

TOWN OF WILTON, NEW HAMPSHIRE
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

TOWN OF WILTON, NEW HAMPSHIRE
 FOR THE YEAR ENDED DECEMBER 31, 2021
 TABLE OF CONTENTS

		<u>Page</u>
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-8
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Exhibit A	9
Statement of Activities	Exhibit B	10
Governmental Fund Financial Statements:		
Balance Sheet - Governmental Funds	Exhibit C	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Exhibit D	12
Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Position	Exhibit E	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit F	14
Proprietary Fund Statements:		
Statement of Fund Net Position	Exhibit G	15
Statement of Revenues, Expenses and Changes in Fund Net Position	Exhibit H	16
Statement of Cash Flows	Exhibit I	17
Fiduciary Fund Statements:		
Statement of Net Position – Fiduciary Funds	Exhibit J	18
Statement of Changes in Net Position – Fiduciary Funds	Exhibit K	19
Combining Schedule of Custodial Net Position	Exhibit L	20
Combining Schedule of Changes in Custodia Net Position	Exhibit M	21
Notes to Financial Statements		22-43

TOWN OF WILTON, NEW HAMPSHIRE
 FOR THE YEAR ENDED DECEMBER 31, 2021
 TABLE OF CONTENTS

Required Supplementary Information:

Schedule of Proportionate Share of Net Pension Liability NHRS Defined Benefit Plan	Schedule 1	44
Schedule of Contributions NHRS Defined Benefit Plan	Schedule 2	45
Schedule of Proportionate Share of Net Other Postemployment Benefits Liability	Schedule 3	46
Schedule of Contributions NHRS Defined Benefit Plan – Other Postemployment Benefits	Schedule 4	47
Statement of Revenues, Expenditures and Change in Fund Balance Budget and Actual – General	Schedule 5	48

Other Information:

Combining Balance Sheet – Non-Major Other Governmental Fund	Schedule 6	49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds	Schedule 7	50
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		51-53



Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Select Board
Town of Wilton, New Hampshire
Wilton, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Wilton, New Hampshire as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
Business-type Activities	Adverse
Water Enterprise Fund	Adverse
Sewer Enterprise Fund	Adverse
General Fund	Unmodified
Recycling Center Fund	Unmodified
Ambulance Fund	Unmodified
Permanent Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Governmental Activities, Business-type Activities and Proprietary Funds

As discussed in the financial statements, management has not recorded the capital assets and related accumulated depreciation in the governmental activities, business-type activities, and proprietary funds, and accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America (GAAP) require that capital assets, be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities, business-type activities, and proprietary funds. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities, business-type activities, and proprietary funds is not reasonably determinable.

As discussed in Note 16 to the financial statements, management has not fully recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits for the single employer plan in the governmental activities, business-type activities, and proprietary funds. 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, business-type activities, and proprietary funds. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

Adverse Opinion

In our opinion, because of the significance of the matters described in the "Basis for Adverse Opinion on Governmental Activities, Business-type Activities, and Proprietary Funds" paragraphs, the financial statements referred to above do not present fairly the financial position of the government-wide financial statements of the Town of Wilton, as of December 31, 2021, 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 (GAAP).

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, the Schedule of Proportionate Share of Net Pension Liability of the NHRS Schedule of Contributions of NHRS Schedule of Town's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of Towns Contributions of Other Postemployment Benefits on pages 44-47, as well as the budgetary comparison information on pages 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wilton, New Hampshire basic financial statements. The combining fund financial statements and budgetary comparison schedule for the General Fund are presented for purpose of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards," we have also issued our report dated November 22, 2022, on our consideration of the Town of Wilton, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Wilton, New Hampshire's internal control over financial reporting and compliance.

Batchelder Associates, PC

Batchelder Associates, PC
License #945
Barre, Vermont
November 22, 2022

TOWN OF WILTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Our discussion and analysis of the Town of Wilton, New Hampshire's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2021. This report should be read in conjunction with the Town's financial statements.

Financial Highlights

- The Town's net position decreased by \$557,539 as a result of this year's operations. Net position of our business-type activities increased by \$206,220 and net position of our governmental activities decreased by \$763,759.
- In the Town's business-type activities, revenues and transfers were \$796,475 while expenses and transfers were \$590,255. Net position at June 30, 2021, totaled \$1,857,811.
- The cost of all the Town's programs was \$7,149,560 this year, with no new programs added.
- The General Fund reported a deficit this year of \$970,555.
- The unassigned fund balance for the General Fund was \$1,004,415 as of December 31, 2021. This amount represents the amount of funds available for future budgets, including \$58,656 encumbered.
- The Ambulance Fund reported a surplus this year of \$23,204 which resulted in a deficit fund balance of \$106,582 as of December 31, 2021.
- The Recycling Fund reported a surplus this year of \$9,113 which resulted in a fund balance of \$269,254.
- The Permanent Fund reported a surplus this year of \$128,690, which resulted in a fund balance of \$1,511,476.
- The Other Governmental Funds reported a surplus of \$4,191 which increased the cumulative surplus to \$143,173.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Town as a Whole

The government-wide financial statements are on Exhibit A and B. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

TOWN OF WILTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

These two statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets, liabilities, and deferred inflows/outflows – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads and other infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- **Governmental activities** – Most of the Town's basic services are reported here, including public safety, highway and streets, sanitation, town hall, community services, cemetery, schools, and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business-type activities** – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer activities are reported here.

Reporting the Town's Most Significant Funds

The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by state law and by bond covenants. However, the Town Select board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

- **Governmental funds** – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits C and D that are included in the financial statements.
- **Proprietary funds** – When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

TOWN OF WILTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

The Town as a Whole

The Town's combined net position decreased by \$557,539 from 2020, increasing from a balance of \$6,177,271 (as restated) to \$5,619,732. Our analysis below focuses on the net position (Table 1) and changes in net position (Table II) of the Town's governmental and business-type activities.

Table I - Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 11,009,233	\$ 7,514,030	\$ 1,999,426	\$ 1,826,533	\$ 13,008,659	\$ 9,340,563
Noncurrent assets	-	-	-	-	-	-
Total Assets	11,009,233	7,514,030	1,999,426	1,826,533	13,008,659	9,340,563
Deferred outflows of resources	523,990	414,748	-	-	523,990	414,748
Long-term liabilities outstanding	2,858,015	2,873,336	113,735	113,256	2,971,750	2,986,592
Other liabilities	4,458,926	419,552	27,880	61,686	4,486,806	481,238
Total Liabilities	7,316,941	3,292,888	141,615	174,942	7,458,556	3,467,830
Deferred inflows of resources	454,449	110,210	-	-	454,449	110,210
Net Position						
Invested in capital assets	(1,394,836)	(1,041,143)	(55,760)	(78,640)	(1,450,596)	(1,119,783)
Nonspendable	1,511,476	-	-	-	1,511,476	-
Restricted	2,201,488	3,269,482	1,913,571	1,730,231	4,115,059	4,999,713
Unassigned	1,443,793	2,297,341	-	-	1,443,793	2,297,341
Total Net Position	\$ 3,761,921	\$ 4,525,680	\$ 1,857,811	\$ 1,651,591	\$ 5,619,732	\$ 6,177,271

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased from a surplus of \$2,204,560 at December 31, 2020, to a surplus of \$1,443,793 surplus at December 31, 2021, for the governmental activities.

The restricted net position of our business-type activities increased to \$1,913,571 compared to \$1,730,231 in fiscal year 2021. The Town generally can only use these net positions to finance the continuing operations of the water and sewer operations.

TOWN OF WILTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Table II-Change in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues						
Charges for services	\$ 1,115,502	\$ 201,335	\$ 698,028	\$ 717,902	\$ 1,813,530	\$ 919,237
Grants and contributions	1,021,154	1,127,551	-	141	1,021,154	1,127,692
Other	-	537,359	-	-	-	537,359
General revenues						
Property taxes	3,046,153	3,802,489	-	-	3,046,153	3,802,489
Other	41,962	429,032	23,925	-	65,887	429,032
Licenses and permits	882,343	86,874	-	-	882,343	86,874
Investment income	278,687	20,709	54,592	16,582	333,279	37,291
Transfers in (out)	-	70,000	-	-	-	70,000
Total revenues	<u>6,385,801</u>	<u>6,275,349</u>	<u>776,545</u>	<u>734,625</u>	<u>7,162,346</u>	<u>7,009,974</u>
EXPENDITURES:						
General government	1,660,932	1,814,956	-	-	1,660,932	1,814,956
Public safety	2,379,091	821,941	-	-	2,379,091	821,941
Highway and streets	2,528,960	1,728,804	-	-	2,528,960	1,728,804
Cemetery	56,864	-	-	-	56,864	-
Health	730	231,252	-	-	730	231,252
Culture and recreation	416,959	602,753	-	-	416,959	602,753
Community Development	50,801	-	-	-	50,801	-
Interest	55,223	132,206	-	-	55,223	132,206
Water	-	-	241,635	317,085	241,635	317,085
Sewer	-	-	328,690	320,839	328,690	320,839
Total expenditures	<u>7,149,560</u>	<u>5,331,912</u>	<u>570,325</u>	<u>637,924</u>	<u>7,719,885</u>	<u>5,969,836</u>
Net Change in Fund Balances	<u>\$ (763,759)</u>	<u>\$ 943,437</u>	<u>\$ 206,220</u>	<u>\$ 96,701</u>	<u>\$ (557,539)</u>	<u>\$ 1,040,138</u>

Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The decrease in net position for governmental activities was \$763,759 in 2021. Revenues increased by \$110,452 or 1.76% and expenses increased by \$1,817,648 or 34.08%, compared to 2020.

The cost of all governmental activities this year was \$7,149,560; however, as shown in the Statement of Activities on Exhibit B, the amount that our taxpayers ultimately financed for these activities through Town taxes was \$5,012,904. Some of the cost was paid by those who directly benefited from the programs (\$1,115,502) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,021,154).

Business-type Activities

The business-type activities net position increased by \$206,220 in 2021. Revenues increased by \$41,920 or 5.7%, and expenses decreased by \$67,599 or 10.60%, compared to 2020. Expected revenue and expenses have impacted this year's results in this comparison for Business-Type Activities.

TOWN OF WILTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

The Town's Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$6,496,064 which represents a decrease of \$805,357 from last year's total of \$7,301,420 (restated). Included in this year's total change in fund balance is a decrease of \$970,555 in the Town's General Fund.

Schedule 3 compares actual to budget for the General and Highway Fund. The most significant variances of actual to budget revenue and expenses, excluding transfers between funds, were as follows:

	Budget	Actual	Favorable (Unfavorable)
Revenues:			
General Budget	\$ 6,105,493	\$ 4,827,769	\$ (1,277,724)
Expenditures:			
General Budget	\$ 6,105,493	\$ 5,359,692	\$ 745,801

Debt Administration

At December 31, 2021, the Town had \$2,886,814 in outstanding debt and long-term liabilities, versus \$2,862,469 at June 30, 2020, an increase of \$24,345 as shown in Table IV.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bond payable	\$ 660,720	\$ 700,780	\$ 55,760	\$ 78,640	\$ 716,480	\$ 779,420
Lease payable	734,125	340,363	-	-	734,125	340,363
Pension liability	1,436,297	1,743,772	-	-	1,436,297	1,743,772
Postemployment benefits	182,024	168,729	-	-	182,024	168,729
Uncompensated balances	46,136	67,843	-	-	46,136	67,843
Totals	\$ 3,059,302	\$ 3,021,487	\$ 55,760	\$ 78,640	\$ 3,115,062	\$ 3,100,127

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when setting the calendar year 2022 budget, tax rates, and fees.

When adopting the budget for the 2022 year, the Budget Committee considers the operational and capital needs of the Town, and the impact of spending on the tax rate.

The Town budgeted no change in fund balance for the fiscal year ending December 31, 2022.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager at Town of Wilton, Wilton, New Hampshire, 03086.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF NET POSITION
DECEMBER 31, 2021

EXHIBIT A

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	\$ 4,273,085	\$ 985,233	\$ 5,258,318
Investments	2,466,488	749,636	3,216,124
Escrow	11,346	-	11,346
Accounts receivable, net	122,285	208,938	331,223
Delinquent taxes receivable, net	517,320	-	517,320
Due from trustees	-	-	-
Due (to)/from other funds	(55,619)	55,619	-
Restricted assets:	-	-	-
Cash and cash equivalents	446,724	-	446,724
Investments	3,017,604	-	3,017,604
Receivables	210,000	-	210,000
Total assets	<u>11,009,233</u>	<u>1,999,426</u>	<u>13,008,659</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Town participation in:			
New Hampshire Retirement Plan	512,537	-	512,537
Other post employment benefits	11,453	-	11,453
Total deferred outflows of resources	<u>523,990</u>	<u>-</u>	<u>523,990</u>
 <u>LIABILITIES</u>			
Accounts payable	946,627	79,788	1,026,415
Accrued expenses	24,800	-	24,800
Accrued payroll and benefits	108,157	6,067	114,224
Accrued interest	18,250	-	18,250
Funds held in escrow	3,159,814	-	3,159,814
Noncurrent liabilities:			
Due within one year	201,278	27,880	229,158
Due in more than one year	1,193,558	27,880	1,221,438
Uncompensated balances	46,136	-	46,136
Net pension liability	1,436,297	-	1,436,297
Net OPEB liability	182,024	-	182,024
Total liabilities	<u>7,316,941</u>	<u>141,615</u>	<u>7,458,556</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Town participation in:			
New Hampshire Retirement Plan	452,137	-	452,137
Other post employment benefits	2,312	-	2,312
Total deferred inflows of resources	<u>454,449</u>	<u>-</u>	<u>454,449</u>
 <u>NET POSITION</u>			
Invested in capital assets	(1,394,836)	(55,760)	(1,450,596)
Restricted			
Nonspendable	1,511,476	-	1,511,476
Expendable	2,201,488	1,913,571	4,115,059
Unrestricted	1,443,793	-	1,443,793
Total net position	<u>\$ 3,761,921</u>	<u>\$ 1,857,811</u>	<u>\$ 5,619,732</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

EXHIBIT B

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,660,932	\$ 635,358	\$ 124,120	\$ 333,154	\$ (568,300)	\$ -	\$ (568,300)
Public safety	2,379,091	268,580	171,700	-	(1,938,811)	-	(1,938,811)
Highway and streets	2,528,960	211,564	392,180	-	(1,925,216)	-	(1,925,216)
Cemetery	56,864	-	-	-	(56,864)	-	(56,864)
Health	730	-	-	-	(730)	-	(730)
Culture and recreation	416,959	-	-	-	(416,959)	-	(416,959)
Community development	50,801	-	-	-	(50,801)	-	(50,801)
Interest on long-term debt	55,223	-	-	-	(55,223)	-	(55,223)
Total governmental activities	<u>7,149,560</u>	<u>1,115,502</u>	<u>688,000</u>	<u>333,154</u>	<u>(5,012,904)</u>	<u>-</u>	<u>(5,012,904)</u>
Business-type activities:							
Water	241,635	261,263	-	-	-	19,628	19,628
Sewer	328,690	436,765	-	-	-	108,075	108,075
Interest on long-term debt	-	-	-	-	-	-	-
	<u>570,325</u>	<u>698,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,703</u>	<u>127,703</u>
Total primary government	<u>\$ 7,719,885</u>	<u>\$ 1,813,530</u>	<u>\$ 688,000</u>	<u>\$ 333,154</u>	<u>(5,012,904)</u>	<u>127,703</u>	<u>(4,885,201)</u>
General Revenues:							
Property taxes					3,024,546	-	3,024,546
Property taxes - interest and penalties					21,607	-	21,607
Licenses and permits					882,343	-	882,343
Investment income					278,687	54,592	333,279
Donations					900	-	900
Other					41,062	23,925	64,987
Transfers					-	-	-
Total general revenues and transfers					<u>4,249,145</u>	<u>78,517</u>	<u>4,327,662</u>
Change in Net Position					(763,759)	206,220	(557,539)
Net Position - January 1, 2021, restated					<u>4,525,680</u>	<u>1,651,591</u>	<u>6,177,271</u>
Net Position - December 31, 2021					<u>\$ 3,761,921</u>	<u>\$ 1,857,811</u>	<u>\$ 5,619,732</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

EXHIBIT C

	General Fund	Ambulance Fund	Recycling Fund	Permanent Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 3,661,091	\$ 101,618	\$ 348,842	\$ 73,352	\$ 88,182	\$ 4,273,085
Investments	954,365	-	-	1,438,124	73,999	2,466,488
Escrow - restricted	11,346	-	-	-	-	11,346
Accounts receivable, net	19,008	103,276	-	-	-	122,284
Delinquent taxes receivable, net	517,320	-	-	-	-	517,320
Grant receivable	-	-	-	-	-	-
Due from other funds	382,508	15,314	16,711	-	-	414,533
Interest receivable	-	-	-	-	-	-
Restricted assets:	-	-	-	-	-	-
Cash and cash equivalents	446,724	-	-	-	-	446,724
Investments	3,017,604	-	-	-	-	3,017,604
Receivables	210,000	-	-	-	-	210,000
Total assets	\$ 9,219,966	\$ 220,209	\$ 365,553	\$ 1,511,476	\$ 162,181	\$ 11,479,385
LIABILITIES						
Accounts payable	\$ 911,798	\$ 5,573	\$ 10,248	\$ -	\$ 19,008	\$ 946,627
Accrued expenses	-	15,658	9,142	-	-	24,800
Accrued payroll and benefits	108,157	-	-	-	-	108,157
Funds held in escrow	3,159,814	-	-	-	-	3,159,814
Due to other funds	87,683	305,560	76,909	-	-	470,152
Total liabilities	4,267,452	326,791	96,299	-	19,008	4,709,550
DEFERRED INFLOWS OF RESOURCES						
Prepaid property taxes	-	-	-	-	-	-
Deferred Taxes	273,771	-	-	-	-	273,771
Deferred note revenue	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	-	-
Total deferred inflows of resources	273,771	-	-	-	-	273,771
FUND BALANCES						
Nonspendable	-	-	-	1,511,476	-	1,511,476
Restricted	2,201,488	-	-	-	-	2,201,488
Committed	1,472,840	-	269,254	-	-	1,742,094
Assigned	-	-	-	-	143,173	143,173
Unassigned	1,004,415	(106,582)	-	-	-	897,833
Total fund balances	4,678,743	(106,582)	269,254	1,511,476	143,173	6,496,064
Total liabilities, deferred inflows of resources and fund balances	\$ 9,219,966	\$ 220,209	\$ 365,553	\$ 1,511,476	\$ 162,181	\$ 11,479,385

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR END DECEMBER 31, 2021

EXHIBIT D

	General Fund	Ambulance Fund	Recycling Fund	Permanent Fund	Other Governmental Funds	Governmental Fund
REVENUES:						
Property taxes	\$ 2,701,136	\$ -	\$ -	\$ -	\$ -	\$ 2,701,136
Property taxes - interest and penalties	21,607	-	-	-	-	21,607
Grant Income	333,154	-	-	-	-	333,154
Intergovernmental	124,120	171,700	392,180	-	-	688,000
Donations	-	900	-	-	-	900
Charges for services	615,481	258,401	211,564	-	30,056	1,115,502
Licenses and fees	882,343	-	-	-	-	882,343
Investment income	139,343	-	-	139,285	59	278,687
Other	10,585	4,386	5,197	-	20,894	41,062
Total revenues	4,827,769	435,387	608,941	139,285	51,009	6,062,391
EXPENDITURES:						
General government	1,565,923	-	-	10,595	8,994	1,585,512
Public safety	1,431,534	593,367	-	-	-	2,024,901
Highway and streets	896,147	-	791,706	-	-	1,687,853
Culture and recreation	397,221	-	-	-	19,738	416,959
Cemetery	56,864	-	-	-	-	56,864
Community development	50,801	-	-	-	-	50,801
Health	730	-	-	-	-	730
Capital Outlay:	-	-	-	-	-	-
General government	-	-	-	-	-	-
Highway and streets	841,107	-	-	-	-	841,107
Public Safety	-	502,588	-	-	-	502,588
Community service	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	72,311	49,934	25,554	-	-	147,799
Interest	47,054	4,234	3,935	-	-	55,223
Total expenditures	5,359,692	1,150,123	821,195	10,595	28,732	7,370,337
Excess (Deficiency) of Revenues Over Expenditures	(531,923)	(714,736)	(212,254)	128,690	22,277	(1,307,946)
OTHER FINANCING SOURCES (USES)						
Loan proceeds	-	502,588	-	-	-	502,588
Transfers in	361,199	235,352	221,367	-	2,000	819,918
Transfers out	(799,831)	-	-	-	(20,087)	(819,918)
Total other financing sources (uses)	(438,632)	737,940	221,367	-	(18,087)	502,588
Net Change in Fund Balances	(970,555)	23,204	9,113	128,690	4,191	(805,357)
Fund Balances - January 1, 2021 (restated)	5,649,297	(129,786)	260,141	1,382,786	138,982	7,301,420
Fund Balances - December 31, 2021	\$ 4,678,743	\$ (106,582)	\$ 269,254	\$ 1,511,476	\$ 143,173	\$ 6,496,064

The accompanying notes are an integral part of this financial statement

TOWN OF WILTON, NEW HAMPSHIRE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

EXHIBIT E

Amounts reported for governmental activities in the statement of net position
(Exhibit A) are different because:

Fund balance - total governmental funds (Exhibit C)		\$ 6,496,064
Government funds report delinquent taxes received after the first sixty days of the next fiscal year as deferred revenue. However, they are reported as revenue in the government-wide financial statements.		273,771
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
Cost of assets	-	-
Accumulated depreciation	-	-
	-	-
Long-term liabilities, including bonds and loan payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Accrued interest	(18,250)	
Compensated absences	(46,136)	
Deferred outflows	523,990	
Deferred inflows	(454,449)	
Net pension liability	(1,436,297)	
Net OPEB liability	(182,024)	
Long-term liabilities at year end	(1,394,748)	(3,007,914)
Net position - governmental activities (Exhibit A)		\$ 3,761,921

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

EXHIBIT F

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit D) \$ (805,357)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$0) are allocated over their estimated useful life and reported as depreciation expense (\$0). This is the amount by which capital outlays exceeded depreciation in the current period. -

Property taxes receivable, notes receivable and other receivables are recognized on the accrual basis in the statement of net position, not the modified accrual basis. The decrease in this unearned and unavailable revenue for the year is: 323,410

The issuance of debt provides current financial resources to governmental funds (\$502,588) while the repayment of the principal of debt (\$147,799), including discounted interest, consumes the current financial resources of governmental funds. This amount is the net effect of these references in the treatment of long-term debt and related items. (354,789)

In the statement of activities, accrued compensated absences is measured by the amount incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This year, compensated absences incurred was (greater) / less than the amounts paid. 21,707

Governmental funds report employer pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as an expense. This amount is the net effect of the differences in the treatment of pension expense. 51,270

Change in net position of governmental activities (Exhibit B) \$ (763,759)

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

EXHIBIT G

	Sewer Fund	Water Fund	Total Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 441,694	\$ 543,539	\$ 985,233
Investments	32,952	716,684	749,636
Accounts receivable	133,163	75,775	208,938
Due from other funds	6,250	49,369	55,619
Total current assets	614,059	1,385,367	1,999,426
Total assets	\$ 614,059	\$ 1,385,367	\$ 1,999,426
 LIABILITIES			
Current liabilities:			
Accounts payable	\$ 38,740	\$ 41,048	\$ 79,788
Accrued payroll and benefits		6,067	6,067
Long term liabilities:			
Due within one year	27,880	-	27,880
Due in more than one year	27,880	-	27,880
Total liabilities	94,500	47,115	141,615
 NET POSITION			
Net investment in capital assets	(55,760)	-	(55,760)
Restricted (deficit) - restated	575,319	1,338,252	1,913,571
Total net position	519,559	1,338,252	1,857,811
Total liabilities and net position	\$ 614,059	\$ 1,385,367	\$ 1,999,426

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

EXHIBIT H

	Sewer Fund	Water Fund	Total Proprietary Funds
OPERATING REVENUES:			
Charges for services	\$ 432,990	\$ 255,526	\$ 688,516
Interest and penalties	3,775	5,737	9,512
Miscellaneous	23,576	349	23,925
	<hr/>	<hr/>	<hr/>
Total operating revenues	460,341	261,612	721,953
OPERATING EXPENSES:			
Salaries and wages	31,986	111,231	143,217
Occupancy	6,621	17,462	24,083
Contracted services	278,278	35,538	313,816
Operations and maintenance	6,403	72,380	78,783
Materials and supplies	5,402	5,024	10,426
Depreciation	-	-	-
	<hr/>	<hr/>	<hr/>
Total operating expenses	328,690	241,635	570,325
	<hr/>	<hr/>	<hr/>
Total operating income	131,651	19,977	151,628
NON-OPERATING REVENUES (EXPENSES) :			
Investment income (loss)	(42)	54,964	54,922
Interest expense	(330)	-	(330)
Total nonoperating revenues (expenses)	<hr/> (372) <hr/>	<hr/> 54,964 <hr/>	<hr/> 54,592 <hr/>
Net income (loss) before transfers	131,279	74,941	206,220
Interfund transfers in	19,600	-	19,600
Interfund transfers out	<hr/> (19,600) <hr/>	<hr/> - <hr/>	<hr/> (19,600) <hr/>
	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>
Change in Net Position	<hr/> 131,279 <hr/>	<hr/> 74,941 <hr/>	<hr/> 206,220 <hr/>
Net Position -January 1, 2021	388,280	1,263,311	1,651,591
Net Position -December 31, 2021	<hr/> <u>\$ 519,559</u> <hr/>	<hr/> <u>\$ 1,338,252</u> <hr/>	<hr/> <u>\$ 1,857,811</u> <hr/>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

EXHIBIT I

	Sewer Fund	Water Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	425,859	\$ 261,452	\$ 687,311
Other cash receipts	23,579	349	23,928
Payments for goods and services	(289,143)	(145,363)	(434,506)
Payments for wages and benefits	(32,830)	(113,438)	(146,268)
Net cash provided (used) by operating activities	127,465	3,000	130,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Decrease (increase) in due from other funds	65,148	(34,115)	31,033
Net cash provided (used) by noncapital and related financing activities	65,148	(34,115)	31,033
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on bonds payable	(22,880)	-	(22,880)
Net cash provided (used) by capital and related financing activities	(22,880)	-	(22,880)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest	(372)	54,964	54,592
Purchase of investments	(19,950)	379,246	359,296
Net cash provided (used) by investing activities	(20,322)	434,210	413,888
NET INCREASE IN CASH AND CASH EQUIVALENTS	149,411	403,095	552,506
Cash - January 1, 2021	292,283	140,444	432,727
Cash - December 31, 2021	<u>\$ 441,694</u>	<u>\$ 543,539</u>	<u>\$ 985,233</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Income (loss) from operations	\$ 131,653	\$ 19,977	\$ 151,630
(Increase) decrease in accounts receivable	(10,906)	189	(10,717)
Increase (decrease) in accounts payable	34,003	(14,960)	19,043
Increase (decrease) in accrued expenses	(27,285)	(2,206)	(29,491)
Net cash provided (used) by operating activities	<u>\$ 127,465</u>	<u>\$ 3,000</u>	<u>\$ 130,465</u>

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital contribution	\$ 19,600	\$ -	\$ 19,600
Negative interest loan subsidy debt forgiveness	2,880	-	2,880
	<u>\$ 22,480</u>	<u>\$ -</u>	<u>\$ 22,480</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
 STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 FOR YEAR ENDED DECEMBER 31, 2021

EXHIBIT J

	Private Purpose Trust Funds	All Custodial Funds
ASSETS		
Cash	\$ 116,658	\$ 3,278,169
Investments	228,000	189,272
Total assets	\$ 344,658	\$ 3,467,441
LIABILITIES		
Intergovernmental payables:		
School	-	3,159,814
Total liabilities	-	3,159,814
NET POSITION		
Restricted	344,658	307,627
Total net position	\$ 344,658	\$ 307,627

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

EXHIBIT K

	Private Purpose Trust Funds	All Custodial Funds
ADDITIONS:		
Contributions	\$ 167,550	\$ 75,696
Investment earnings	701	15,675
Changes in fair market value	-	-
Tax collections for other governments	-	7,523,932
Total additions	168,251	7,615,303
DEDUCTIONS:		
Benefits paid	-	-
Payments of taxes to other governments	-	7,523,932
Payments for escrow purposes	-	-
Total deductions	-	7,523,932
Change in net position	168,251	91,371
Net position, beginning (restated)	176,407	216,256
Net position, ending	\$ 344,658	\$ 307,627

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
 COMBINING SCHEDULE OF CHANGES IN CUSTODIAL NET POSITION
 DECEMBER 31, 2021

EXHIBIT L

	Custodial Funds				Total
	Taxes	School Trust Funds	School Impact Fees	Escrows & Off-Site Improvements	
ADDITIONS					
Contributions	\$ -	\$ -	\$ 44,661	\$ 31,035	\$ 75,696
Investment earnings	-	15,581	64	30	15,675
Tax collections fo rother governments	<u>7,523,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,523,932</u>
Total additions	<u>7,523,932</u>	<u>15,581</u>	<u>44,725</u>	<u>31,065</u>	<u>7,615,303</u>
DEDUCTIONS					
Payments of taxes to other governments	7,523,932	-	-	-	7,523,932
Pyments for escrow purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>7,523,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,523,932</u>
Net increase (decrease) in fiduciary net position	-	15,581	44,725	31,065	91,371
Net position, beginning (restated)	<u>-</u>	<u>174,178</u>	<u>33,095</u>	<u>8,983</u>	<u>216,256</u>
Net position, ending	<u>\$ -</u>	<u>\$ 189,759</u>	<u>\$ 77,820</u>	<u>\$ 40,048</u>	<u>\$ 307,627</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
 COMBINING SCHEDULE OF CUSTODIAL NET POSITION
 DECEMBER 31, 2021

EXHIBIT M

	Custodial Funds				Total
	Taxes	School Trust Funds	School Impact Fees	Escrows & Off-Site Improvements	
ASSETS					
Cash and cash equivalents	\$ 3,159,814	\$ 487	\$ 77,820	\$ 40,048	\$ 3,278,169
Investments	-	189,272	-	-	189,272
Total assets	<u>3,159,814</u>	<u>189,759</u>	<u>77,820</u>	<u>40,048</u>	<u>3,467,441</u>
LIABILITIES					
Intergovernmental payables:					
School	<u>3,159,814</u>	-	-	-	<u>3,159,814</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 189,759</u>	<u>\$ 77,820</u>	<u>\$ 40,048</u>	<u>\$ 307,627</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

The Town of Wilton, New Hampshire (the Town), is organized according to New Hampshire State Law and Town Charter, under the governance of a three-member Selectboard. The Town provides fire, highway, sanitation, health, social, cultural, recreational, community and economic development, public improvements, planning, zoning, water, sewer, and general administrative services as authorized and funded by state government and/or Town voters.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

Reporting Entity

This report includes all of the activity of the Town of Wilton, New Hampshire. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body, and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

Basic Financial Statements -Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's General Fund, Ambulance Fund, Recycling Fund and Other Governmental Funds are classified as Governmental. The Town's water and sewer fund activities are classified as business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on the full accrual, economic resources basis, which recognizes all assets deferred outflows of resources, liabilities, and deferred inflows of resources. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities (water and sewer). The activities are also supported by property taxes, certain intergovernmental revenues, and charges for services. The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, including operating and capital grants. Program revenues must be directly associated with the activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by activity) are normally covered by general revenues (property taxes, intergovernmental revenue, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows, fund equity, revenues, and expenditures/expenses. The various funds are reported by major fund within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental category or enterprise type. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenses/expenditures of either fund category/type or the governmental and enterprise funds combined) for the determination of major funds. The General Fund, Ambulance Fund, Recycling Fund and Permanent Fund are shown as major funds. All other funds are non-major and are combined in a single column in each of the respective fund financial statements.

The Town reports on the following major governmental funds:

General Fund is the main operating fund of the Town. It is used to account for all financial resources except those accounted for in another fund.

Ambulance Fund is used to account for financial resources to be used for ambulance.

Recycling Fund is used to account for financial resources related to the operations of the recycling facility.

Permanent Funds are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the Town. These can include legal trusts for which the interest on the corpus provides funds for the Town's cemetery operations.

Other Governmental Funds are used to account for the financial resources committed to special and unique revenue sources established by the Town. These include Special Revenue funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the major enterprise funds of the Town:

The Town reports the following major proprietary funds:

Water Fund – The Water Fund is used to account for the activities of the Town's water system.

Sewer Fund – The Sewer Fund is used to account for the activities of the Town's sewer system.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The activity presented is only for information purposes and has no impact on the Town's finances. The Town reports two types of Fiduciary funds. The Private Purpose Trust Funds is used to report trust arrangements, other than pension and investment trusts, under which principal and income benefits individuals, private organizations, or other governments. The Custodial Funds are custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

The accounting and financial reporting applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Fund equity (i.e., net total position) is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, current liabilities and deferred inflows and outflows are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources and are segregated into nonspendable, restricted, committed, assigned and unassigned. Operating statements of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis of Accounting

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents.

Budgetary Accounting

The Town approves a budget for the General Fund at an annual Town Meeting and the Selectboard. The approved budget is presented to the New Hampshire Department of Revenue for setting of the Town's tax rate. There were no changes during the year. Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$5,000 for office equipment, \$15,000 for vehicles, \$10,000 for capital improvements and \$50,000 for infrastructure, structures or land are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Building Improvements	10 - 50 years
Equipment, Vehicles and Machinery	5 - 20 years
Utility Plant and Capacity Rights	40 - 50 years
Infrastructure	8 - 20 years

GASB No. 34 requires the Town to report and depreciate new general infrastructure assets starting July 1, 2003. The Town is currently not in compliance and has elected not to record any capital assets prior to and through December 31, 2021. General infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

Accrued Compensated Absences

Government-Wide Financial Statements

All vested or accumulated vacation leave is reported as a liability and an expense on the government-wide financial statements. Sick days are not accrued since they are not paid when the employee terminates employment.

Fund Financial Statements

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported as a liability in the fund financial statements and no expenditure is reported for these amounts until paid. Unused sick days may be accumulated to use in the following year, but sick days are not accrued since they are not paid when the employee terminates employment.

Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the statement of net position. Net resources invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed by its use by Town legislation or external restrictions by creditors, grantors, laws, or regulations of other governments.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

The Town classifies its fund balances depicting the relative strength of the constraints that might control how specific amounts can be spent:

Nonspendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use such as impact fees).

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Town voters, in this case. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the Town Selectboard or by an official or body to which the Selectboard delegates the authority.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General Fund.

Nonspendable is defined by the definitions of "nonspendable" contained in GASB Statement No. 54. Fund balances that are committed and assigned are so designated by action of the voters or the Selectboard, respectively. Special revenue funds are by definition, created only to report a revenue source that is restricted or committed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to consider the most constrained fund balances to be expended first.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, the Town expended \$745,801 less than appropriated in the General Fund, with revenues less than budgeted by \$1,277,724 (excluding transfers), leaving a general fund deficit of \$970,555.

Investments

Investments are stated at fair value, (quoted market price, or the best available estimate).

Inter-fund Balances

Transactions between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the New Hampshire State Employee's Retirement System (NHRS) plan and additions to/deductions from the NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources," represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town has one type which arises under the accrual basis of accounting that qualifies for reporting in this category. The governmental activities, the business-type activities and the proprietary funds report deferred outflows of resources from one source; deferred outflows related to the Town's participation in the New Hampshire State Employee Retirement System. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources," represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items which arise under the modified accrual basis of accounting and two types which arise under the accrual basis of accounting that qualify for reporting in this category. The statement of net position reports deferred inflows of resources from two sources; prepaid property taxes and deferred inflows related to the Town's participation in the New Hampshire State Employee Retirement System. The governmental funds balance sheet reports deferred inflows of resources from two sources: prepaid property taxes, unavailable property taxes. The business-type activities and proprietary funds report deferred inflows of resources from one source; deferred inflows related to the Town's participation in the New Hampshire State Employee Retirement System. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Governmental Fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, while government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements, as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report operating expenses (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation expense as an expense. Further, governmental funds report the proceeds for the sale of capital assets as revenue, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities.

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Elimination of Due To/From	Statement of Net Position Total
ASSETS						
Cash	\$ 4,273,085	\$ -	\$ -	\$ -	\$ -	\$ 4,273,085
Investments	2,466,488	-	-	-	-	2,466,488
Escrow - Restricted	11,346	-	-	-	-	11,346
Accounts receivable, net	122,285	-	-	-	-	122,285
Delinquent taxes receivable	517,320	-	-	-	-	517,320
Grant receivable	-	-	-	-	-	-
Note receivable	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Due from trustees	-	-	-	-	-	-
Due from other funds	414,533	-	-	-	(414,533)	-
Restricted assets:						
Cash and cash equivalents	446,724	-	-	-	-	446,724
Investments	3,017,604	-	-	-	-	3,017,604
Receivables	210,000	-	-	-	-	210,000
Total assets	<u>11,479,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(414,533)</u>	<u>11,064,852</u>
DEFERRED OUTFLOWS						
New Hampshire Retirement System	-	512,537	-	-	-	512,537
Other Postemployment Benefits	-	11,453	-	-	-	11,453
Total assets and deferred outflows	<u>\$ 11,479,385</u>	<u>\$ 523,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (414,533)</u>	<u>\$ 11,588,842</u>
LIABILITIES						
Accounts payable	946,627	-	-	-	-	946,627
Accrued expenses	24,800	-	-	-	-	24,800
Accrued payroll and benefits	108,157	46,136	-	-	-	154,293
Accrued interest	-	-	-	18,240	-	18,240
Funds held in escrow	3,159,814	-	-	-	-	3,159,814
Due from other funds	470,152	-	-	-	(414,533)	55,619
Tax anticipation note	-	-	-	-	-	-
Net pension liability	-	1,436,209	-	-	-	1,436,209
Non-current obligations	-	182,024	-	1,394,846	-	1,576,870
Total Liabilities	<u>4,709,550</u>	<u>1,664,369</u>	<u>-</u>	<u>1,413,086</u>	<u>(414,533)</u>	<u>7,372,472</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid property taxes	273,771	(273,771)	-	-	-	-
Deferred taxes	-	-	-	-	-	-
Deferred note revenue	-	-	-	-	-	-
Post employment benefits	-	2,312	-	-	-	2,312
NHRS	-	452,137	-	-	-	452,137
Total Deferred Inflows and resources	<u>273,771</u>	<u>180,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,449</u>
FUND BALANCES						
Invested in capital assets	-	-	-	(1,413,086)	-	(1,413,086)
Nonspendable	1,511,476	-	-	-	-	1,511,476
Restricted	2,201,488	-	-	-	-	2,201,488
Committed	1,742,094	-	-	-	-	1,742,094
Assigned	143,173	-	-	-	-	143,173
Unassigned	897,833	(1,321,057)	-	-	-	(423,224)
	<u>6,496,064</u>	<u>(1,321,057)</u>	<u>-</u>	<u>(1,413,086)</u>	<u>-</u>	<u>3,761,921</u>
Total Liabilities & Net Assets	<u>\$ 11,479,385</u>	<u>\$ 523,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (414,533)</u>	<u>\$ 11,588,842</u>

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

A detailed explanation of the differences between governmental funds statement of revenues, expenditures and changes in fund balances and government-wide statement of activities is as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Statement of Net Assets Total
REVENUES					
Property Taxes	\$ 2,701,136	\$ 323,410	\$ -	\$ -	\$ 3,024,546
Property Tax penalties and interest	21,607	-	-	-	21,607
Grant Income	333,154	-	-	-	333,154
Intergovernmental	688,000	-	-	-	688,000
Donations	900	-	-	-	900
Charges for current services	1,115,502	-	-	-	1,115,502
Licenses and Permits	882,343	-	-	-	882,343
Investment income	278,687	-	-	-	278,687
Miscellaneous	41,062	-	-	-	41,062
Total Revenues	<u>6,062,391</u>	<u>323,410</u>	<u>-</u>	<u>-</u>	<u>6,385,801</u>
EXPENDITURES					
General government	1,585,512	75,420	-	-	1,660,932
Public safety	2,024,901	(148,398)	-	-	1,876,503
Highway and streets	1,687,853	-	-	-	1,687,853
Cemetery	56,864	-	-	-	56,864
Health	730	-	-	-	730
Culture and recreation	416,959	-	-	-	416,959
Community development	50,801	-	-	-	50,801
Capital outlay:					
General government	-	-	-	-	-
Public Safety	502,588	-	-	-	502,588
Highways and streets	841,107	-	-	-	841,107
Community service	-	-	-	-	-
Debt service:					
Principal	147,799	-	-	(147,799)	-
Interest	55,223	-	-	-	55,223
Total expenditures	<u>7,370,337</u>	<u>(72,978)</u>	<u>-</u>	<u>(147,799)</u>	<u>7,149,560</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,307,946)</u>	<u>396,388</u>	<u>-</u>	<u>147,799</u>	<u>(763,759)</u>
OTHER FINANCING SOURCES (USES)					
Loan proceeds	502,588	-	-	(502,588)	-
Transfers in	819,918	-	-	-	819,918
Transfers out	<u>(819,918)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(819,918)</u>
Total Other Financing Sources (Uses)	<u>502,588</u>	<u>-</u>	<u>-</u>	<u>(502,588)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (805,357)</u>	<u>\$ 396,388</u>	<u>\$ -</u>	<u>\$ (354,789)</u>	<u>\$ (763,759)</u>

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS

Cash and Investments

The Town's cash and investments as of December 31, 2021 are as follows:

	Governmental Activities	Business - Type Activities	Total
Cash:			
Deposits with Financial Institutions	\$ 4,273,085	\$ 985,233	\$ 5,258,318
Escrow	11,346	-	11,346
Total Cash	4,284,431	985,233	5,269,664
Investments:			
Mutual Funds and Corporate Bonds	2,466,011	749,636	3,215,647
Total Cash and Investments	\$ 6,750,442	\$ 1,734,869	\$ 8,485,311

Cash and investments are classified as restricted for the following purposes:

Cash and cash equivalents:

General fund:

Library	\$ 346,483
Capital reserve funds	100,241
Total restricted cash and cash equivalents	446,724

Investments:

General Fund:

Library	1,855,005
Capital reserve funds	1,162,599
Total restricted investments	3,017,604

Total restricted assets	\$ 3,464,328
-------------------------	--------------

Interest Rate Risk

Interest rate risk 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 any policy to limit the exposure to interest rate risk.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations reflects the distribution of the Town's investments by maturity.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are the actual ratings as of December 31, 2021. The ratings are provided by Standard & Poor's. The Town does not have any policy to limit the exposure to credit risk.

Concentration of Credit Risk

The Town does not have any limitations on the amount that can be invested in any one issuer.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town's investments are held in its name and are, therefore, not subject to custodial credit risk. The Town does not have any policy to limit the exposure to custodial credit risk.

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

	Book Balance	Bank Balance
Governmental Activities	\$ 4,273,085	\$ 5,019,633
Business-Type Activities	985,233	804,591
Insured by FDIC	\$ 5,258,318	\$ 5,824,223

NOTE 4 – TRUST FUNDS HELD BY OTHERS

In order to diversify credit and Market Risk, the Town has allocated funds totaling \$3,861,689 to RBC investment services. Interest earned for these investments during the year ending December 31, 2021, totaled \$31,658, while unrealized gains equaled \$83,658, and the Town had \$48,144 in realized gains. Breakdown of cost versus fair market value is as follows:

	Cost	Fair Value
Fixed Income	\$ 2,740,651	\$ 3,119,895
Cash	1,121,038	1,121,038
	\$ 3,861,689	\$ 4,240,933

NOTE 5 - RECEIVABLES

Receivables and the allowance for uncollectible accounts as of December 31, 2021, are as follows:

	Receivables	Allowance for Uncollectible Accounts	Net Receivables
General Fund			
Accounts receivable			
General fund	\$ 19,008	\$ -	\$ 19,008
Ambulance fund	103,276	-	103,276
Delinquent taxes receivable	717,320	200,000	517,320
Enterprise Funds			
Water Fund	75,775	-	75,775
Sewer Fund	133,163	-	133,163
Net Receivables	\$ 1,048,542	\$ 200,000	\$ 848,542

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – INTERFUND RECEIVABLE AND PAYABLES

Interfund receivable and payables balances, due to the pooling of cash for cash receipts and disbursements, as of December 31, 2021, are as follows:

	Interfund Receivable	Interfund Payable
Governmental:		
General fund	\$ 382,508	\$ 87,683
Ambulance fund	15,314	305,560
Recycling fund	16,711	76,909
Permanent fund	-	-
Other governmental funds	-	-
	414,533	470,152
Proprietary:		
Water fund	49,369	-
Sewer fund	6,250	-
	55,619	-
Town wide	\$ 470,152	\$ 470,152

NOTE 7 – DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources in the Governmental Activities consists of \$40,218 from the difference between the expected and actual experience, \$150,013 from changes in assumptions, \$215,147 from the difference between the projected and actual investment earnings, and \$107,159 of required employer pension contributions made subsequent to the measurement date, as further described in Note 13. Deferred outflows also consist of other postemployment benefits of \$11,453. Total deferred outflows of resources in the Governmental Activities are \$523,990.

NOTE 8 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources in the Governmental Activities consists of \$15,037 due to the difference between expected and actual experience, \$401,699 from the difference between projected and actual earnings on pension plan investments, and \$35,401 resulting from the differences between the employer contributions, and the proportionate share of total contributions related to the Town's participation in the New Hampshire State Employee Retirement System (NHRS), as further described in Note 13. Total deferred inflows of resources also include other postemployment benefits of \$2,312. Deferred inflows of resources in the Governmental Activities totals \$454,449.

Deferred inflows of resources in the Governmental Funds consists of \$273,771 of delinquent property taxes (including penalties and interest on those taxes) that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – LONG-TERM LIABILITIES

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Governmental activities -				
Bond Payable: New Hampshire Municipal Bond Bank. Bond origination 7/18/13. True interest 3.7578%. Final payment due August 15, 2033				
General obligation bond	\$ 635,000	\$ -	\$ 35,000	\$ 600,000
Premium	65,780	-	5,060	60,720
Total bond payable	700,780	-	40,060	660,720
Dump Truck. \$178,000 Interest rate of 4.14%. Final payment on April 20, 2024				
	103,564	-	24,338	79,226
Police Cruiser. \$32,162 Interest rate of 4.39%. Final payment on December 21, 2021.				
	8,565	-	8,565	-
Ambulance. \$198,394 Interest rate of 4.19%. Final payment on May 7, 2023.				
	101,062	-	32,315	68,747
Skid Steer. CAT Financial - Wells Fargo. Interest rate of 5.05%. Final payment on September 13, 2022.				
	16,385	-	7,977	8,408
Cardiac Monitors. Stryker Lease \$82,265. Interest rate of 1.9%. Final payment on April, 2023				
	37,987	-	17,619	20,368
Backhoe Loader. CAT Financial \$91,399. Interest rate of 3.85%. Final payment on November 12, 2023				
	71,714	-	16,925	54,789
Engine 1. Community First National Bank \$502,588. Interest rate of 11.97% Final payment on August 1, 2030				
Total capital leases	-	502,588	-	502,588
	339,277	502,588	107,739	734,126
Total governmental activities	\$ 1,040,057	\$ 502,588	\$ 147,799	\$ 1,394,846
Business-type activities -				
Bond Payable: New Hampshire Municipal Bond Bank. Bond origination 7/18/13. True interest 2.6225%. Final payment due August 15, 2033				
General obligation bond	\$ 70,000	\$ -	\$ 20,000	\$ 50,000
Premium	8,640	-	2,880	5,760
Total bond payable	78,640	-	22,880	55,760
Capital leases	-	-	-	-
Total business-type activities	\$ 78,640	\$ -	\$ 22,880	\$ 55,760
Total Town	\$ 1,118,697	\$ 502,588	\$ 170,679	\$ 1,450,606

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – LONG-TERM LIABILITIES (Continued)

Principal payments for the remainder of the note and capital lease terms are as follows:

Governmental Funds:

<u>Years ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2022	201,278	20,574	221,852
June 30, 2023	176,821	15,647	192,468
June 30, 2024	144,744	11,157	155,901
June 30, 2025	104,539	8,052	112,591
June 30, 2026-2030	567,284	20,669	587,953
June 30, 2031-2035	200,180	-	200,180
 Total	 <u>\$ 1,394,846</u>	 <u>\$ 76,099</u>	 <u>\$ 1,470,945</u>

Business-Type Activities:

<u>Years ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2022	25,000	2,880	27,880
June 30, 2023	25,000	2,880	27,880
 Total	 <u>\$ 50,000</u>	 <u>\$ 5,760</u>	 <u>\$ 55,760</u>

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - FUND BALANCE/NET POSITION CATEGORIES

The fund balances/net position of the Town are categorized as follows:

	Individual Funds Statements		Government-Wide Statements (Exhibit A)	
	Governmental Funds (Exh. C)	Proprietary Funds (Exhibit G)	Governmental Activities	Business-type Activities
Nonspendable				
Permanent Fund	1,511,476	-	-	-
Governmental Activity	-	-	1,511,476	-
	<u>1,511,476</u>	<u>-</u>	<u>1,511,476</u>	<u>-</u>
Restricted:				
General Fund	2,201,488	-	-	-
Governmental activity	-	-	2,201,488	-
Business-type activity	-	1,913,571	-	1,913,571
	<u>2,201,488</u>	<u>1,913,571</u>	<u>2,201,488</u>	<u>1,913,571</u>
Committed:				
General Fund	1,472,840	-	-	-
Recycling Fund	269,254	-	-	-
	<u>1,742,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Other Governmental Funds	143,173	-	-	-
	<u>143,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:				
General Fund	1,004,415	-	-	-
Ambulance Fund	(106,582)	-	-	-
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Governmental activity	-	-	1,443,793	-
	<u>897,833</u>	<u>-</u>	<u>1,443,793</u>	<u>-</u>
Invested in Capital Assets, Net of Related Debt:	-	(55,760)	(1,394,836)	(55,760)
Total Fund Balances/Net Position	<u>\$ 6,496,064</u>	<u>\$ 1,857,811</u>	<u>\$ 3,761,921</u>	<u>\$ 1,857,811</u>

NOTE 11 – CONTINGENT LIABILITIES

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. The audits of these programs for or including the year ended December 31, 2021, have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 - PROPERTY TAXES

Property tax billings occur semi-annually and are based on the assessed property values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued in May and November of 2021 and were due July and December of 2021, respectively. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed liens on all outstanding taxes from 2020 in July of 2021.

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 uncollectible at year end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Wilton-Lyndeborough Cooperative School District, and Hillsborough County, which are remitted to these entities as required by law.

The Town assessed valuation as of April 1, 2021, utilized in setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 548,002,656
For all other taxes	\$ 555,138,156

The tax rates and amounts assessed for the year ended December 31, 2021, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal Tax	\$ 5.65	\$ 3,134,835
County	\$ 0.83	\$ 463,291
Local education	\$ 11.20	\$ 6,216,549
State education	\$ 1.54	\$ 844,092
Total	\$ 19.22	\$ 10,658,767

NOTE 13 - PENSION PLANS

Defined Benefit Plan

Plan Description

The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers a 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2021, the measurement date selected by the State of New Hampshire, NHRS was funded at 72.22% and had a plan fiduciary net position of \$11,523,879,340 and a total pension liability of \$15,955,798,561 resulting in a net pension liability of

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 - PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

\$4,431,919,221. As of December 31, 2020, the Town's proportionate share of this was 0.0324% resulting in a liability of \$1,436,297. The net pension liability was measured as of December 31, 2021, 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 entities, actuarially determined. As of June 30, 2021, the Town's proportion of 0.0324% was an increase of 0.0051% from its proportion measured as of June 30, 2020, of .0273%. For the year ended June 30, 2021, the Town recognized pension expense of \$117,930.

As of December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 40,218	\$ 15,037
Changes in assumptions	150,013	-
Difference between projected and actual earnings on pension plan investments	215,147	401,699
Changes in proportional share of contributions	-	-
Differences between the employer contributions and proportionate share of total contributions	-	35,401
Town's required employer contributions made subsequent to the measurement date	107,159	-
	\$ 512,537	\$ 452,137

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$107,159 will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2022	(3,867)
2023	23,497
2024	16,137
2025	(82,526)
2026	-
	\$ (46,759)

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 - PENSION PLANS (Continued)

Plan Benefits

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

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

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

Methods and Assumptions

Actuarial Cost Method:	Entry – Age normal
Amortization Method:	Level percentage-of-payroll, closed
Remaining Amortization Period:	19 years beginning July 1, 2020 (30 years beginning July 1, 2009)
Asset Valuation Method:	5-year smoothed market for funding purposes; 20% corridor
Price Inflation:	2.5% per year
Wage Inflation:	3.25% per year (3.00% for teachers) in the 2017 valuation
Salary increases:	5.6% including inflation
Investment Rate of Return:	7.25% per year, net of investment expenses, including inflation
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2010-2015 Experience Study
Mortality:	RP-2014 Healthy Annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the 2010-2015 Experience Study

Other Information

Notes: The Board has adopted new assumptions based on the 2015-2019 Experience Study effective for employer contributions in the 2022-23 biennium.

TOWN OF WILTON, NEW HAMPSHIRE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 13 - PENSION PLANS (Continued)

Single Discount Rate

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, administrative expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The determination of the discount rate is done at the plan level. Our understanding is that all pension assets are available to pay the pension benefits of the four-member classifications so there is one plan for the discount rate calculation. For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 1.92% (based on the June 2021 20-Year Municipal GO AA Index); and the resulting single discount rate is 6.75%.

<u>1% Decrease (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase (8.00%)</u>
\$2,054,069	\$1,436,297	\$920,974

Additional Information

Additional information regarding the State of New Hampshire Employees' Retirement System, including the details can be found at the New Hampshire Retirement System website.

NOTE 14 - SUPPLEMENTAL RETIREMENT PLAN

All regular full-time and part-time employees on a regular continuous basis, including certain contracted employees, employed by the Town are eligible to participate in a defined contribution pension plan administered by Mass Mutual Financial Group. Participation begins after the completion of at least three months continuous employment with the Town. The Town has no requirement or obligation under State Statutes to contribute to this plan, however the Town has adopted the Supplemental Retirement Plan 457 for its employees. The Board of Selectmen has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The Town contributes up to 7% of each employee's salary and all amounts contributed are vested immediately. Also, employees may make voluntary contributions to the plan (contributions for the year ended December 31, 2021, were \$105,987 which consisted of \$47,679 from the Town and \$58,308 from employees).

NOTE 15 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2021 Comprehensive Annual Financial Report, which can be found on the system's website at www.nhrs.org.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

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 2021 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 2018, 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 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$21,746, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, the Town reported a liability of \$182,024 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. 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, 2021, the Town's proportion was 0.05% which was the same as of its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$21,746. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 253	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,274
Differences between expected and actual experience	-	38
Contributions subsequent to the measurement date	11,200	-
	\$ 11,453	\$ 2,312

The \$11,453 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31, 2021	
2022	\$ (305)
2023	(478)
2024	(536)
2025	(140)
2026	-
	\$ (1,459)

Actuarial Assumptions

The collective total OPEB liability was based on the following actuarial assumptions:

Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining amortization Method:	Not applicable under statutory funding
Asset Valuation Method:	5 – year smoother market; 20% Corridor
Inflation:	2.5% per year
Salary Increases:	5.6% average, including inflation
Wage Inflation:	3.25% per year (3.00% for teachers) in the 2017 valuation
Investment Rate of Return:	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions.
Funding Discount Rate:	3.25% per year
Retirement Age:	Experience – based table of rates that are specific to the type of eligibility condition. Based on the 2010 – 2015 Experience Study

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Mortality rates were based on the RP-2014 Health Annuitant and Employee Generated Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2021, valuation was based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 - June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2020, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and 100-A:53. 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, 2021,	\$197,874	\$182,024	\$168,233

Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Term Assumption

GASB No. 75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

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.

NOTE 16 – TOWN OF WILTON 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, 2021, or contracted with an actuarial firm to assist in evaluating the impact of this standard on the Town's single employer plan. The amounts that should be recorded as the net OPEB liability and the OPEB expense for the Town's single employer plan are unknown.

TOWN OF WILTON, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 17 - RISK MANAGEMENT

The Town of Wilton, New Hampshire is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the New Hampshire League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days' notice. Fund underwriting and rate-setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

NOTE 18 - INTERFUND TRANSFERS

During the year interfund transfers occurred between funds. The transfers were made in accordance with budgetary authorizations.

Interfund transfers for the year ended December 31, 2021, are as follows:

	Interfund Receivables	Interfund Payables
Governmental funds:		
General fund	\$ 361,199	\$ 799,831
Ambulance fund	235,352	-
Recycling fund	221,367	-
Permanent fund	-	-
Other Governmental Funds	2,000	20,087
	819,918	819,918
Proprietary funds:		
Water Fund	-	19,600
Sewer Fund	19,600	-
	19,600	19,600
Fiduciary Funds:		
Total	839,518	839,518

NOTE 19 – RELATED PARTY TRANSACTIONS

Some of the Town's Selectboard members own businesses that do business with the Town or are employed by such businesses. Due to the small population of the Town and the number of residents actively involved in Town government, some related party transactions exist. The Town has a policy regarding conflict of interest.

NOTE 20 – SUBSEQUENT EVENTS

We have examined subsequent events from the close of the fiscal year through the date of this report and have nothing to report.

TOWN OF WILTON, NEW HAMPSHIRE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 NHRS DEFINED BENEFIT PLAN
 DECEMBER 31, 2021

SCHEDULE 1

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Plan Net Pension Liability	\$ 4,431,919,221	\$ 5,812,573,333	\$ 4,460,183,333	\$ 4,464,143,333	\$ 5,005,700,000	\$ 5,698,520,000	\$ 3,890,140,000	\$ 3,559,190,000	\$ 3,746,536,667
Town's Proportion of the Net Pension Liability	0.0324%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%
Town's Proportionate Share of the Net Pension Liability	\$ 1,436,209	\$ 1,743,772	\$ 1,338,055	\$ 1,339,243	\$ 1,501,710	\$ 1,709,556	\$ 1,167,042	\$ 1,067,757	\$ 1,123,961
Town's Covered Employee Payroll	\$ 588,967	\$ 479,176	\$ 472,575	\$ 459,941	\$ 498,843	\$ 502,241	\$ 479,855	\$ 453,858	\$ 453,858
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	243.85%	363.91%	283.14%	291.18%	301.04%	340.39%	243.21%	235.26%	247.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.22%	58.72%	65.59%	64.73%	62.66%	58.30%	65.47%	66.32%	59.81%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The discount rate used to measure the net position liability was lowered from 7.50% to 7.0%, due to the adoption by the Board of Trustees of a 7.0% expected future rate of return on assets for funding purposes.

Fiscal year 2013 was the first year of implementation, therefore, only nine (9) years are shown.

TOWN OF WILTON, NEW HAMPSHIRE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 NHRS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 2

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution (Actuarially Determined)	\$ 148,891	\$ 121,113	\$ 121,018	\$ 117,553	\$ 111,863	\$ 115,119	\$ 98,833	\$ 92,286	\$ 64,938
Contributions in Relation to the Actuarially Determined Contributions	148,891	121,113	121,018	117,553	111,863	115,119	98,833	92,286	64,938
Contribution Excess/(Deficiency)	-	-	-	-	-	-	-	-	-
Town's Covered Employee Payroll	\$ 588,967	\$ 479,176	\$ 472,575	\$ 459,941	\$ 498,843	\$ 502,241	\$ 479,855	\$ 453,858	\$ 453,858
Contributions as a Percentage of Town's Covered Employee Payroll	25.28%	25.28%	25.61%	25.56%	22.42%	22.92%	20.60%	20.33%	14.31%

Notes to Schedule

Valuation Date: June 30, 2021

Fiscal year 2013 was the first year of implementation, therefore, only nine (9) years are shown.

TOWN OF WILTON, NEW HAMPSHIRE
 SCHEDULE OF THE TOWN'S
 PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY
 NHRS COST SHARING MULTI-EMPLOYER DEFINED BENEFIT PLAN
 DECEMBER 31, 2021

	2021	2020	2019	2018	2017	2016
Town's proportion of the net OPEB liability	5.00%	0.04%	0.04%	0.04%	0.03%	0.03%
Town's proportionate share of the net OPEB liability (asset)	\$ 182,024	\$ 168,729	\$ 188,176	\$ 196,944	\$ 147,014	\$ 163,395
Town's covered payroll	\$ 588,967	\$ 479,176	\$ 472,575	\$ 459,941	\$ 498,843	\$ 502,241
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	30.91%	35.21%	39.82%	42.82%	29.47%	32.53%
Plan fiduciary net position as a percentage of the total OPEB liability	11.06%	7.74%	5.21%	7.53%	7.91%	5.21%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions: The discount rate used to measure the net position liability was lowered from 7.50% to 7.0%, due to the adoption by the Board of Trustees of a 7.0% expected future rate of return on assets for funding purposes.

Fiscal year 2016 was the first year of implementation, therefore, only six (6) years are shown.

TOWN OF WILTON, NEW HAMPSHIRE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF TOWN CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
 NHRS COST SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 21,843	\$ 17,893	\$ 19,588	\$ 19,027	\$ 19,057	\$ 19,612
Contributions in Relation to the Actuarially Determined Contributions	<u>21,843</u>	<u>17,893</u>	<u>19,588</u>	<u>19,027</u>	<u>19,057</u>	<u>19,612</u>
Contribution Excess/(Deficiency)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Town's Covered Employee Payroll	\$ 588,967	\$ 479,176	\$ 472,575	\$ 459,941	\$ 498,843	\$ 502,241
Contributions as a Percentage of Town's Covered Employee Payroll	3.71%	3.73%	4.14%	4.14%	3.82%	3.90%

Notes to Schedule

Valuation Date: June 30, 2021

Fiscal year 2016 was the first year of implementation, therefore, only six (6) years are shown.

TOWN OF WILTON, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL
FOR YEAR ENDED DECEMBER 30, 2021

SCHEDULE 3

	<u>Original and Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Over Under</u>
REVENUES:			
Property taxes:			
Current	\$ 3,801,883	\$ 2,722,743	\$ (1,079,140)
Intergovernmental	305,543	457,274	151,731
Charge for services	8,200	615,481	607,281
Licenses and fees	822,600	882,343	59,743
Interest	-	139,343	139,343
Other	1,167,267	10,585	(1,156,682)
Total revenues	<u>6,105,493</u>	<u>4,827,769</u>	<u>(1,277,724)</u>
EXPENDITURES:			
General government	\$ 1,198,322	\$ 1,565,923	367,601
Public safety	1,642,821	1,431,534	(211,287)
Highway and streets	1,960,647	896,147	(1,064,500)
Culture and recreation	355,896	397,221	41,325
Cemetery	-	56,864	56,864
Community development	66,465	50,801	(15,664)
Health	-	730	730
Capital outlay:	-	-	-
General government	379,519	-	(379,519)
Highway and streets	435,000	841,107	406,107
Community service	-	-	-
Debt service:	-	-	-
Principal	66,823	72,964	6,141
Interest	-	46,401	46,401
Total expenditures	<u>6,105,493</u>	<u>5,359,692</u>	<u>(1,113,402)</u>
EXCESS OF REVENUES OR (EXPENDITURES)	<u>-</u>	<u>(531,923)</u>	<u>(531,923)</u>
OTHER FINANCING SOURCES (USES):			
Loan proceeds	-	-	-
Transfers in (out)	-	(438,632)	(438,632)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (970,555)</u>	<u>\$ (970,555)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
 COMBINING BALANCE SHEET
 NON-MAJOR - OTHER GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

SCHEDULE 6

	Conservation Commision	Heritage Commision	Police Fund	Impact Fees	Total Other Governmental Funds
ASSETS					
Cash	\$ 18,538	\$ 3,631	\$ 29,187	\$ 36,826	\$ 88,182
Accounts receivable	-	-	-	-	-
Investments	73,999	-	-	-	73,999
Due from other funds	-	-	-	-	-
Escrow- restricted	-	-	-	-	-
Total assets	\$ 92,537	\$ 3,631	\$ 29,187	\$ 36,826	\$ 162,181
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 19,008	\$ -	\$ 19,008
Long-term debt	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	19,008	-	19,008
FUND BALANCES					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	92,537	3,631	10,179	36,826	143,173
Unassigned / (Deficit)	-	-	-	-	-
Total fund balances	92,537	3,631	10,179	36,826	143,173
Total liabilities and fund balances	\$ 92,537	\$ 3,631	\$ 29,187	\$ 36,826	\$ 162,181

The accompanying notes are an integral part of this financial statement.

TOWN OF WILTON, NEW HAMPSHIRE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR - OTHER GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

SCHEDULE 7

	Conservation Commission	Heritage Comission	Police Fund	Impact Fees	Total Other Governmental Funds
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charge for services	-	-	10,179	19,877	30,056
Investment income	15	-	-	44	59
Other	20,738	156	-	-	20,894
	<u>20,753</u>	<u>156</u>	<u>10,179</u>	<u>19,921</u>	<u>51,009</u>
Total revenues					
EXPENDITURES:					
General government	-	1,591	-	7,403	8,994
Public safety	-	-	-	-	-
Highway and streets	-	-	-	-	-
Community services	-	-	-	-	-
Culture and recreation	19,738	-	-	-	19,738
Capital Outlay:					-
General government	-	-	-	-	-
Public Safety	-	-	-	-	-
Highway and streets	-	-	-	-	-
Debt service:					-
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Cemetery	-	-	-	-	-
	<u>19,738</u>	<u>1,591</u>	<u>-</u>	<u>7,403</u>	<u>28,732</u>
Total expenditures					
Excess (Deficiency) of Revenues Over Expenditures	<u>1,015</u>	<u>(1,435)</u>	<u>10,179</u>	<u>12,518</u>	<u>22,277</u>
OTHER FINANCING SOURCES (USES)					-
Transfers in	-	2,000	-	-	2,000
Transfers out	(2,000)	-	-	(18,087)	(20,087)
	<u>(2,000)</u>	<u>2,000</u>	<u>-</u>	<u>(18,087)</u>	<u>(18,087)</u>
Net Change in Fund Balances	(985)	566	10,179	(5,569)	4,191
Fund Balances, January 1, 2021, restated	<u>93,522</u>	<u>3,065</u>	<u>-</u>	<u>42,395</u>	<u>138,982</u>
Fund Balances, December 31, 2021	<u>\$ 92,537</u>	<u>\$ 3,631</u>	<u>\$ 10,179</u>	<u>\$ 36,826</u>	<u>\$ 143,173</u>

The accompanying notes are an integral part of this financial statement.



Batchelder Associates, PC

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

To the Select Board
Town of Wilton, New Hampshire
Wilton, New Hampshire

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wilton, New Hampshire ("Town"), as of and for the year ended December 31, 2021, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 22, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and correct, on a timely basis. We consider the following deficiencies in the Town of Wilton's internal control to be material weaknesses:

General Ledger Maintenance

During the current audit and as communicated in the prior year audit, it was noted that most journal entries were not authorized, and some did not have supporting documentation. Nonrecurring journal entries should require individual authorization by management. Journal entries should always be supported by appropriate documentation, where possible. Appropriate documentation serves as an accounting record and facilitates future follow-up as well as additional insight for other users.

There are three Town funds which are not recorded in the general ledger system (i.e., conservation commission, impact fees, and heritage commission). The tracking and recordkeeping of these funds is inconsistent with the Town's internal controls. All of the Town's funds should be tracked in the general ledger and processed through the same procedures as the general

Town of Wilton, New Hampshire

Page 2

fund in order to provide accurate reporting and consistency. We recommend that the Town consider adding these other funds to the general ledger as their own unique funds. Once included, activity in those funds should be recorded and processed as is the general fund.

In addition, the Water and Sewer funds are maintained separately from the Town records, have their own system of internal control, and do not reflect prior year audit adjustments and are not reconciled with the Town intercompany transactions. This creates inaccurate reporting in the general fund as well as in the Water and Sewer funds.

Ambulance Fund

It was noted that the Ambulance fund had a deficit fund balance of \$106,582 at December 31, 2021 relating to operating results. This deficit will need to be funded by the general fund or other method if not properly addressed by changes to the fund's operations. We strongly suggest that the Town monitor this fund and evaluate future plans and budgets to avoid continuing to add to the deficit fund balance. During 2021, the fund did have a surplus of \$23,204, reducing the prior year fund balance deficit.

General ledger / Cash Reconciliations

During the current audit and as communicated in the prior year audit, we noted that the Town did not perform periodic reconciliations on various major accounts (i.e., accounts receivable, accounts payable, interfund receivables and payables). It is important to reconcile subsidiary ledgers or supporting schedules to the general ledger to ensure the accuracy of financial information and minimize the risk of misstatement or misappropriation. We strongly recommend that a policy be implemented, whereby all subsidiary ledgers and/or supporting schedules are reconciled to the general ledger on a monthly basis. We also recommend that appropriate management-level personnel review the reconciliations for accuracy and then document evidence of their review for audit purposes.

Reconciliations of interfund activity should be performed on a monthly basis. This will help to ensure that activity is being reimbursed timely and will also help to reduce the chance of duplicate activity occurring. Untimely reconciliations could lead to inaccurate requests, or duplicate requests occurring. Activity may also not be posted to the proper accounting period. This could also cause financial reports (such as budget to actual expenditures) for the water and sewer funds to be misleading or inaccurate as they do not correctly reflect costs initially paid by the general fund. We recommend that interfund activity be reconciled monthly and that interfund reimbursements be made on a monthly basis.

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

Cash Receipts / Disbursements

There is a lack of segregation of duties over the processing of cash receipts when the Administrative Assistant is absent, as the Town Clerk's office disburses mail and processes all deposits. The Town does not utilize purchase orders and there is a lack of evidence that the Town is following their purchasing procedures. Many contracts and bids are lacking backup documentation. We recommend that the Town designate a different department to receive and disburse mail when the Administrative Assistant is absent, in order to alleviate the segregation of duties conflict. We further recommend that the Town ensure its established purchasing policy be followed and all supporting documentation for contracts, bids and other documents be maintained at the Town Hall.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We found no deficiencies which would be classified as material weaknesses or significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* for year ending December 31, 2021.

We noted certain other matters that we reported to management of the Town in a separate letter, of which management responses have been included. There are no documented responses included with this audit.

This report is intended solely for the information and use of management, Board of Selectmen, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Batchelder Associates, PC

Batchelder Associates, PC
Barre, Vermont
November 22, 2022
Vermont License # 945