

TOWN OF HOLDERNESS, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Holderness as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Holderness as of June 30, 2023, and the respective changes in financial position thereof, and the budgetary comparison statement of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8 and pension and OPEB information on pages 37-40 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and individual general fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

January 9, 2024

Roberts & Heene, PLLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Holderness, New Hampshire (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

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

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

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities include general government, public safety, highways and streets, sanitation, health and human service, welfare, culture and recreation, and conservation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories, governmental funds, and fiduciary funds.

Governmental Funds

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

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

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary Funds

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

Notes to Financial Statements

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

Required Supplementary Information (Other Than MD&A)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$6,989,631 (i.e., net position), an increase of \$353,505 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$2,778,146 a decrease of \$513,511 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,345,051, a change of \$452,000 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current fiscal year.

NET POSITION

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 8,688,954	\$ 9,278,139
Capital assets	6,254,460	5,357,199
Total assets	<u>14,943,414</u>	<u>14,612,704</u>
Deferred outflows of resources	548,179	448,838
Current liabilities	4,533,606	4,893,497
Noncurrent liabilities	2,579,743	2,076,579
Total liabilities	<u>7,113,349</u>	<u>6,759,398</u>
Deferred inflows of resources	1,388,613	1,477,974
Net investment of capital assets	6,254,460	5,357,199
Restricted	15,549	14,962
Unrestricted	719,622	1,263,965
Total net position	<u>\$ 6,989,631</u>	<u>\$ 6,636,126</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent year, total net position was \$6,989,631, a change of \$353,505 in comparison to the restated prior year.

The largest portion of net position \$6,254,460 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$15,549 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$719,622 may be used to meet the government's ongoing obligations to citizens and creditors.

CHANGES IN NET POSITION

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 940,966	\$ 927,860
Operating grants and contributions	587	53,409
Capital grants and contributions	208,481	70,475
General revenues:		
Property taxes	2,125,498	1,758,779
Other taxes	51,434	75,669
Grants and contributions not restricted to specific programs	191,035	161,101
Miscellaneous revenue	122,409	43,239
Total revenues	<u>3,640,410</u>	<u>3,090,532</u>
Expenses:		
General Government	1,008,261	822,189
Public Safety	1,011,369	886,016
Highways and streets	565,560	552,315
Sanitation	294,838	262,127
Health and human services	31,029	42,656
Welfare	7,965	3,785
Culture and recreation	321,795	298,382
Conservation	1,508	5,488
Capital outlay	44,580	181,261
Total expenses	<u>3,286,905</u>	<u>3,054,219</u>
Change in net position	353,505	36,313
Net position, beginning	6,824,170	7,052,622
Prior year restatement	(188,044)	(264,765)
Net position, ending	<u>\$ 6,989,631</u>	<u>\$ 6,824,170</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$36,310. Key elements of this change are as follows:

General fund operating results	\$ (513,380)
Depreciation expense	(370,029)
Capital assets acquired from revenue sources	1,267,290
Other	(30,376)
Total	<u>\$ 353,505</u>

Financial Analysis of Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$2,778,146, a change of \$513,511 in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$ (513,380)
Nonmajor governmental funds results	(131)
Total	<u>\$ (513,511)</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,345,051, while total fund balance was \$2,692,693. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below:

<u>General Fund</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Change</u>	% of Total General Fund Expenditures
Unassigned fund balance	\$ 1,345,051	\$ 1,797,051	\$ (452,000)	32.4%
Total fund balance	\$ 2,692,693	\$ 3,206,073	\$ (513,380)	64.8%

The fund balance of the general fund changed by \$513,380 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (62,000)
Revenue surplus	185,407
Unexpended balance of appropriations	102,306
Non-budgetary GAAP expenditures	(762,754)
Change in capital reserves	33,683
Net budgetary to GAAP adjustments	(10,022)
Total	<u>\$ (513,380)</u>

Included in the total general fund balance are the Town's capital reserve account(s) with the following balance(s):

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Change</u>
Capital Reserve	\$ 1,338,599	\$ 1,304,916	\$ 33,683

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget.

Capital Asset Administration

Capital Assets

Total investment in capital assets for governmental activities at year-end amounted to \$6,254,460 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, improvements, machinery, equipment, vehicles, and infrastructure.

Major capital asset events during the current fiscal year included the following:

Governmental:		
New additions:		
Seven Pines Road	\$	15,119
Beede Road	\$	43,097
Hardhack Road	\$	66,751
Shepard Hill	\$	102,092
Roller	\$	45,000
2022 Ford F-350	\$	70,873
2022 Chevy Silverado	\$	73,978
Fire Engine (down payment)	\$	835,272
2022 Ford F-150	\$	55,916
2023 Ford Explorer	\$	51,902

Additional information on capital assets can be found in the Notes to Financial Statements.

REQUESTS FOR INFORMATION

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

Select Board
Town of Holderness
P.O. Box 203, Holderness
Holderness, New Hampshire 03245
(603) 968-3537

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,357,895
Investments	1,353,328
Receivables, net of allowance for uncollectibles	2,970,871
Prepaid items	3,468
Tax deeded property held for resale	3,392
Capital assets, not being depreciated:	
Land	1,296,888
Construction in progress	835,272
Capital assets, net of accumulated depreciation:	
Land improvements	94,480
Buildings and building improvements	1,744,066
Machinery, vehicles and equipment	1,030,707
Infrastructure	1,253,047
Total assets	14,943,414
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	529,082
Deferred amounts related to OPEB	19,097
Total deferred outflows of resources	548,179
LIABILITIES	
Accounts payable	88,759
Accrued payroll and benefits	68,914
Intergovernmental payable	4,359,925
Performance and escrow deposits	546
Noncurrent obligations:	
Due within one year:	
Compensated absences payable	5,462
Accrued landfill postclosure care costs	10,000
Due in more than one year:	
Compensated absences payable	49,161
Accrued landfill postclosure care costs	290,000
Net pension liability	1,868,434
Other postemployment benefits liability	372,148
Total liabilities	7,113,349
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	1,378,212
Deferred amounts related to pensions	10,401
Total deferred inflows of resources	1,388,613
NET POSITION	
Net investment in capital assets	6,254,460
Restricted for:	
Endowments:	
Nonexpendable	4,750
Expendable	10,799
Unrestricted	719,622
Total net position	\$ 6,989,631

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

EXHIBIT 2
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,008,261	\$ 625,525	\$ 587	\$ -	\$ (382,149)
Public safety	1,011,369	201,930	-	40,991	(768,448)
Highways and streets	565,560	-	-	167,490	(398,070)
Sanitation	294,838	50,639	-	-	(244,199)
Health	31,029	-	-	-	(31,029)
Welfare	7,965	-	-	-	(7,965)
Culture and recreation	321,795	62,872	-	-	(258,923)
Conservation	1,508	-	-	-	(1,508)
Capital outlay	44,580	-	-	-	(44,580)
Total primary government	<u>\$ 3,286,905</u>	<u>\$ 940,966</u>	<u>\$ 587</u>	<u>\$ 208,481</u>	<u>(2,136,871)</u>
General revenues:					
Property taxes					2,125,498
Other taxes					51,434
Grants and contributions not restricted to specific programs					191,035
Miscellaneous					122,409
Total general revenues					<u>2,490,376</u>
Change in net position					353,505
Net position, beginning, as restated, see Note III.D.1.					6,636,126
Net position, ending					<u>\$ 6,989,631</u>

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

EXHIBIT 3
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,290,111	\$ 67,784	\$ 4,357,895
Investments	1,337,779	15,549	1,353,328
Receivables, net of allowance for uncollectibles:			
Taxes	2,968,751	-	2,968,751
Accounts	-	2,120	2,120
Prepaid items	3,468	-	3,468
Tax deeded property held for resale	3,392	-	3,392
Total assets	<u>\$ 8,603,501</u>	<u>\$ 85,453</u>	<u>\$ 8,688,954</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 88,759	\$ -	\$ 88,759
Accrued salaries and benefits	68,914	-	68,914
Intergovernmental payable	4,359,925	-	4,359,925
Escrow and performance deposits	546	-	546
Total liabilities	<u>4,518,144</u>	<u>-</u>	<u>4,518,144</u>
Deferred inflows of resources:			
Deferred revenue	<u>1,392,664</u>	<u>-</u>	<u>1,392,664</u>
Fund balances:			
Nonspendable	6,860	4,750	11,610
Restricted	-	10,799	10,799
Committed	1,340,782	69,904	1,410,686
Unassigned	1,345,051	-	1,345,051
Total fund balances	<u>2,692,693</u>	<u>85,453</u>	<u>2,778,146</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,603,501</u>	<u>\$ 85,453</u>	<u>\$ 8,688,954</u>

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

EXHIBIT 4
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances of governmental funds (Exhibit 3)		\$ 2,778,146
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 10,148,144	
Less accumulated depreciation	<u>(3,893,684)</u>	6,254,460
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue		14,452
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	\$ 54,623	
Accrued landfill postclosure care costs	300,000	
Net pension liability	1,868,434	
Other postemployment benefits liability	<u>372,148</u>	(2,595,205)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 529,082	
Deferred outflows of resources related to OPEB	19,097	
Deferred inflows of resources related to pensions	<u>(10,401)</u>	
		<u>537,778</u>
Total net position of governmental activities (Exhibit 1)		<u><u>\$ 6,989,631</u></u>

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

EXHIBIT 5
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 2,196,910	\$ -	\$ 2,196,910
Licenses, permits and fees	620,509	-	620,509
Intergovernmental	399,516	-	399,516
Charges for services	261,861	58,596	320,457
Miscellaneous	154,414	588	155,002
Total revenues	<u>3,633,210</u>	<u>59,184</u>	<u>3,692,394</u>
Expenditures:			
Current:			
General government	983,961	-	983,961
Public safety	881,134	29,375	910,509
Highways and streets	351,199	-	351,199
Sanitation	283,535	-	283,535
Health	31,029	-	31,029
Welfare	7,965	-	7,965
Culture and recreation	275,216	19,940	295,156
Conservation	1,508	-	1,508
Capital outlay	1,341,043	-	1,341,043
Total expenditures	<u>4,156,590</u>	<u>49,315</u>	<u>4,205,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(523,380)</u>	<u>9,869</u>	<u>(513,511)</u>
Other financing sources (uses):			
Transfers in	10,000	-	10,000
Transfers out	-	(10,000)	(10,000)
Total other financing sources and uses	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balances	(513,380)	(131)	(513,511)
Fund balances, beginning	3,206,073	85,584	3,291,657
Fund balances, ending	<u>\$ 2,692,693</u>	<u>\$ 85,453</u>	<u>\$ 2,778,146</u>

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

EXHIBIT 6
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances of governmental funds (Exhibit 5)		\$ (513,511)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 1,299,296	
Depreciation expense	<u>(370,029)</u>	929,267
The net effect of the disposal of capital assets reduced net position.		
		(32,006)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (10,000)	
Transfers out	<u>10,000</u>	-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable tax revenue		(19,978)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences payable	\$ (7,012)	
Increase in OPEB related balances	<u>(18,215)</u>	(25,227)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	\$ 221,867	
Cost of benefits earned, net of employee contributions	<u>(206,907)</u>	14,960
Change in net position of governmental activities (Exhibit 2)		<u>\$ 353,505</u>

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

EXHIBIT 7
TOWN OF HOLDERNESS, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 2,211,495	\$ 2,211,495	\$ 2,176,932	\$ (34,563)
Licenses, permits and fees	578,228	578,228	620,509	42,281
Intergovernmental	260,294	395,725	399,516	3,791
Charges for services	276,763	276,763	261,861	(14,902)
Miscellaneous	20,000	20,000	94,538	74,538
Total revenues	<u>3,346,780</u>	<u>3,482,211</u>	<u>3,553,356</u>	<u>71,145</u>
EXPENDITURES				
Current:				
General government	1,037,437	1,037,437	978,118	59,319
Public safety	903,653	903,653	881,134	22,519
Highways and streets	357,952	357,952	351,199	6,753
Sanitation	299,212	299,212	253,535	45,677
Health	56,480	56,480	31,029	25,451
Welfare	10,000	10,000	7,965	2,035
Culture and recreation	286,914	286,914	275,216	11,698
Conservation	3,632	3,632	1,508	2,124
Capital outlay	337,700	473,131	546,401	(73,270)
Total expenditures	<u>3,292,980</u>	<u>3,428,411</u>	<u>3,326,105</u>	<u>102,306</u>
Excess of revenues over expenditures	<u>53,800</u>	<u>53,800</u>	<u>227,251</u>	<u>173,451</u>
Other financing sources (uses):				
Transfers in	337,700	337,700	451,962	114,262
Transfers out	(453,500)	(453,500)	(453,500)	-
Total other financing sources and uses	<u>(115,800)</u>	<u>(115,800)</u>	<u>(1,538)</u>	<u>114,262</u>
Net change in fund balance	<u>\$ (62,000)</u>	<u>\$ (62,000)</u>	225,713	<u>\$ 287,713</u>
Increase in nonspendable fund balance			(876,428)	
Decrease in committed fund balance			59,817	
Unassigned fund balance, beginning			1,950,401	
Unassigned fund balance, ending			<u>\$ 1,359,503</u>	

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

EXHIBIT 8
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private Purpose Trust	Custodial
Assets:		
Investments	\$ 139,208	\$ 795,665
Liabilities	-	-
Net position:		
Held in trust for specific purposes	139,208	-
Held for other governments	-	795,665
Total net positions	<u>\$ 139,208</u>	<u>\$ 795,665</u>

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

EXHIBIT 9
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Private Purpose Trust	Custodial
Additions:		
Deposits from school district	\$ -	\$ 180,000
Investment earnings:		
Interest and dividends	5,341	27,671
Scholarship donations	13,192	-
Total additions	<u>18,533</u>	<u>207,671</u>
Deductions:		
Scholarship distributions	<u>13,350</u>	<u>-</u>
Change in net position	5,183	207,671
Net position, beginning	134,025	587,994
Net position, ending	<u><u>\$ 139,208</u></u>	<u><u>\$ 795,665</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Holderness (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2023.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. Entity Defined

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

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

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. The major individual, governmental fund is reported in separate columns with composite columns for nonmajor funds.

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

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year, and defers any not received by that date. When calculating fund balance used to set the tax rate, unavailable tax revenues are not deferred in accordance with the directions of the New Hampshire Department of Revenue Administration. Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest which are reported as expenditures in the year due.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

I.B.4. Fund Types and Major Funds

Governmental Funds

The Town reports the following major governmental fund:

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

The Town also reports four nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

Private Purpose Trust Fund – Accounts for financial resources of the Town used only for the benefit of other entities or individuals.

Custodial Fund – Accounts for amounts held by the Town for individuals or other governments. These assets are therefore not available to support the Town’s own programs. The Town’s custodial fund is used to account for amounts held by the trustees of trust funds that belong to the Holderness School District.

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

I.C.1. Cash and Investments

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

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

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

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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JUNE 30, 2023**

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

I.C.2. Capital Assets and Depreciation

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

	Years
Land improvements	40
Buildings and building improvements	20-40
Machinery, vehicles and equipment	5-20
Infrastructure	10-30

I.C.3. Long-Term Debt

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

I.C.4. Equity

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

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, nonexpendable, which consists of the principal balance of the permanent fund that must be permanently invested for cemetery care and other Town purposes.
- Restricted for endowments, expendable, which consists of the balance of the permanent fund’s income that must be used for specific Town purposes.
- Unrestricted, which consists of the remaining balance of net position.

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent fund, the tax deeded property held for resale in the general fund, and prepaid items.
- Restricted, which represents the expendable income from the permanent fund whose use is limited by law.
- Committed, which consists of balances for which the intended use has been established by Town Meeting, or by the Board of Selectmen, and would require an equally formal action to remove those commitments.
- Unassigned, which represents the remaining fund balance in the General Fund in excess of the nonspendable, restricted, committed, and assigned balances.

Fund Balance Policy

The Town's policy is that it should maintain a minimum unassigned fund balance in accordance with New Hampshire Department of Revenue Administration recommended guidelines of the total appropriations of the community, including town, county, school, and state amounts. The Board of Selectmen will review this information each year in order to determine the amount, if any, of unassigned fund balance to use to balance the budget and reduce the property tax rate.

I.D. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. For fiscal year 2023, none of the fund balance of the General Fund from fiscal year 2022 was so used but \$62,000 was appropriated from fund balance.

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

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

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

II.B. General Fund GAAP to Budgetary Basis Reconciliation

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 4,005,318
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	34,430
Tax revenue deferred in the current year	(14,452)
Perspective difference:	
Revenue from expendable trust fund	59,876
Transfers from expendable trust fund	(441,962)
Per Exhibit 5 (GAAP basis)	<u>\$ 3,643,210</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 3,779,605
Adjustments:	
Basis difference:	
Encumbrances, beginning	30,000
Perspective difference:	
Non-budgetary GAAP expenditures	762,754
Expenditures of expendable trust fund	37,731
Transfers to expendable trust fund	(453,500)
Per Exhibit 5 (GAAP basis)	<u>\$ 4,156,590</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 1,359,503
Adjustments:	
Basis difference:	
Deferred tax revenue, GAAP basis	(14,452)
Per Exhibit 3 (GAAP basis)	<u>\$ 1,345,051</u>

The Expendable Trust Fund does not have an annual budget.

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of June 30, 2023, the Town’s reporting entity had \$2,288,201 invested in the New Hampshire Public Deposit Investment Pool.

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,353,328
Fiduciary funds - statement of fiduciary net position (Exhibit 8)	934,873
Total	<u>\$ 2,288,201</u>

Fair Value Measurement

The Town categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The Town classifies its investments into Level 2, which refers to investments not traded on an active market but for which observable market inputs are readily available. The levels relate to valuation only and do not necessarily indicate a measure of risk.

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

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 8% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year’s billing. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 14% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2022 property taxes on May 22nd.

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

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

The net assessed valuation as of April 1, 2022, upon which the 2022 property tax levy was based was:

For the New Hampshire education tax	\$ 958,278,684
For all other taxes	\$ 978,872,384

The tax rates and amounts assessed for the year ended June 30, 2023 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$2.29	\$ 2,244,475
School portion:		
State of New Hampshire	\$1.29	1,234,705
Local	\$6.21	6,078,245
County portion	\$1.43	1,398,959
Total property taxes assessed		\$ 10,956,384

The following details the taxes receivable at year-end:

Property:	
Levy of 2023	\$ 2,952,706
Unredeemed (under tax lien):	
Levy of 2022	39,541
Levy of 2021	36,707
Less: allowance for estimated uncollectible taxes	(60,203)
Net taxes receivable	\$ 2,968,751

Deferred Revenue

Deferred revenue at June 30, 2023 represents \$1,145,765 for property taxes levied for the subsequent year, \$14,452 of property taxes that were not collected within 60 days of the fiscal year end, and therefore, are deferred in accordance with generally accepted accounting principles, \$220,321 for unspent America Rescue Plan Act Funds, \$3,818 in scholarship funds, \$4,408 in funds for the concert series, and \$3,900 in insurance proceeds received prior to repairs having been made. In the Governmental Activities, only the property taxes levied for the subsequent year, unspent ARPA Funds, scholarship funds, concert series funds, and insurance proceeds are reported as unearned.

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

III.A.3. Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 1,296,888	\$ -	\$ -	\$ 1,296,888
Construction in progress	161,115	835,272	(161,115)	835,272
Total capital assets not being depreciated	<u>1,458,003</u>	<u>835,272</u>	<u>(161,115)</u>	<u>2,132,160</u>
Being depreciated:				
Land improvements	208,717	-	-	208,717
Buildings and building improvements	2,848,796	-	-	2,848,796
Machinery, vehicles and equipment	2,400,376	297,669	(413,390)	2,284,655
Infrastructure	2,346,346	327,470	-	2,673,816
Total capital assets being depreciated	<u>7,781,601</u>	<u>625,139</u>	<u>(413,390)</u>	<u>8,015,984</u>
Total all capital assets	<u>9,239,604</u>	<u>1,460,411</u>	<u>(574,505)</u>	<u>10,148,144</u>
Less accumulated depreciation:				
Land improvements	(109,019)	(5,218)	-	(114,237)
Buildings and building improvements	(1,034,506)	(70,224)	-	(1,104,730)
Machinery, vehicles and equipment	(1,476,995)	(158,337)	381,384	(1,253,948)
Infrastructure	(1,284,519)	(136,250)	-	(1,420,769)
Total accumulated depreciation	<u>(3,905,039)</u>	<u>(370,029)</u>	<u>381,384</u>	<u>(3,893,684)</u>
Net book value, capital assets being depreciated	<u>3,876,562</u>	<u>255,110</u>	<u>(32,006)</u>	<u>4,122,300</u>
Net book value, all capital assets	<u>\$ 5,334,565</u>	<u>\$ 1,090,382</u>	<u>\$ (193,121)</u>	<u>\$ 6,254,460</u>

Depreciation Expense

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

Governmental activities:	
General government	\$ 13,728
Public safety	103,701
Highways and streets	217,173
Sanitation	9,059
Culture and recreation	26,368
Total depreciation expense	<u>\$ 370,029</u>

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

III.B. Long-Term Liabilities

Long-term liabilities at year-end are as follow:

	Outstanding at 06/30/2023	Current Portion
Compensated absences payable:		
Accrued vacation leave	\$ 54,623	\$ 5,462
Accrued landfill postclosure care costs	300,000	10,000
Net pension liability	1,868,434	-
Other postemployment benefits payable	372,148	-
	\$ 2,595,205	\$ 15,462

Changes in Long-Term Liabilities

The following is a summary of changes in the long-term liabilities during the year:

	Compensated Absences Payable	Accrued Landfill Postclosure Care Costs	Net Pension Liability	OPEB Liability	Total
Balance, beginning	\$ 47,611	\$ 300,000	\$ 1,380,116	\$ 348,852	\$ 2,076,579
Additions	7,012	-	488,318	23,296	518,626
Balance, ending	\$ 54,623	\$ 300,000	\$ 1,868,434	\$ 372,148	\$ 2,595,205

III.C. Transfers – Payments Within the Reporting Entity

Transfers within the reporting entity are substantially for the purposes of moving or distributing voted amounts, and distributing trust income to the applicable funds. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

During the fiscal year, the Nonmajor Public Safety Fund transferred \$10,000 to the General Fund representing voted appropriations.

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

III.D. Fund Equity

III.D.1. Restatement of Beginning Equity

The beginning net position at July 1, 2022 was restated as follows:

	<u>Governmental Activities</u>
To correct capital asset balances	\$ 22,634
To record implicit rate subsidy within the OPEB liability and related balances	(210,678)
Net position, as previously reported	6,824,170
Net position, as restated	<u><u>\$ 6,636,126</u></u>

III.D.2. Components of Fund Balance

The components of fund balance, as described in Note I.C.4., are classified for the following purposes:

	General Fund	Nonmajor Funds
Nonspendable:		
Endowments	\$ -	\$ 4,750
Prepaid items	3,468	-
Tax deeded property	3,392	-
Total nonspendable	6,860	4,750
Restricted:		
Culture and recreation	-	10,799
Committed:		
Public safety	-	3,114
Culture and recreation	-	37,992
Conservation	-	28,798
Capital outlay	1,340,782	-
Total committed	1,340,782	69,904
Unassigned	1,345,051	-
Total fund balance	\$ 2,692,693	\$ 85,453

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex) Workers' Compensation and Property/Liability Programs, which are considered public entity risk pools, currently operating as common risk management and insurance programs for member governmental entities.

The Primex Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Workers' compensation and property/liability coverage were provided from January 1 through December 31. Primex provided property and employer's liability coverage in varying amounts and statutory coverage for workers' compensation.

Contributions for fiscal year 2023 recorded as an insurance expenditure/expense totaled \$18,162 for workers' compensation and \$44,882 for property/liability. There were no unpaid contributions for the fiscal year ended June 30, 2023. The member agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

General Information about the Pension Plan

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

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers, fire, and other employees were 11.55%, 11.80%, and 7%, respectively, of gross earnings. The rates of contribution from the Town for the period were 33.88% for police officers, 32.99% for fire personnel, and 14.06% for other employees. The rates are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions for pension and medical subsidy from the Town during

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

the fiscal years 2021, 2022, and 2023 were \$143,067, \$188,699, and \$221,867, respectively. The amounts were paid on a monthly basis as due.

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

At June 30, 2023, the Town reported a liability of \$1,868,434 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2022 (the date used for the 2023 valuation), the Town's proportion was 0.0326%, which was an increase of 0.0015% from its proportion measured as of June 30, 2021.

For 2023, the Town recognized pension expense of \$206,907. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 101,951	\$ 3,228
Net differences between projected and actual earnings on pension plan investments	70,811	-
Changes in assumptions	99,386	-
Differences between expected and actual experience	35,067	7,173
Town contributions subsequent to the measurement date	221,867	-
	<u>\$ 529,082</u>	<u>\$ 10,401</u>

The Town reported \$221,867 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the following year.

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Fiscal Year Ending June 30,	
2024	\$ 100,779
2025	95,670
2026	(10,003)
2027	110,368
	<u>\$ 296,814</u>

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Amortization Period	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Multiple periods of 18-20 years
Asset Valuation Method	5-year smoothed market for funding purposes, 20% corridor
Price Inflation	2.0% per year
Wage Inflation	2.75% per year
Salary Increases	5.4% average, including inflation
Municipal Bond Rate	3.69% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2015-2019 Experience Study

Mortality rates were based on the RP-2014 Healthy Annuitant and Employee Generational Mortality Tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2015 – June 30, 2019.

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of net pension liability	\$2,506,968	\$1,868,434	\$1,337,553

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

IV.C. Other Postemployment Benefits

Plan Description

In addition to providing pension benefits, the Town provides implicit postretirement medical benefits to its retired employees and their spouses, as required by NH RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*. The pre-65 benefits are the only benefits included in this valuation. Retirees under the age of 65 have a medical insurance plan with Health Trust. Both Group I and Group II retirees, as categorized by the New Hampshire Retirement System, qualify for this benefit. Group I employees, hired prior to 7/1/11, may retire at age 60, or once their age plus years of service equals 70. Group I employees hired after 7/1/11 may retire at age 65. Group II employees vested prior to 1/1/12 may retire at age 60, or at age 45 with 20 years of service. Group II employees not vested prior to 1/1/12, but hired prior to 7/1/11, may retire at age 60, or upon attainment of minimum age and service requirements as follow:

Years of Creditable Service as of January 1, 2012	Minimum Age	Minimum Service
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
Less than 4 years	49	24

Group II employees hired on or after 7/1/11 may retire at age 60, or at age 52.5 with 25 years of service. Retirees contribute 100% of premiums for individual, two-person or family medical coverage. Surviving beneficiaries continue to receive access to the Town's medical coverage after the death of the retired employee as long as they pay the required premium. As of January 1, 2021, the actuarial valuation date, there is only one participant of the postretirement plan that meets eligibility requirements. The plan does not issue a separate financial report.

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

Implicit Rate Subsidy

Same benefit options are available to retirees as active employees. Health insurance is purchased through Health Trust. The Town is a member of the under-100 employees' pool and their rates are determined based on the experience of the entire under-100 employees' pool. The claims experience for active employees and retirees are combined to determine the final premium rate. This single premium rate is called a blended premium because it blends the expected claims of both active and retired participants.

Medical Insurance Subsidy

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 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. This OPEB plan is closed to new entrants.

Total OPEB Liability

The Town's total OPEB liability of \$372,148 consists of \$231,094 for the implicit rate subsidy determined by an actuarial valuation as of July 1, 2022 and \$141,054 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2021 with roll-forward procedures used to determine the liability as of June 30, 2022. The roll-forward of the total OPEB liability from June 30, 2021 to June 30, 2022 reflects expected service cost and interest reduced by actual benefit payments and refunds for the plan year.

Methods and Assumptions

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

Implicit Rate Subsidy

Payroll Growth	3.50%
Discount Rate	3.65%
Inflation	3.10%
Mortality	Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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JUNE 30, 2023**

Healthcare Cost Trend Rates	2022	16.70%
	2023	7.50%
	Ultimate Trend	4.54%
Medical Insurance Subsidy		
Payroll growth	3.25%	
Discount Rate	6.75%	
Inflation	2.50%	
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation	
Mortality	RP-2014 Healthy Annuitant and Employee Generational Mortality Table for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015 based on the 2010-2015 experience study	
Healthcare Cost Trend Rates	N/A, given that the benefits are fixed stipends	

Sensitivity of Total OPEB Liability to Rate Changes

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate. The following presents the total OPEB liability calculated using the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher:

Implicit rate subsidy:		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	(2.65%)	(3.65%)	(4.65%)
Town's total OPEB liability	<u>\$ 254,562</u>	<u>\$ 231,094</u>	<u>\$ 210,178</u>
Medical subsidy:		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	(5.75%)	(6.75%)	(7.75%)
Town's total OPEB liability	<u>\$ 153,138</u>	<u>\$ 141,054</u>	<u>\$ 130,529</u>

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

The following presents the total OPEB liability for the implicit rate subsidy calculated using the current healthcare cost trend rate of 7.50%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate 1-percentage point lower or 1-percentage point higher:

	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Town's total OPEB liability	\$ 205,032	\$ 231,094	\$ 261,278

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense of \$39,639. At year-end, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net differences between projected and actual earnings on pension plan investments	\$ 385
Town contributions subsequent to the measurement date	18,712
	\$ 19,097

The Town reported \$18,712 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in the following year.

The other amount recognized as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	\$ 64
2025	17
2026	(152)
2027	456
	\$ 385

**TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

IV.D. Contingent Liabilities

The Town has received grants for specific purposes that are subject to review and possible audit by the grantor or pass-through agency. Any such audit may result in a requirement to reimburse the grantor agency for costs disallowed. The Town does not feel the chance of disallowance is likely, and that if it should occur, the amount would not be material.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 10
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Town's proportion of net pension liability	0.0326%	0.0311%	0.0303%	0.0294%	0.0298%	0.0311%	0.0319%	0.0344%	0.0310%
Town's proportionate share of the net pension liability	\$ 1,868,434	\$ 1,380,116	\$ 1,935,553	\$ 1,413,837	\$ 1,435,147	\$ 1,532,882	\$ 1,696,354	\$ 1,361,960	\$ 1,390,339
Town's covered-employee payroll	\$ 950,205	\$ 814,925	\$ 733,387	\$ 685,823	\$ 669,812	\$ 669,119	\$ 669,376	\$ 652,344	\$ 628,603
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	196.63%	169.35%	263.92%	206.15%	214.26%	229.09%	253.42%	208.78%	221.18%
Plan fiduciary position as a percentage of the total pension liability	65.12%	72.22%	58.72%	65.59%	64.77%	62.66%	58.30%	65.47%	66.32%

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

EXHIBIT 11
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required contribution	\$ 221,867	\$ 188,699	\$ 143,067	\$ 134,433	\$ 127,863	\$ 124,862	\$ 116,781	\$ 115,340	\$ 100,439
Contribution in relation to the contractually required contribution	(221,867)	(188,699)	(143,067)	(134,433)	(127,863)	(124,862)	(116,781)	(115,340)	(100,439)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 950,205	\$ 814,925	\$ 771,564	\$ 733,387	\$ 685,823	\$ 669,812	\$ 669,119	\$ 669,376	\$ 652,344
Contributions as a percentage of covered-employee payroll	23.3%	23.2%	18.5%	18.3%	18.6%	18.6%	17.5%	17.2%	15.4%

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

EXHIBIT 12
TOWN OF HOLDERNESS
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Total OPEB liability:					
Service cost	\$ 15,165	\$ 2,552	\$ 2,453	\$ 2,984	\$ 3,490
Interest	18,986	105,280	108,661	119,078	121,518
OPEB plan net investment income	(1,052)	(36,931)	(1,317)	(6,897)	(11,101)
OPEB plan administrative expenses	(87)	593	560	528	118
Changes of assumptions and differences between expected and actual experience	9,352	(34,202)	(75,153)	-	-
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	-	12	(1,295)	(462)	(151)
Benefit payments	(19,068)	(44,199)	(41,500)	(125,026)	(64,250)
Net change in total OPEB liability	23,296	(6,895)	(7,591)	(9,795)	49,624
Total OPEB liability, beginning, as restated	348,852	145,069	152,660	162,455	112,831
Total OPEB liability, ending	<u>\$ 372,148</u>	<u>\$ 138,174</u>	<u>\$ 145,069</u>	<u>\$ 152,660</u>	<u>\$ 162,455</u>
Covered-employee payroll	\$ 950,205	\$ 814,925	\$ 733,387	\$ 685,823	\$ 669,812
Total OPEB liability as a percentage of covered-employee payroll	39.17%	16.96%	19.78%	22.26%	24.25%

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

EXHIBIT 13
TOWN OF HOLDERNESS
Schedule of the Town's OPEB Contributions

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Actuarially determined contribution	\$ 45,873	\$ 16,581	\$ 15,384	\$ 15,891	\$ 15,515
Contributions in relation to the actuarially determined contribution	(21,427)	(16,581)	(15,384)	(15,891)	(15,515)
Contribution deficiency	<u>\$ 24,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$950,205	\$771,564	\$733,387	\$685,823	\$669,812
Contributions as a percentage of covered-employee payroll	4.83%	2.15%	2.10%	2.32%	2.32%

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

TOWN OF HOLDERNESS, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

The Pension and OPEB Schedules are meant to present related information for ten years. Because this is the eighth year that the Town has presented the pension schedules, and the fourth year for the OPEB information under the current measurement standard, only nine years and five years, respectively, are presented. An additional year's information will be added each year until there are ten years shown.

The Total OPEB liability was restated at July 1, 2022, to reflect the addition of the implicit rate subsidy calculation determined by an actuarial valuation as of July 1, 2022.

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 14
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds				Total
	Recreation	Public Safety	Conservation Commission	Permanent Fund	
ASSETS					
Cash and cash equivalents	\$ 37,992	\$ 994	\$ 28,798	\$ -	\$ 67,784
Investments	-	-	-	15,549	15,549
Accounts receivable	-	2,120	-	-	2,120
Total assets	<u>\$ 37,992</u>	<u>\$ 3,114</u>	<u>\$ 28,798</u>	<u>\$ 15,549</u>	<u>\$ 85,453</u>
FUND BALANCES					
Nonspendable	\$ -	\$ -	\$ -	\$ 4,750	\$ 4,750
Restricted	-	-	-	10,799	10,799
Committed	37,992	3,114	28,798	-	69,904
Total fund balances	<u>\$ 37,992</u>	<u>\$ 3,114</u>	<u>\$ 28,798</u>	<u>\$ 15,549</u>	<u>\$ 85,453</u>

EXHIBIT 15
TOWN OF HOLDERNESS, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds				Total
	Recreation	Public Safety	Conservation Commission	Permanent Fund	
REVENUES					
Charges for services	\$ 23,061	\$ 35,535	\$ -	\$ -	\$ 58,596
Miscellaneous	-	-	1	587	588
Total revenues	<u>23,061</u>	<u>35,535</u>	<u>1</u>	<u>587</u>	<u>59,184</u>
EXPENDITURES					
Current:					
Public safety	-	29,375	-	-	29,375
Culture and recreation	19,940	-	-	-	19,940
Total expenditures	<u>19,940</u>	<u>29,375</u>	<u>-</u>	<u>-</u>	<u>49,315</u>
Excess of revenues over expenditures	3,121	6,160	1	587	9,869
Other financing uses:					
Transfers out	-	(10,000)	-	-	(10,000)
Net change in fund balances	3,121	(3,840)	1	587	(131)
Fund balances, beginning	34,871	6,954	28,797	14,962	85,584
Fund balances, ending	<u>\$ 37,992</u>	<u>\$ 3,114</u>	<u>\$ 28,798</u>	<u>\$ 15,549</u>	<u>\$ 85,453</u>

EXHIBIT 16
TOWN OF HOLDERNESS, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 2,157,995	\$ 2,125,498	\$ (32,497)
Land use change	5,000	8,553	3,553
Timber	17,000	13,447	(3,553)
Excavation	500	119	(381)
Interest and penalties on delinquent taxes	31,000	29,315	(1,685)
Total taxes	<u>2,211,495</u>	<u>2,176,932</u>	<u>(34,563)</u>
Licenses, permits and fees:			
Business licenses and permits	18,750	3,034	(15,716)
Motor vehicle permits	532,793	592,332	59,539
Building permits	11,500	10,987	(513)
Other	15,185	14,156	(1,029)
Total licenses, permits and fees	<u>578,228</u>	<u>620,509</u>	<u>42,281</u>
Intergovernmental:			
State sources:			
SB 401 highway block grant	45,000	45,000	-
Meals and rooms distributions	176,790	176,790	-
Highway block grant	73,059	73,050	(9)
State and federal forest land	10	10	-
Emergency management	10,435	14,235	3,800
Federal sources:			
ARPA locality equipment grant	40,991	40,991	-
ARPA	49,440	49,440	-
Total intergovernmental	<u>395,725</u>	<u>399,516</u>	<u>3,791</u>
Charges for services:			
Income from departments	276,763	261,861	(14,902)
Miscellaneous:			
Sale of property	-	5,500	5,500
Interest on investments	20,000	83,630	63,630
Other	-	5,408	5,408
Total miscellaneous	<u>20,000</u>	<u>94,538</u>	<u>74,538</u>
Other financing sources:			
Transfers in:			
Expendable trust fund	327,700	441,962	114,262
Nonmajor funds	10,000	10,000	-
Total other financing sources	<u>337,700</u>	<u>451,962</u>	<u>114,262</u>
Total revenues and other financing sources	3,819,911	<u>\$ 4,005,318</u>	<u>\$ 185,407</u>
Use of fund balance	62,000		
Total revenues, other financing sources and use of fund balance	<u>\$ 3,881,911</u>		

EXHIBIT 17
TOWN OF HOLDERNESS, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
General government:				
Executive	\$ -	\$ 152,100	\$ 152,860	\$ (760)
Election and registration	-	101,243	92,962	8,281
Financial administration	-	69,420	68,829	591
Revaluation of property	-	38,439	44,216	(5,777)
Legal	-	35,000	15,199	19,801
Personnel administration	-	546,717	517,218	29,499
Planning and zoning	-	26,911	22,596	4,315
General government buildings	-	18,200	16,476	1,724
Cemeteries	-	3,525	2,880	645
Insurance, not otherwise allocated	-	45,882	44,882	1,000
Total general government	-	1,037,437	978,118	59,319
Public safety:				
Police	-	591,239	568,162	23,077
Ambulance	-	71,306	71,306	-
Fire	-	240,108	241,166	(1,058)
Emergency management	-	1,000	500	500
Total public safety	-	903,653	881,134	22,519
Highways and streets:				
Highways and streets	-	352,202	344,346	7,856
Street lighting	-	5,750	6,853	(1,103)
Total highways and streets	-	357,952	351,199	6,753
Sanitation:				
Solid waste disposal	30,000	298,712	283,535	45,177
Sewage collection and disposal	-	500	-	500
Total sanitation	30,000	299,212	283,535	45,677
Health:				
Administration	-	10,313	5,962	4,351
Pest control	-	1,500	1,650	(150)
Health agencies and hospitals	-	44,667	23,417	21,250
Total health	-	56,480	31,029	25,451
Welfare:				
Direct assistance	-	10,000	7,965	2,035

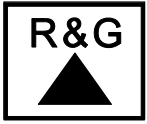
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EXHIBIT 17 (continued)
TOWN OF HOLDERNESS, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Culture and recreation:				
Parks and recreation	-	84,156	82,651	1,505
Public library	-	191,308	182,825	8,483
Patriotic purposes	-	1,000	1,481	(481)
Other	-	10,450	8,259	2,191
Total culture and recreation	-	286,914	275,216	11,698
Conservation:				
Administration	-	3,632	1,508	2,124
Capital outlay:				
Machinery, vehicles and equipment	-	192,991	234,267	(41,276)
Improvements other than buildings	-	280,140	312,134	(31,994)
Total capital outlay	-	473,131	546,401	(73,270)
Other financing uses:				
Transfers out:				
Expendable trust fund	-	453,500	453,500	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 30,000	\$ 3,881,911	\$ 3,809,605	\$ 102,306

EXHIBIT 18
TOWN OF HOLDERNESS, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

Unassigned fund balance, beginning		\$ 1,950,401
Changes:		
Unassigned fund balance appropriated		(62,000)
Budget summary:		
Revenue surplus (Exhibit 16)	\$ 185,407	
Unexpended balance of appropriations (Exhibit 17)	102,306	
Budget surplus	287,713	287,713
Increase in nonspendable fund balance		(876,428)
Decrease in committed fund balance		59,817
Unassigned fund balance, ending		\$ 1,359,503



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Holderness as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

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

January 9, 2024

Roberts & Greene, PLLC