professional Association

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,515,414
Investments	18,141
Taxes receivables (net)	1,553,057
Account receivables	9,645
Intergovernmental receivable	323,901
Tax deeded property, subject to resale	12,285
Capital assets:	
Land and construction in progress	995,570
Other capital assets, net of depreciation	4,175,078
Total assets	<u>9,603,091</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	37,862
Amounts related to other postemployment benefits	265
Total deferred outflows of resources	<u>38,127</u>
LIABILITIES	
Accrued salaries and benefits payable	3,108
Retainage payable	140,027
Contracts payable	122,391
Accrued interest payable	5,351
Intergovernmental payable	932,575
Long-term liabilities:	
Due within one year	128,092
Due in more than one year	2,110,771
Total liabilities	<u>3,442,315</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	513
Unavailable revenue - grants	55,603
Unavailable revenue - restitution	12,658
Amounts related to pensions	16,318
Total deferred inflows of resources	<u>85,092</u>
NET POSITION	
Net investment in capital assets	3,396,865
Restricted	106,365
Unrestricted	2,610,581
Total net position	<u>\$ 6,113,811</u>

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

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

		Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change In Net Position
	Expenses				
General government	\$ 534,952	\$ 376	\$ -	\$ -	\$ (534,576)
Public safety	2,232	110	37,294	-	35,172
Highways and streets	920,145	-	270,887	458,977	(190,281)
Sanitation	105,970	54,417	-	-	(51,553)
Health	5,944	-	-	-	(5,944)
Welfare	2,161	-	-	-	(2,161)
Culture and recreation	46,868	-	5,494	-	(41,374)
Conservation	2,297	-	-	-	(2,297)
Interest on long-term debt	54,809	-	-	-	(54,809)
Depreciation - unallocated	192,467	-	-	-	(192,467)
Total governmental activities	<u>\$ 1,867,845</u>	<u>\$ 54,903</u>	<u>\$ 313,675</u>	<u>\$ 458,977</u>	<u>(1,040,290)</u>
General revenues:					
Taxes:					
Property					1,272,333
Other					56,117
Motor vehicle permit fees					300,061
Licenses and other fees					8,999
Grants and contributions not restricted to specific programs					233,748
Unrestricted investment earnings					5,861
Miscellaneous					186,623
Total general revenues					<u>2,063,742</u>
Change in net position					1,023,452
Net position, beginning, as restated (see Note 17)					5,090,359
Net position, ending					<u>\$ 6,113,811</u>

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

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

	General	Broadband Capital Project	FEMA Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,418,652	\$ 77,399	\$ -	\$ 19,363	\$ 2,515,414
Investments	-	-	-	18,141	18,141
Taxes receivable	1,560,557	-	-	-	1,560,557
Accounts receivable	9,645	-	-	-	9,645
Intergovernmental receivable	-	-	323,901	-	323,901
Interfund receivable	577,671	-	-	-	577,671
Tax decded property, subject to resale	12,285	-	-	-	12,285
Total assets	<u>\$ 4,578,810</u>	<u>\$ 77,399</u>	<u>\$ 323,901</u>	<u>\$ 37,504</u>	<u>\$ 5,017,614</u>
LIABILITIES					
Accrued salaries and benefits	\$ 3,108	\$ -	\$ -	\$ -	\$ 3,108
Retainage payable	140,027	-	-	-	140,027
Contracts payable	122,391	-	-	-	122,391
Intergovernmental payable	932,575	-	-	-	932,575
Interfund payable	-	-	577,671	-	577,671
Total liabilities	<u>1,198,101</u>	<u>-</u>	<u>577,671</u>	<u>-</u>	<u>1,775,772</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	90,106	-	-	-	90,106
Unavailable revenue - grants	55,603	-	-	-	55,603
Unavailable revenue - restitution	12,658	-	-	-	12,658
Total deferred inflows of resources	<u>158,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,367</u>
FUND BALANCES (DEFICIT)					
Nonspendable	12,285	-	-	18,277	30,562
Restricted	94,757	77,399	-	70	172,226
Committed	1,257,479	-	-	19,157	1,276,636
Assigned	331,090	-	-	-	331,090
Unassigned (deficit)	1,526,731	-	(253,770)	-	1,272,961
Total fund balances (deficit)	<u>3,222,342</u>	<u>77,399</u>	<u>(253,770)</u>	<u>37,504</u>	<u>3,083,475</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,578,810</u>	<u>\$ 77,399</u>	<u>\$ 323,901</u>	<u>\$ 37,504</u>	<u>\$ 5,017,614</u>

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

EXHIBIT C-2
TOWN OF UNITY, 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)		\$ 3,083,475
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 7,344,475	
Less accumulated depreciation	<u>(2,173,827)</u>	
		5,170,648
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	\$ 37,862	
Deferred inflows of resources related to pensions	(16,318)	
Deferred outflows of resources related to OPEB	<u>265</u>	
		21,809
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (577,671)	
Payables	<u>577,671</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.		89,593
Allowance for uncollectible property taxes that is recognized on a full accrual basis, but not on the modified accrual basis.		(7,500)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(5,351)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 1,675,000	
Note	98,783	
Accrued landfill postclosure care costs	278,400	
Net pension liability	182,947	
Other postemployment benefits	<u>3,733</u>	
		<u>(2,238,863)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 6,113,811</u></u>

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

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

	General	Broadband Capital Project	FEMA Capital Project	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,350,950	\$ -	\$ -	\$ -	\$ 1,350,950
Licenses and permits	309,060	-	-	-	309,060
Intergovernmental	547,423	-	323,901	-	871,324
Charges for services	54,903	-	-	-	54,903
Miscellaneous	191,535	135,076	-	949	327,560
Total revenues	<u>2,453,871</u>	<u>135,076</u>	<u>323,901</u>	<u>949</u>	<u>2,913,797</u>
EXPENDITURES					
Current:					
General government	634,120	-	-	345	634,465
Public safety	148,693	-	-	-	148,693
Highways and streets	511,569	-	167,340	-	678,909
Sanitation	105,970	-	-	-	105,970
Health	5,944	-	-	-	5,944
Welfare	2,161	-	-	-	2,161
Culture and recreation	46,868	-	-	-	46,868
Conservation	1,500	-	-	797	2,297
Debt service:					
Principal	-	74,375	-	-	74,375
Interest	-	60,635	-	-	60,635
Capital outlay	865,182	874,688	-	-	1,739,870
Total expenditures	<u>2,322,007</u>	<u>1,009,698</u>	<u>167,340</u>	<u>1,142</u>	<u>3,500,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,864</u>	<u>(874,622)</u>	<u>156,561</u>	<u>(193)</u>	<u>(586,390)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	71	-	-	1,200	1,271
Transfers out	(1,200)	-	-	(71)	(1,271)
Note proceeds	146,461	-	-	-	146,461
Total other financing sources (uses)	<u>145,332</u>	<u>-</u>	<u>-</u>	<u>1,129</u>	<u>146,461</u>
Net change in fund balances	277,196	(874,622)	156,561	936	(439,929)
Fund balances, beginning, as restated (see Note 17)	2,945,146	952,021	(410,331)	36,568	3,523,404
Fund balances, ending	<u>\$ 3,222,342</u>	<u>\$ 77,399</u>	<u>\$ (253,770)</u>	<u>\$ 37,504</u>	<u>\$ 3,083,475</u>

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

EXHIBIT C-4
TOWN OF UNITY, 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)		\$ (439,929)
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 1,487,308	
Depreciation expense	<u>(192,467)</u>	
		1,294,841
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (1,271)	
Transfers out	<u>1,271</u>	
		-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(22,500)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Note proceeds	\$ (146,461)	
Repayment of bond principal	74,375	
Repayment of note principal	<u>47,678</u>	
		(24,408)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 5,826	
Decrease in accrued landfill postclosure care costs	202,290	
Net change in net pension liability, and related deferred outflows of resources and deferred inflows of resources	7,519	
Net change in other postemployment benefits liability, and related deferred outflows of resources and deferred inflows of resources	<u>(187)</u>	
		215,448
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ 1,023,452</u></u>

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

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

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,263,020	\$ 1,263,020	\$ 1,328,450	\$ 65,430
Licenses and permits	285,800	285,800	309,060	23,260
Intergovernmental receivable	237,954	381,616	547,423	165,807
Charges for services	42,000	42,000	54,903	12,903
Miscellaneous	64,000	86,602	189,672	103,070
Total revenues	<u>1,892,774</u>	<u>2,059,038</u>	<u>2,429,508</u>	<u>370,470</u>
EXPENDITURES				
Current:				
General government	669,305	737,382	618,185	119,197
Public safety	143,225	143,225	148,801	(5,576)
Highways and streets	419,000	419,000	399,371	19,629
Sanitation	94,875	94,875	77,296	17,579
Health	6,944	6,944	5,944	1,000
Welfare	7,225	7,225	2,161	5,064
Culture and recreation	42,000	42,000	46,868	(4,868)
Conservation	1,500	1,500	1,500	-
Debt service:				
Interest	1,500	1,500	-	1,500
Capital outlay	425,000	523,187	565,047	(41,860)
Total expenditures	<u>1,810,574</u>	<u>1,976,838</u>	<u>1,865,173</u>	<u>111,665</u>
Excess of revenues over expenditures	<u>82,200</u>	<u>82,200</u>	<u>564,335</u>	<u>482,135</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8,903	8,903
Transfers out	(312,200)	(312,200)	(312,200)	-
Total other financing sources (uses)	<u>(312,200)</u>	<u>(312,200)</u>	<u>(303,297)</u>	<u>8,903</u>
Net change in fund balances	<u>\$ (230,000)</u>	<u>\$ (230,000)</u>	261,038	<u>\$ 491,038</u>
Decrease in nonspendable fund balance			8,105	
Increase in restricted fund balance			(84,138)	
Unassigned fund balance, beginning, as restated (see Note 17)			1,423,819	
Unassigned fund balance, ending			<u>\$ 1,608,824</u>	

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

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

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 354,140
Intergovernmental receivable	932,575
Total assets	<u>1,286,715</u>
LIABILITIES	
Due to school	<u>932,575</u>
NET POSITION	
Restricted	<u>\$ 354,140</u>

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

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

	Custodial Funds
ADDITIONS	
Contributions	\$ 150,000
Investment earnings	1,266
Tax collections for other governments	2,654,699
State motor vehicle fees	29,509
Total additions	<u>2,835,474</u>
DEDUCTIONS	
Payments of taxes to other governments	2,654,699
Payments of motor vehicle fees to State	29,509
Total deductions	<u>2,684,208</u>
Change in net position	151,266
Net position, beginning	202,874
Net position, ending	<u><u>\$ 354,140</u></u>

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

TOWN OF UNITY, 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 Unity, 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 Unity is a municipal corporation governed by an elected 3-member Board of Selectmen. 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 accompanied by a total column. 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, with the exception of the long-term costs of retirement healthcare and obligations for other postemployment benefits have also been omitted because the liability and expense have not been determined. 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. As in the Statement of Net Position the Town has not recorded other postemployment benefit expense in this statement. 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.

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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.

The Town reports the following major governmental funds:

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

Broadband Capital Project Fund – the capital project fund accounts for the activity pertaining to the Town’s broadband project.

FEMA Capital Project Fund – the FEMA project fund accounts for the activity pertaining to emergency expenditures authorized in 2021 for road repairs that are to be reimbursed by FEMA.

Additionally, the Town reports the following fund types:

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

Permanent 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 two 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 (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary fund:

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

1-C Cash and Cash Equivalents

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

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

1-D Investments

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

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

- Obligations of the United States government,
- 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.

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

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

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

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

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

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

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

1-E Receivables

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

1-F Capital Assets

Capital assets are reported in the 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 \$5,000 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:	
Buildings and building improvements	20-40
Equipment	10
Vehicles	5-10
Infrastructure	40

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1-G 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). All other outstanding balances between funds are reported as “due to/from other funds.” 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-H Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 10, 2022 and December 12, 2022, and due on July 1, 2022 and January 19, 2023. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

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, Unity School District, and Sullivan 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	\$ 135,828,393
Total assessment valuation without utilities	\$ 132,691,393

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	\$ 9.41	\$ 1,278,888
School portion:		
State of New Hampshire	1.30	172,316
Local	15.38	2,088,904
County portion	2.90	393,479
Total	<u>\$ 28.99</u>	<u>\$ 3,933,587</u>

1-I Accounts Payable

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

1-J Deferred Outflows/Inflows of Resources

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

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Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The Town has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions 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, local taxes, and restitution arise when related eligible expenditures will not be made until the subsequent period.

1-K Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

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

Direct Borrowings – financial transactions for a note or a loan where the Town negotiates certain terms with a single lender and are not offered for public sale.

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

1-L 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-M Postemployment Benefits Other Than Pensions (OPEB)

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

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

Single Employer Plan – The Town maintains a single employer plan but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with Government Accounting Standards Board pronouncement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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1-N Net Position/Fund Balances

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

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

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

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

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

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

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

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

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 government's practice 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.

1-O 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 capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, and accrued landfill postclosure care costs, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

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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, \$30,000 of the beginning general fund unassigned fund balance was applied for this purpose, in addition \$200,000 was voted from unassigned fund balance as a transfer to the Roads & Bridges Maintenance capital reserve fund.

2-B Budgetary Reconciliation to GAAP Basis

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 2,438,411
Adjustments:	
Basis differences:	
Inception of note	146,461
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	1,863
To eliminate transfers between general and blended expendable trust funds	(3,000)
To eliminate transfers between general and blended library fund	(5,832)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	22,500
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,600,403</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 2,177,373
Adjustments:	
Basis differences:	
Inception of note	146,461
Encumbrances, beginning	559,081
Encumbrances, ending	(331,090)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	82,382
To eliminate transfers between general and blended expendable trust funds	(311,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,323,207</u>

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2-C Deficit Fund Balances

The FEMA project fund had a deficit fund balance of \$253,770 at December 31, 2022. This deficit will be financed through future revenues from various grants from FEMA. The exact amount that will be received from FEMA is unknown at this time.

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 has determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2022, the reported amount of the Town's deposits was \$2,869,554 and the bank balance was \$3,212,756. Of the bank balance \$1,262,974 was covered by federal depository insurance or by collateral held by the pledging bank or pledging bank's trust department in the Town's name, and \$1,439,164 was uninsured and uncollateralized.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 2,515,414
Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)	354,140
Total cash and cash equivalents	<u><u>\$ 2,869,554</u></u>

NOTE 4 – INVESTMENTS

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

	Valuation Measurement Method	1-5 Years
Investments type:		
Certificates of deposit	Level 1	<u><u>\$ 18,141</u></u>

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

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Credit Risk - The Town has no formal policy on managing credit risk; however, state law limits investments as explained in Note 1-D.

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. All the Town's investments are held by third parties in the Town's name.

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 \$7,500. Taxes receivable by year are as follows:

	Exhibit A	Exhibit C-1
Property:		
Levy of 2022	\$ 1,434,359	\$ 1,434,359
Unredeemed (under tax lien):		
Levy of 2021	87,493	87,493
Levy of 2020	38,705	38,705
Less: allowance for estimated uncollectible taxes	(7,500) *	-
Net taxes receivable	<u>\$ 1,553,057</u>	<u>\$ 1,560,557</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 (restitution). 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.

Receivables as of December 31, 2022 for the Town's individual major funds and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental funds			
		FEMA Capital Project		Custodial Funds
	General		Total	
Receivables:				
Accounts	\$ 9,465	\$ -	\$ 9,465	\$ -
Intergovernmental	-	323,901	323,901	932,575 ¹
Net total receivables	<u>\$ 9,465</u>	<u>\$ 323,901</u>	<u>\$ 333,366</u>	<u>\$ 932,575</u>

¹ Fiduciary Funds - intergovernmental receivables represent property taxes collected on behalf of the Unity 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.

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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	\$ 321,950	\$ -	\$ -	\$ 321,950
Construction in progress	1,182,330	373,978	(882,688)	673,620
Total capital assets not being depreciated	1,504,280	373,978	(882,688)	995,570
Being depreciated:				
Buildings and building improvements	982,651	55,991	-	1,038,642
Vehicles	1,039,504	146,461	-	1,185,965
Equipment	268,840	36,190	-	305,030
Infrastructure	2,061,892	1,757,376	-	3,819,268
Total capital assets being depreciated	4,352,887	1,996,018	-	6,348,905
Total all capital assets	5,857,167	2,369,996	(882,688)	7,344,475
Less accumulated depreciation:				
Buildings and building improvements	(566,762)	(22,794)	-	(589,556)
Vehicles	(800,048)	(65,099)	-	(865,147)
Equipment	(225,064)	(9,091)	-	(234,155)
Infrastructure	(389,486)	(95,483)	-	(484,969)
Total accumulated depreciation	(1,981,360)	(192,467)	-	(2,173,827)
Net book value, capital assets being depreciated	2,371,527	1,803,551	-	4,175,078
Net book value, all capital assets	\$ 3,875,807	\$ 2,177,529	\$ (882,688)	\$ 5,170,648

Depreciation expense was charged to the unallocated depreciation function in the governmental activities.

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	FEMA Capital Project	\$ 577,671

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

	Transfers In:		
	General Fund	Nonmajor Fund	Total
Transfers out:			
General fund	\$ -	\$ 1,200	\$ 1,200
Nonmajor fund	71	-	71
Total	\$ 71	\$ 1,200	\$ 1,271

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.

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NOTE 9 – INTERGOVERNMENTAL PAYABLES

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

	Governmental Fund General	Fiduciary Funds
Property taxes due to the custodial funds	2 \$ 932,575	\$ -
Property taxes due to the Unity School District	3 -	932,575
Total intergovernmental payables due	<u>\$ 932,575</u>	<u>\$ 932,575</u>

² Property taxes due to the custodial fund represent amounts collected by the Town on behalf of Unity School District and are reported as a component of general fund cash at year-end.

³ Property taxes due to the Unity School District represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources of at December 31, 2022 consist of amounts related to pensions totaling \$37,862 and amounts related to OPEB totaling \$265. For further discussion on these amounts, see Note 12 and 13, respectively.

Deferred inflows of resources are as follows:

	Exhibit A	Exhibit C-1
Prepaid property taxes	\$ 513	\$ 513
Deferred property taxes not collected within 60 days of fiscal year-end	-	89,593
Federal grant revenue collected in advance of eligible expenditures being made	55,603	55,603
Restitution	12,658	12,658
Amounts related to pensions (see Note 12)	16,318	-
Total deferred inflows of resources	<u>\$ 85,092</u>	<u>\$ 158,367</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
Bond payable:						
Bond payable - direct placement	\$ 1,749,375	\$ -	\$ (74,375)	\$ 1,675,000	\$ 70,000	\$ 1,605,000
Note payable - direct borrowing	-	146,461	(47,678)	98,783	48,812	49,971
Accrued landfill postclosure care costs	480,690	-	(202,290)	278,400	9,280	269,120
Net pension liability	150,652	32,295	-	182,947	-	182,947
Net other postemployment benefits	3,467	266	-	3,733	-	3,733
Total long-term liabilities	<u>\$ 2,384,184</u>	<u>\$ 179,022</u>	<u>\$ (324,343)</u>	<u>\$ 2,238,863</u>	<u>\$ 128,092</u>	<u>\$ 2,110,771</u>

Long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2022	Current Portion
Bond payable - direct placement:						
Broadband bond	\$ 1,749,375	2021	2041	2.50%	\$ 1,675,000	\$ 70,000
Note payable - direct borrowing:						
John Deere Backhoe	\$ 146,461	2022	2024	2.38%	98,783	48,812
Total					<u>\$ 1,773,783</u>	<u>\$ 118,812</u>

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The annual requirements to amortize the bond and note outstanding as of December 31, 2022, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond - Direct Placement			Note - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 70,000	\$ 41,875	\$ 111,875	\$ 48,812	\$ 2,349	\$ 51,161
2024	70,000	40,125	110,125	49,971	1,190	51,161
2025	75,000	38,375	113,375	-	-	-
2026	75,000	36,500	111,500	-	-	-
2027	75,000	34,625	109,625	-	-	-
2028-2032	420,000	143,375	563,375	-	-	-
2033-2037	470,000	88,375	558,375	-	-	-
2038-2041	420,000	26,625	446,625	-	-	-
Totals	<u>\$ 1,675,000</u>	<u>\$ 449,875</u>	<u>\$ 2,124,875</u>	<u>\$ 98,783</u>	<u>\$ 3,539</u>	<u>\$ 102,322</u>

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

Accrued Landfill Postclosure Care Costs – The Town ceased operating its landfill in 2017. 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. The estimated liability for landfill postclosure care costs has a balance of \$278,400 as of December 31, 2022. The estimated total current cost of the landfill postclosure care (\$9,280) is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of December 31, 2022. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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

Per District Meeting Vote of	Purpose	Unissued Amount
March 17, 2007	Stage Road Bridge	\$ 1,075,000
March 17, 2012	Old Cheshire Road Bridge	760,000
		<u>\$ 1,835,000</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.

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.

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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 13.75% for other employees. The contribution requirement for the fiscal year 2022 was \$17,810, 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 \$182,947 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 0.003% 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 \$13,610. 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	\$ 6,475	\$ 15,616
Changes in assumptions	9,731	-
Net difference between projected and actual investment earnings on pension plan investments	6,933	-
Differences between expected and actual experience	3,434	702
Contributions subsequent to the measurement date	11,289	-
Total	<u>\$ 37,862</u>	<u>\$ 16,318</u>

The \$11,289 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.

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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	\$ 6,357
2023	1,177
2024	(4,943)
2025	7,664
Thereafter	-
Totals	<u>\$ 10,255</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:	2.0%
Salary increases:	5.4% average, including inflation
Wage inflation:	2.75% (2.25% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

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

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

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

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

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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	\$ 245,469	\$ 182,947	\$ 130,966

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.

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 0.31% for other employees. The contribution requirement for the fiscal year 2022 was \$402, which was paid in full.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB – At December 31, 2022, the Town reported a liability of \$3,733 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 0.001% 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 \$629. At December 31, 2022, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 10
Contributions subsequent to the measurement date	255
Total	<u>\$ 265</u>

The \$255 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	\$ 2
2024	-
2025	(4)
2026	12
Thereafter	-
Totals	<u>\$ 10</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:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

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

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

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

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	
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	\$ 4,053	\$ 3,733	\$ 3,455

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 Unity Retiree Health Benefit Program

The Town provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the Town's contractual agreements. Expenses for the cost of providing health insurance for currently enrolled retirees are recognized in the general fund of the funds financial statements as payments are made.

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The Town has not fully implemented GASB Statement No. 75 at December 31, 2022, or contracted with an actuarial firm to assist in evaluating the impact of this standard on the Town. The amounts that should be recorded as the net OPEB liability and the OPEB expense is unknown.

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NOTE 14 - ENCUMBRANCES

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

General fund:	
General government	\$ 10,547
Public safety	4,928
Highways and streets	85,000
Capital outlay	230,615
Total encumbrances	<u>\$ 331,090</u>

NOTE 15 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

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

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 5,170,648	\$ -
Less:		
General obligation bond payable	(1,675,000)	-
Note payable	(98,783)	-
Total net investment in capital assets	<u>3,396,865</u>	<u>-</u>
Restricted net position:		
Perpetual care - nonexpendable	18,277	-
Perpetual care - income balance	70	-
Library	10,619	-
Broadband project	77,399	-
Individuals, organizations, and other governments	-	354,140
Total restricted net position	<u>106,365</u>	<u>354,140</u>
Unrestricted	<u>2,610,581</u>	<u>-</u>
Total net position	<u>\$ 6,113,811</u>	<u>\$ 354,140</u>

NOTE 16 – GOVERNMENTAL FUND BALANCES

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

	General	Broadband Capital Project	FEMA Capital Project	Nonmajor Funds	Total Governmental Funds
Nonspendable:					
Tax deeded property, subject to resale	\$ 12,285	\$ -	\$ -	\$ -	\$ 12,285
Permanent fund - principal balance	-	-	-	18,277	18,277
Total nonspendable fund balance	<u>12,285</u>	<u>-</u>	<u>-</u>	<u>18,277</u>	<u>30,562</u>
Restricted:					
Library	10,619	-	-	-	10,619
Bridge aid	84,138	-	-	-	84,138
Permanent - income balance	-	-	-	70	70
Broadband project	-	77,399	-	-	77,399
Total restricted fund balance	<u>94,757</u>	<u>77,399</u>	<u>-</u>	<u>70</u>	<u>172,226</u>

(Continued)

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Governmental fund balances continued:

	General	Broadband Capital Project	FEMA Capital Project	Nonmajor Funds	Total Governmental Funds
Committed:					
Expendable trust	1,257,479	-	-	-	1,257,479
Conservation commission	-	-	-	19,157	19,157
Total committed fund balance	1,257,479	-	-	19,157	1,276,636
Assigned:					
Encumbrances	331,090	-	-	-	331,090
Unassigned (deficit)					
Unassigned	1,526,731	-	-	-	1,526,731
Deficit	-	-	(253,770)	-	(253,770)
Total unassigned fund balance (deficit)	1,526,731	-	(253,770)	-	1,272,961
Total governmental fund balances (deficit)	\$ 3,222,342	\$ 77,399	\$ (253,770)	\$ 37,504	\$ 3,083,475

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

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

	Government-wide Statements	General Fund Total Fund Balance (Modified Accrual Basis)	Unassigned Fund Balance (Budgetary Basis)	FEMA Project
To restate to separate FEMA project expenditures into separate fund	\$ -	\$ 410,331	\$ 410,331	\$ (410,331)
To record deferred revenue not previously reported	(25,000)	(25,000)	(25,000)	-
To record encumbrances not previously reported	-	-	(323,510)	-
Net position, as previously reported	5,115,359	2,559,815	1,361,998	-
Net position, as restated	\$ 5,090,359	\$ 2,945,146	\$ 1,423,819	\$ (410,331)

NOTE 18 – RISK MANAGEMENT

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

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2022 to December 31, 2022 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2022 the Town paid \$26,715 and \$17,848 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.

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

NOTE 19 – TAX ABATEMENTS

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

NOTE 20 – COVID-19

As a result of the spread of the 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 \$169,597 in federal funding from the American Rescue Plan Act (ARPA), which was received in two equal payments. The first payment of \$84,799 was received in 2021, and the second payment of \$84,798 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 \$91,504. The remaining unspent balance of \$37,236 is included as a deferred inflow of resources and will be recognized at a future date as eligible expenditures are incurred.

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

NOTE 21 – CONTINGENT LIABILITIES

There are various legal claims and suits pending against the Town which arose in the normal course of the governments activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

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

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through February 22, 2024, the date the December 31, 2022 financial statements were available to be issued, and the following events occurred that requires recognition or disclosure:

At the annual meeting on March 18, 2023, the Town approved Warrant Article No.7, which used \$200,000 of the December 31, 2022 unassigned fund balance to be transferred to the Roads and Bridges Capital Reserve Fund.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF UNITY, 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	0.003%	0.004%	0.004%	0.004%	0.004%	0.003%	0.004%	0.003%	0.003%	0.003%
Town's proportionate share of the net pension liability	\$ 140,306	\$ 159,657	\$ 150,208	\$ 201,801	\$ 188,977	\$ 149,837	\$ 178,996	\$ 213,679	\$ 150,652	\$ 182,947
Town's covered payroll (as of the measurement date)	\$ 95,611	\$ 132,174	\$ 121,843	\$ 125,128	\$ 129,616	\$ 119,484	\$ 146,108	\$ 136,405	\$ 147,014	\$ 160,231
Town's proportionate share of the net pension liability as a percentage of its covered payroll	146.75%	120.79%	123.28%	161.28%	145.80%	125.40%	122.51%	156.65%	102.47%	114.18%
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 UNITY, 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 contributions	\$ 8,106	\$ 13,799	\$ 12,721	\$ 13,589	\$ 14,077	\$ 13,152	\$ 16,189	\$ 14,841	\$ 17,025	\$ 17,810
Contributions in relation to the contractually required contributions	(8,106)	(13,799)	(12,721)	(13,589)	(14,077)	(13,152)	(16,189)	(14,841)	(17,025)	(17,810)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 95,611	\$ 132,174	\$ 121,843	\$ 125,128	\$ 129,616	\$ 119,484	\$ 146,108	\$ 136,405	\$ 156,206	\$ 163,039
Contributions as a percentage of covered payroll	8.48%	10.44%	10.44%	10.86%	10.86%	11.01%	11.08%	10.88%	10.90%	10.92%

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

Fiscal year-end	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%
Town's proportionate share of the net OPEB liability	\$ 3,233	\$ 3,093	\$ 3,685	\$ 4,208	\$ 3,734	\$ 3,467	\$ 3,733
Town's covered payroll (as of the measurement date)	\$ 125,128	\$ 129,616	\$ 119,484	\$ 146,108	\$ 136,405	\$ 147,014	\$ 160,231
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.58%	2.39%	3.08%	2.88%	2.74%	2.36%	2.33%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

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

EXHIBIT I
TOWN OF UNITY, 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	\$ 388	\$ 401	\$ 356	\$ 438	\$ 396	\$ 423	\$ 402
Contributions in relation to the contractually required contributions	<u>(388)</u>	<u>(401)</u>	<u>(356)</u>	<u>(438)</u>	<u>(396)</u>	<u>(423)</u>	<u>(402)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll (as of fiscal year end)	<u>\$ 125,128</u>	<u>\$ 129,616</u>	<u>\$ 119,484</u>	<u>\$ 146,108</u>	<u>\$ 136,405</u>	<u>\$ 147,014</u>	<u>\$ 163,039</u>
Contributions as a percentage of covered payroll	0.31%	0.31%	0.30%	0.30%	0.29%	0.29%	0.25%

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

TOWN OF UNITY, NEW HAMPSHIRE
NOTE 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 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.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF UNITY, 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	\$ 1,207,950	\$ 1,272,333	\$ 64,383
Land use change	5,000	10,630	5,630
Yield	10,000	9,357	(643)
Excavation	70	-	(70)
Interest and penalties on taxes	40,000	36,130	(3,870)
Total from taxes	<u>1,263,020</u>	<u>1,328,450</u>	<u>65,430</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	-	90	90
Motor vehicle permit fees	280,000	300,061	20,061
Building permits	3,700	6,663	2,963
Other	2,100	2,246	146
Total from licenses, permits, and fees	<u>285,800</u>	<u>309,060</u>	<u>23,260</u>
Intergovernmental:			
State:			
Meals and rooms distribution	131,569	131,569	-
Highway block grant	105,855	186,748	80,893
Other	15,394	100,308	84,914
Federal:			
COVID-19 grants	128,798	128,798	-
Total from intergovernmental	<u>381,616</u>	<u>547,423</u>	<u>165,807</u>
Charges for services:			
Income from departments	<u>42,000</u>	<u>54,903</u>	<u>12,903</u>
Miscellaneous:			
Sale of municipal property	50,000	167,760	117,760
Interest on investments	4,800	3,788	(1,012)
Other	31,802	18,124	(13,678)
Total from miscellaneous	<u>86,602</u>	<u>189,672</u>	<u>103,070</u>
Other financing sources:			
Transfers in	-	8,903	8,903
Total revenues and other financing sources	2,059,038	<u>\$ 2,438,411</u>	<u>\$ 379,373</u>
Unassigned fund balance used to reduce tax rate	30,000		
Amounts voted from fund balance	200,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 2,289,038</u>		

See Independent Auditor's Report.

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 145,325	\$ 119,874	\$ 10,547	\$ 14,904
Election and registration	-	96,355	96,355	-	-
Financial administration	-	99,000	97,869	-	1,131
Revaluation of property	-	22,200	15,528	-	6,672
Legal	-	82,602	62,809	-	19,793
Personnel administration	-	115,700	118,073	-	(2,373)
Planning and zoning	-	6,000	3,831	-	2,169
General government buildings	23,511	94,000	85,925	-	31,586
Cemeteries	-	9,200	5,875	-	3,325
Insurance, not otherwise allocated	-	27,000	25,010	-	1,990
Other	-	40,000	-	-	40,000
Total general government	23,511	737,382	631,149	10,547	119,197
Public safety:					
Police	-	52,740	56,737	-	(3,997)
Ambulance	-	10,300	10,294	-	6
Fire	-	69,185	68,962	-	223
Building inspection	-	5,000	6,808	-	(1,808)
Emergency management	4,820	6,000	5,892	4,928	-
Total public safety	4,820	143,225	148,693	4,928	(5,576)
Highways and streets	-	419,000	314,371	85,000	19,629
Sanitation:					
Administration	-	34,000	33,207	-	793
Solid waste collection	-	900	683	-	217
Solid waste disposal	-	57,375	40,899	-	16,476
Sewage collection and disposal	-	2,600	2,507	-	93
Total sanitation	-	94,875	77,296	-	17,579
Health:					
Pest control	-	1,000	-	-	1,000
Health agencies	-	5,944	5,944	-	-
Total health	-	6,944	5,944	-	1,000
Welfare:					
Administration and direct assistance	-	5,000	-	-	5,000
Intergovernmental welfare payments	-	2,225	2,161	-	64
Total welfare	-	7,225	2,161	-	5,064
Culture and recreation:					
Parks and recreation	-	9,000	8,068	-	932
Library	-	30,000	35,773	-	(5,773)
Patriotic purposes	-	3,000	3,027	-	(27)
Total culture and recreation	-	42,000	46,868	-	(4,868)
Conservation	-	1,500	1,500	-	-

(Continued)

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Interest on tax anticipation notes	-	1,500	-	-	1,500
Capital outlay	530,750	523,187	865,182	230,615	(41,860)
Other financing uses:					
Transfers out	-	312,200	312,200	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 559,081	\$ 2,289,038	\$ 2,405,364	\$ 331,090	\$ 111,665

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF UNITY, 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)		\$ 1,423,819
Changes:		
Unassigned fund balance used to reduce 2022 tax rate		(30,000)
Amounts voted from fund balance		(200,000)
2022 Budget summary:		
Revenue surplus (Schedule 1)	\$ 379,373	
Unexpended balance of appropriations (Schedule 2)	<u>111,665</u>	
2022 Budget surplus		491,038
Decrease in nonspendable fund balance		8,105
Increase in restricted fund balance		<u>(84,138)</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		1,608,824
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		(89,593)
Elimination of the allowance for uncollectible taxes		<u>7,500</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 1,526,731</u></u>

See Independent Auditor's Report.

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

	Special Revenue Fund		
	Conservation Commission	Permanent Fund	Total
ASSETS			
Cash and cash equivalents	\$ 19,157	\$ 206	\$ 19,363
Investments	-	18,141	18,141
Total assets	<u>\$ 19,157</u>	<u>\$ 18,347</u>	<u>\$ 37,504</u>
FUND BALANCES			
Nonspendable	\$ -	\$ 18,277	\$ 18,277
Restricted	-	70	70
Committed	19,157	-	19,157
Total fund balances	<u>\$ 19,157</u>	<u>\$ 18,347</u>	<u>\$ 37,504</u>

See Independent Auditor's Report.

SCHEDULE 5
TOWN OF UNITY, 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 Fund		
	Conservation Commission	Permanent Fund	Total
REVENUES			
Miscellaneous	\$ 439	\$ 510	\$ 949
EXPENDITURES			
Current:			
General government	-	345	345
Conservation	797	-	797
Total expenditures	797	345	1,142
Excess (deficiency) of revenues over (under) expenditures	(358)	165	(193)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,200	-	1,200
Transfers out	-	(71)	(71)
Total other financing sources (uses)	1,200	(71)	1,129
Net change in fund balances	842	94	936
Fund balances, beginning	18,315	18,253	36,568
Fund balances, ending	\$ 19,157	\$ 18,347	\$ 37,504

See Independent Auditor's Report.

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

	Custodial Funds			Total
	Taxes	Trust Funds	State of NH Motor Vehicle Fees	
ASSETS				
Cash and cash equivalents	\$ -	\$ 354,140	\$ -	\$ 354,140
Intergovernmental receivables	932,575	-	-	932,575
Total assets	932,575	354,140	-	1,286,715
LIABILITIES				
Intergovernmental payables:				
Due to school	932,575	-	-	932,575
NET POSITION				
Restricted	\$ -	\$ 354,140	\$ -	\$ 354,140

See Independent Auditor's Report.

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

	Custodial Funds			Total
	Taxes	Trust Funds	State of NH Motor Vehicle Fees	
ADDITIONS				
Contributions	\$ -	\$ 150,000	\$ -	\$ 150,000
Investment earnings	-	1,266	-	1,266
Tax collections for other governments	2,654,699	-	-	2,654,699
State motor vehicle fees	-	-	29,509	29,509
Total additions	<u>2,654,699</u>	<u>151,266</u>	<u>29,509</u>	<u>2,835,474</u>
DEDUCTIONS				
Payments of taxes to other governments	2,654,699	-	-	2,654,699
Payments of motor vehicle fees to State	-	-	29,509	29,509
Total deductions	<u>2,654,699</u>	<u>-</u>	<u>29,509</u>	<u>2,684,208</u>
Change in net position	-	151,266	-	151,266
Net position, beginning	-	202,874	-	202,874
Net position, ending	<u>\$ -</u>	<u>\$ 354,140</u>	<u>\$ -</u>	<u>\$ 354,140</u>

See Independent Auditor's Report.