

TOWN OF TEMPLE NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022

**TOWN OF TEMPLE, NEW HAMPSHIRE
FINANCIAL REPORT
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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, significant audit findings, and certain internal control related matters that we identified during the audit.

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 through 10 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 of Temple'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. Such information is 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

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

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.

June 21, 2023

Roberts & Heine, PLLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Temple, New Hampshire (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required 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 and liabilities 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 governmental activities include general government, public safety, highways and streets, sanitation, health and welfare, library 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. All of the 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 a 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 the Town's own programs. The Town's fiduciary fund is a custodial fund, which reports resources that are held by the Town for other parties outside of the Town's reporting entity.

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.

Other Information

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, net position in governmental activities was \$4,078,458, a change of \$555,287.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$2,037,850, a change of \$1,015,713 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$554,914, a change of \$25,458 in comparison to the prior year.

Government-Wide Financial Analysis

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

STATEMENT OF NET POSITION

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 3,764,487	\$ 2,646,652
Capital assets	<u>2,574,882</u>	<u>2,713,427</u>
Total assets	6,339,369	5,360,079
Long-term liabilities outstanding	698,291	358,184
Other liabilities	<u>1,502,164</u>	<u>1,397,855</u>
Total liabilities	2,200,455	1,756,039
Deferred inflows of resources	60,456	80,869
Net investment in capital assets	2,234,882	2,358,227
Restricted	532,116	228,755
Unrestricted	<u>1,311,460</u>	<u>936,189</u>
Total net position	<u>\$ 4,078,458</u>	<u>\$ 3,523,171</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 fiscal year, total net position was \$4,078,458, a change of \$555,287 in comparison to the prior year.

The largest portion of net position \$2,234,882 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 \$532,116 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$1,311,460, may be used to meet the government's ongoing obligations to citizens and creditors.

CHANGES IN NET POSITION (in thousands)

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues		
Charges for services	\$ 322,086	\$ 321,967
Operating grants and contributions	180,539	80,851
General revenues:		
Property taxes	926,168	927,130
Penalties and interest on taxes	111,208	70,737
Grants and contributions not restricted to specific programs	242,236	102,359
Other	<u>226,755</u>	<u>109,387</u>
Total revenues	2,008,992	1,612,431
Expenses:		
General government	355,731	372,282
Public safety	440,769	401,830
Highways and streets	341,707	347,028
Sanitation	78,060	82,952
Health and welfare	19,302	16,485
Library and recreation	83,043	63,348
Conservation	1,215	2,289
Interest on long-term debt	<u>18,727</u>	<u>3,287</u>
Total expenses	<u>1,453,705</u>	<u>1,300,229</u>
Change in net position before permanent fund contributions	555,287	312,202
Permanent fund contributions	<u>-</u>	<u>-</u>
Change in net position	555,287	312,202
Net position – beginning of year	<u>3,523,171</u>	<u>3,210,969</u>
Net position – end of year	<u>\$ 4,078,458</u>	<u>\$ 3,523,171</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$555,287. Key elements of this change are as follows:

General fund operations	\$ 988,167
Nonmajor funds – operating results	27,546
Capitalized capital outlay	0
Depreciation expense in excess of principal	
debt service	(97,800)
Issuance of long-term debt	(355,217)
Other GAAP accruals	<u>(7,409)</u>
Total	<u>\$ 555,287</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 \$2,037,850, a change of \$1,015,713 in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$ 988,167
Nonmajor fund results	<u>27,546</u>
Total	<u>\$ 1,015,713</u>

General Fund

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$554,914, while total fund balance was \$1,709,407. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Refer to the table below.

General Fund	<u>12/31/22</u>	<u>12/31/21</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 554,914	\$ 529,456	\$ 25,458	41.0%
Total fund balance	\$ 1,709,407	\$ 721,240	\$ 988,167	126.4%

The total fund balance of the general fund changed by \$988,167 during the current fiscal year. Key factors in this change are as follows:

Revenue surplus	\$ 68,902
Expenditures less than budget	76,043
Use of fund balance as a funding source	(131,200)
Change in capital reserve	622,763
Unspent bond proceeds	355,217
Other	<u>(3,558)</u>
Total	<u>\$ 9,88,167</u>

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

	<u>12/31/22</u>	<u>12/31/21</u>	<u>Change</u>
Capital reserve	\$ 799,276	\$ 176,513	\$ 622,763

Non-Major Governmental Funds

The non-major fund balance changed by \$27,546 primarily from the receipt of land use change tax.

General Fund Budgetary Highlights

There were unexpended appropriations for the Broadband expansion project at year-end as the project was not yet completed.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental at year-end amounted to \$2,574,882 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

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's 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 Temple
P.O. Box 191
Temple, New Hampshire 03084

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF TEMPLE, NEW HAMPSHIRE
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 223,659
Investments	3,264,515
Receivables, net of allowance for uncollectibles	276,313
Capital assets, not being depreciated:	
Land	555,807
Construction in progress	355,218
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	399,223
Machinery, vehicles and equipment	192,190
Infrastructure	1,072,444
Total assets	<u>6,339,369</u>
LIABILITIES	
Accounts payable	10,977
Accrued payroll and benefits	439
Accrued interest payable	7,514
Intergovernmental payable	1,483,234
Noncurrent obligations:	
Due within one year:	
Bonds payable	25,000
Unamortized bond premium	1,856
Due in more than one year:	
Bonds payable	633,100
Unamortized bond premium	35,261
Compensated absences payable	3,074
Total liabilities	<u>2,200,455</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	<u>60,456</u>
NET POSITION	
Net investment in capital assets	2,234,882
Restricted for:	
Endowments:	
Nonexpendable	71,844
Expendable	49,510
Other purposes	410,762
Unrestricted	1,311,460
Total net position	<u>\$ 4,078,458</u>

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

EXHIBIT 2
TOWN OF TEMPLE, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Changes in Net
	Expenses	Services	Contributions	Position
Governmental activities:				
General government	\$ 355,731	\$ 319,644	\$ 97,775	\$ 61,688
Public safety	440,769	-	-	(440,769)
Highways and streets	341,707	-	72,187	(269,520)
Sanitation	78,060	-	-	(78,060)
Health	17,195	-	-	(17,195)
Welfare	2,107	-	-	(2,107)
Culture and recreation	83,043	2,442	10,168	(70,433)
Conservation	1,215	-	409	(806)
Interest on long-term debt	18,727	-	-	(18,727)
Capital outlay	115,151	-	-	(115,151)
Total primary government	<u>\$ 1,453,705</u>	<u>\$ 322,086</u>	<u>\$ 180,539</u>	<u>(951,080)</u>
General revenues:				
Property taxes				926,168
Other taxes				111,208
Grants and contributions not restricted to specific programs				242,236
Miscellaneous				226,755
Total general revenues				<u>1,506,367</u>
Change in net position				555,287
Net position, beginning				<u>3,523,171</u>
Net position, ending				<u>\$ 4,078,458</u>

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

EXHIBIT 3
TOWN OF TEMPLE, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2022

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 207,738	\$ 15,920	\$ 223,658
Investments	2,949,121	315,394	3,264,515
Taxes receivable, net of allowance for uncollectibles	276,313	-	276,313
Interfund receivable	2,871	-	2,871
Total assets	<u>\$ 3,436,043</u>	<u>\$ 331,314</u>	<u>\$ 3,767,357</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 10,976	\$ -	\$ 10,976
Accrued salaries and benefits	439	-	439
Intergovernmental payable	1,483,234	-	1,483,234
Interfund payable	-	2,871	2,871
Total liabilities	<u>1,494,649</u>	<u>2,871</u>	<u>1,497,520</u>
Deferred inflows of resources:			
Deferred revenue	<u>231,987</u>	<u>-</u>	<u>231,987</u>
Fund balances:			
Nonspendable	-	71,844	71,844
Restricted	355,217	71,277	426,494
Committed	799,276	185,322	984,598
Unassigned	554,914	-	554,914
Total fund balances	<u>1,709,407</u>	<u>328,443</u>	<u>2,037,850</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,436,043</u>	<u>\$ 331,314</u>	<u>\$ 3,767,357</u>

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

EXHIBIT 4
TOWN OF TEMPLE, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2022

Total fund balances of governmental funds (Exhibit 3)		\$ 2,037,850
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	\$ 4,193,378	
Less accumulated depreciation	<u>(1,618,496)</u>	
		2,574,882
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue		171,531
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(7,514)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond outstanding	\$ 658,100	
Unamortized bond premium	37,117	
Compensated absences payable	<u>3,074</u>	
		(698,291)
Total net position of governmental activities (Exhibit 1)		<u>\$ 4,078,458</u>

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

EXHIBIT 5
TOWN OF TEMPLE, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 991,658	\$ 23,265	\$ 1,014,923
Licenses, permits and fees	316,005	-	316,005
Intergovernmental	410,032	10,138	420,170
Charges for services	2,539	2,442	4,981
Miscellaneous	263,898	7,307	271,205
Total revenues	<u>1,984,132</u>	<u>43,152</u>	<u>2,027,284</u>
Expenditures:			
Current:			
General government	339,499	230	339,729
Public safety	434,029	-	434,029
Highways and streets	267,959	-	267,959
Sanitation	78,060	-	78,060
Health	17,195	-	17,195
Welfare	2,107	-	2,107
Culture and recreation	67,661	13,982	81,643
Conservation	1,215	-	1,215
Debt service:			
Principal	15,200	-	15,200
Interest	14,500	-	14,500
Capital outlay	115,151	-	115,151
Total expenditures	<u>1,352,576</u>	<u>14,212</u>	<u>1,366,788</u>
Excess of revenues over expenditures	<u>631,556</u>	<u>28,940</u>	<u>660,496</u>
Other financing sources (uses):			
Transfers in	1,394	-	1,394
Transfers out	-	(1,394)	(1,394)
Long-term debt issued	355,217	-	355,217
Total other financing sources and uses	<u>356,611</u>	<u>(1,394)</u>	<u>355,217</u>
Net change in fund balances	988,167	27,546	1,015,713
Fund balances, beginning	721,240	300,897	1,022,137
Fund balances, ending	<u>\$ 1,709,407</u>	<u>\$ 328,443</u>	<u>\$ 2,037,850</u>

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

EXHIBIT 6
TOWN OF TEMPLE, 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, 2022

Net change in fund balances of governmental funds (Exhibit 5)		\$ 1,015,713
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 depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ -	
Depreciation expense	<u>(97,800)</u>	(97,800)
The net effect of the removal of capital assets is to decrease net position.		(40,745)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (1,394)	
Transfers out	<u>1,394</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		22,453
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bond	\$ (318,100)	
Premium on bonds issued	(37,117)	
Repayment of bond and note principal	<u>15,200</u>	(340,017)
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 accrued interest expense	\$ (4,227)	
Increase in compensated absences payable	<u>(90)</u>	(4,317)
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ 555,287</u></u>

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

EXHIBIT 7
TOWN OF TEMPLE, 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 December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 971,457	\$ 971,457	\$ 991,658	\$ 20,201
Licenses, permits and fees	303,422	303,422	316,005	12,583
Intergovernmental	195,491	410,316	410,032	(284)
Charges for services	3,342	3,342	2,539	(803)
Miscellaneous	198,017	198,017	253,828	55,811
Total revenues	<u>1,671,729</u>	<u>1,886,554</u>	<u>1,974,062</u>	<u>87,508</u>
EXPENDITURES				
Current:				
General government	379,292	379,292	335,941	43,351
Public safety	414,838	414,838	434,029	(19,191)
Highways and streets	316,511	316,511	259,126	57,385
Sanitation	83,514	83,514	78,060	5,454
Health	17,692	17,692	17,195	497
Welfare	16,509	16,509	2,107	14,402
Culture and recreation	65,868	65,868	67,348	(1,480)
Conservation	2,750	2,750	1,215	1,535
Debt service:				
Principal	-	-	15,200	(15,200)
Interest	-	-	14,500	(14,500)
Capital outlay	12,155	461,858	458,068	3,790
Total expenditures	<u>1,309,129</u>	<u>1,758,832</u>	<u>1,682,789</u>	<u>76,043</u>
Excess of revenues over expenditures	<u>362,600</u>	<u>127,722</u>	<u>291,273</u>	<u>163,551</u>
Other financing sources (uses):				
Transfers in	20,000	20,000	1,394	(18,606)
Transfers out	(513,800)	(393,461)	(634,139)	(240,678)
Long-term debt issued	-	355,217	355,217	-
Total other financing sources and uses	<u>(493,800)</u>	<u>(18,244)</u>	<u>(277,528)</u>	<u>(259,284)</u>
Net change in fund balance	<u>\$ (131,200)</u>	<u>\$ 109,478</u>	13,745	<u>\$ (95,733)</u>
Decrease in restricted fund balance			11,713	
Unassigned fund balance, beginning			529,456	
Unassigned fund balance, ending			<u>\$ 554,914</u>	

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

EXHIBIT 8
TOWN OF TEMPLE, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Private Purpose Trust
Assets:	
Cash and cash equivalents	\$ 5,847
Investments	71,071
Total assets	<u>76,918</u>
Liabilities	<u>-</u>
Net position:	
Held in trust for specific purposes	<u>\$ 76,918</u>

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

EXHIBIT 9
TOWN OF TEMPLE, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Private Purpose Trust
Additions:	
Investment earnings:	
Interest and dividends	\$ 1,169
Net position, beginning	75,749
Net position, ending	\$ 76,918

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

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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 Temple (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 December 31, 2022.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Town of Temple is a municipal corporation governed by a three-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; and (2) operating grants and contributions, which finance annual operating activities including restricted investment income. 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 TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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. 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 TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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 five nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary fund:

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

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 library trustees, 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.

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.

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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 \$5,000 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:

	<u>Years</u>
Buildings and building improvements	40
Machinery, vehicles and equipment	5-10
Infrastructure	40

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.
- Restricted for other purposes, which consists of the library fund whose use is restricted by State law for the support of the Library, and the unexpended broadband bond proceeds.

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent fund.
- Restricted, which represents the expendable income from the permanent fund, the library fund, whose use is limited by law, and unexpended bond proceeds.
- 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 and committed balances.

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. In 2022, \$130,800 was so used, and \$400 was appropriated from fund balance.

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.

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

II.B. Reconciliation of Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 2,330,673
Adjustments:	
Perspective difference:	
Revenue from expendable trust fund	10,070
Per Exhibit 5 (GAAP basis)	<u>\$ 2,340,743</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 2,316,928
Adjustments:	
Basis difference:	
Encumbrances, beginning	3,558
Encumbrances, ending	(355,217)
Perspective difference:	
Expenditures of expendable trust fund	21,446
Transfer to expendable trust fund	(634,139)
Per Exhibit 5 (GAAP basis)	<u>\$ 1,352,576</u>

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of December 31, 2022, the Town's reporting entity had investments totaling \$3,335,587, which are held in the NH Public Investment Deposit Pool.

The investments appear in the financial statements as follow:

Governmental funds - balance sheet (Exhibit 3)	\$ 3,264,516
Fiduciary funds - statement of fiduciary net position (Exhibit 8)	71,071
Total	<u>\$ 3,335,587</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 in Level 2, which refers to investments not traded on an active market but for which observable market inputs are readily available.

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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 2021 property taxes on May 10th.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Contoocook Valley Regional School District, and Hillsborough 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.

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	\$ 162,153,172
For all other taxes	\$ 165,061,172

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

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$5.83	\$ 961,667
School portion:		
State of New Hampshire	\$1.27	206,599
Local	\$16.72	2,759,864
County portion	\$1.14	188,105
Total property taxes assessed		<u>\$ 4,116,235</u>

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

The following details the taxes receivable at year-end:

Property:	
Levy of 2022	\$ 165,593
Unredeemed (under tax lien):	
Levy of 2021	47,676
Levy of 2020	33,533
Levy of 2019	24,210
Land use change	35,274
Less: allowance for estimated uncollectible taxes	(29,973)
Net taxes receivable	<u><u>\$ 276,313</u></u>

Deferred Revenue

Deferred revenue at December 31, 2022 represents \$171,531 of property taxes that were not collected within sixty days of the year-end, \$6,073 for prepayments of 2022 property taxes, and \$54,383 of unspent State bridge aid funds. In the Governmental Activities, only the bridge aid and prepayments are reported as unearned.

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	\$ 596,552	\$ -	\$ (40,745)	\$ 555,807
Construction in progress	355,218	-	-	355,218
Total capital assets not being depreciated	<u>951,770</u>	<u>-</u>	<u>(40,745)</u>	<u>911,025</u>
Being depreciated:				
Buildings and building improvements	741,514	-	-	741,514
Machinery, vehicles and equipment	1,384,618	-	(60,894)	1,323,724
Infrastructure	1,217,115	-	-	1,217,115
Total capital assets being depreciated	<u>3,343,247</u>	<u>-</u>	<u>(60,894)</u>	<u>3,282,353</u>
Total all capital assets	<u>4,295,017</u>	<u>-</u>	<u>(101,639)</u>	<u>4,193,378</u>
Less accumulated depreciation:				
Buildings and building improvements	(323,929)	(18,362)	-	(342,291)
Machinery, vehicles and equipment	(1,143,418)	(49,010)	60,894	(1,131,534)
Infrastructure	(114,243)	(30,428)	-	(144,671)
Total accumulated depreciation	<u>(1,581,590)</u>	<u>(97,800)</u>	<u>60,894</u>	<u>(1,618,496)</u>
Net book value, capital assets being depreciated	<u>1,761,657</u>	<u>(97,800)</u>	<u>-</u>	<u>1,663,857</u>
Net book value, all capital assets	<u><u>\$ 2,713,427</u></u>	<u><u>\$ (97,800)</u></u>	<u><u>\$ (40,745)</u></u>	<u><u>\$ 2,574,882</u></u>

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

Depreciation Expense

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

Governmental activities:	
General government	\$ 16,002
Public safety	6,740
Highways and streets	73,658
Culture and recreation	1,400
Total depreciation expense	<u>\$ 97,800</u>

III.B. Liabilities

III.B.1 Intergovernmental Payable

The amount due to other governments at December 31, 2022 consists of \$1,483,234 due to the Contoocook Valley Regional School District for the balance of the 2022-2023 district assessment.

III.B.2. Long-Term Debt

General obligation debt is approved by the voters and repaid with general revenues (property taxes). Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2022	Current Portion
General obligation bonds payable:						
Broadband	\$ 355,200	2021	2041	2.35	\$ 340,000	\$ 15,000
Broadband	\$ 318,100	2022	2042	2.11	<u>318,100</u>	<u>10,000</u>
					658,100	25,000
Unamortized bond premium					37,117	1,856
Compensated absences payable:						
Accrued vacation leave					3,074	-
					<u>\$ 698,291</u>	<u>\$ 26,856</u>

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022:

	General Obligation Bonds Payable	Unamortized Bond Premium	Compensated Absences Payable	Total
Balance, beginning	\$ 355,200	\$ -	\$ 2,984	\$ 358,184
Additions	318,100	37,117	90	355,307
Reductions	(15,200)	-	-	(15,200)
Balance, ending	<u>\$ 658,100</u>	<u>\$ 37,117</u>	<u>\$ 3,074</u>	<u>\$ 698,291</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the bonds outstanding as of year-end are as follow:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 25,000	\$ 19,675	\$ 44,675
2024	25,700	18,832	44,532
2025	26,200	17,959	44,159
2026	26,800	16,907	43,707
2027	27,300	15,828	43,128
2028-2032	156,700	63,907	220,607
2033-2037	188,200	37,598	225,798
2038-2041	182,200	11,320	193,520
Totals	<u>\$ 658,100</u>	<u>\$ 202,026</u>	<u>\$ 860,126</u>

III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.”

The General Fund is owed \$2,871 from the Nonmajor Funds representing amounts owed from the Conservation Commission.

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

III.C.2. Transfers

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.

The Nonmajor Funds transferred \$1,394 to the General Fund representing an amount from the Permanent Fund.

III.D. Fund Equity

III.D.1. Restricted Net Position

The government-wide statement of net position includes restricted net position of \$532,116, which represents public trust funds reported as restricted to reflect perpetual care restrictions contained in trust indentures, grants, unspent bond proceeds, and the library fund.

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	\$ -	\$ 71,844
Restricted:		
General government	-	49,510
Culture and recreation	-	21,767
Debt service	355,217	-
Total restricted	<u>355,217</u>	<u>71,277</u>
Committed:		
General government	799,276	1,513
Culture and recreation	-	4,591
Conservation	-	179,218
Total committed	<u>799,276</u>	<u>185,322</u>
Unassigned	554,914	-
Total fund balance	<u><u>\$ 1,709,407</u></u>	<u><u>\$ 328,443</u></u>

**TOWN OF TEMPLE, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

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 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. Contributions for 2022 recorded as an insurance expenditure/expense totaled \$5,208 for workers' compensation and \$11,688 for property/liability. The member agreements permit 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. Contingent Liabilities

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

There are pending lawsuits in which the Town is involved. The Town's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole and any liabilities incurred would be substantially covered by insurance.

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 10
TOWN OF TEMPLE, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds				Permanent	
	Library	Recreation	Conservation Commission	250th	Fund	Total
ASSETS						
Cash and cash equivalents	\$ 830	\$ 4,591	\$ 8,986	\$ 1,513	\$ -	\$ 15,920
Investments	20,937	-	173,103	-	121,354	315,394
Total assets	<u>\$ 21,767</u>	<u>\$ 4,591</u>	<u>\$ 182,089</u>	<u>\$ 1,513</u>	<u>\$ 121,354</u>	<u>\$ 331,314</u>
LIABILITIES						
Interfund payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,871</u>
FUND BALANCES						
Nonspendable	-	-	-	-	71,844	71,844
Restricted	21,767	-	-	-	49,510	71,277
Committed	-	4,591	179,218	1,513	-	185,322
Total fund balances	<u>21,767</u>	<u>4,591</u>	<u>179,218</u>	<u>1,513</u>	<u>121,354</u>	<u>328,443</u>
Total liabilities and fund balances	<u>\$ 21,767</u>	<u>\$ 4,591</u>	<u>\$ 182,089</u>	<u>\$ 1,513</u>	<u>\$ 121,354</u>	<u>\$ 331,314</u>

EXHIBIT 11
TOWN OF TEMPLE, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	Special Revenue Funds				Permanent	
	Library	Recreation	Conservation Commission	250th	Fund	Total
REVENUES						
Taxes	\$ -	\$ -	\$ 23,265	\$ -	\$ -	\$ 23,265
Intergovernmental	10,138	-	-	-	-	10,138
Charges for services	-	964	-	1,478	-	2,442
Miscellaneous	2,108	-	2,594	-	2,605	7,307
Total revenues	12,246	964	25,859	1,478	2,605	43,152
EXPENDITURES						
Current:						
General government	-	-	-	-	230	230
Culture and recreation	12,712	400	-	870	-	13,982
Total expenditures	12,712	400	-	870	230	14,212
Excess (deficiency) of revenues over (under) expenditures	(466)	564	25,859	608	2,375	28,940
Other financing uses:						
Transfers out	-	-	-	-	(1,394)	(1,394)
Net change in fund balances	(466)	564	25,859	608	981	27,546
Fund balances, beginning	22,233	4,027	153,359	905	120,373	300,897
Fund balances, ending	\$ 21,767	\$ 4,591	\$ 179,218	\$ 1,513	\$ 121,354	\$ 328,443

EXHIBIT 12
TOWN OF TEMPLE, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 929,843	\$ 903,715	\$ (26,128)
Land use change	26,534	64,539	38,005
Timber	8,228	8,101	(127)
Interest and penalties on delinquent taxes	6,852	15,303	8,451
Total taxes	971,457	991,658	20,201
Licenses, permits and fees:			
Business licenses and permits	805	805	-
Motor vehicle permits	292,650	303,379	10,729
Building permits	6,877	8,569	1,692
Other	3,090	3,252	162
Total licenses, permits and fees	303,422	316,005	12,583
Intergovernmental:			
State sources:			
SB 401 highway and bridge aid	120,339	120,339	-
Meals and rooms distributions	121,897	121,897	-
Highway block grant	72,471	72,187	(284)
State and federal forest land	409	409	-
Railroad tax	250	250	-
Federal sources:			
Fish and wildlife	464	464	-
ARPA	94,486	94,486	-
Total intergovernmental	410,316	410,032	(284)
Charges for services:			
Income from departments	3,338	2,539	(799)
Other	4	-	(4)
Total charges for services	3,342	2,539	(803)
Miscellaneous:			
Sale of property	177,917	177,917	-
Interest on investments	10,000	19,997	9,997
Rent of property	1,100	1,100	-
Contributions and donations	9,000	6,800	(2,200)
Other, including broadband fees	-	48,014	48,014
Total miscellaneous	198,017	253,828	55,811
Other financing sources:			
Transfers in:			
Expendable trust fund	20,000	-	(20,000)
Nonmajor funds	-	1,394	1,394
Long-term debt issued	318,100	318,100	-
Premium received on long-term debt	37,117	37,117	-
Total other financing sources	375,217	356,611	(18,606)
Total revenues and other financing sources	2,261,771	\$ 2,330,673	\$ 68,902
Use of fund balance	131,200		
Total revenues, other financing sources and use of fund balance	\$ 2,392,971		

EXHIBIT 13
TOWN OF TEMPLE, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 79,653	\$ 75,118	\$ -	\$ 4,535
Election and registration	-	35,114	33,024	-	2,090
Financial administration	-	45,851	41,356	-	4,495
Revaluation of property	-	19,230	23,977	-	(4,747)
Legal	-	26,000	38,138	-	(12,138)
Personnel administration	-	78,258	51,093	-	27,165
Planning and zoning	-	10,898	9,539	-	1,359
General government buildings	-	42,859	34,297	-	8,562
Cemeteries	-	7,161	7,933	-	(772)
Insurance, not otherwise allocated	-	22,992	15,378	-	7,614
Advertising and regional associations	-	2,744	2,744	-	-
Other	3,558	8,532	6,902	-	5,188
Total general government	3,558	379,292	339,499	-	43,351
Public safety:					
Police	-	260,473	260,472	-	1
Ambulance	-	63,372	63,372	-	-
Fire	-	69,031	76,901	-	(7,870)
Building inspection	-	1,615	538	-	1,077
Emergency management	-	3,347	787	-	2,560
Other	-	17,000	31,959	-	(14,959)
Total public safety	-	414,838	434,029	-	(19,191)
Highways and streets	-	316,511	259,126	-	57,385
Sanitation:					
Solid waste disposal	-	83,514	78,060	-	5,454
Health:					
Animal control	-	8,350	7,853	-	497
Health agencies and hospitals	-	9,342	9,342	-	-
Total health	-	17,692	17,195	-	497
Welfare:					
Administration	-	16,509	2,107	-	14,402

(continued)

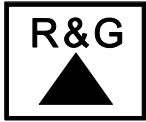
EXHIBIT 13 (continued)
TOWN OF TEMPLE, NEW HAMPSHIRE
General Fund

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	2,500	2,833	-	(333)
Public library	-	62,917	63,824	-	(907)
Patriotic purposes	-	451	691	-	(240)
Total culture and recreation	-	65,868	67,348	-	(1,480)
Conservation:					
Administration	-	2,750	1,215	-	1,535
Debt service:					
Principal	-	-	15,200	-	(15,200)
Interest	-	-	14,500	-	(14,500)
Total debt service	-	-	29,700	-	(29,700)
Capital outlay:					
Machinery, vehicles and equipment	-	12,155	11,845	-	310
Buildings	-	24,600	24,600	-	-
Improvements other than buildings	-	425,103	66,406	355,217	3,480
Total capital outlay	-	461,858	102,851	355,217	3,790
Other financing uses:					
Transfers out:					
Expendable trust fund	-	634,139	634,139	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 3,558	\$ 2,392,971	\$ 1,965,269	\$ 355,217	\$ 76,043

EXHIBIT 14
TOWN OF TEMPLE, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2022

Unassigned fund balance, beginning		\$ 529,456
Changes:		
Unassigned fund balance used to reduce tax rate		(130,800)
Unassigned fund balance appropriated		(400)
Budget summary:		
Revenue surplus (Exhibit 12)	\$ 68,902	
Balance of appropriations (Exhibit 13)	76,043	
Budget surplus		144,945
Decrease in restricted fund balance		11,713
Unassigned fund balance, ending		\$ 554,914



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Town of Temple as of and for the year ended December 31, 2022, 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.

We would like to discuss the following compliance issues:

Investment Policy

The Board of Selectmen has not adopted an investment policy in accordance with New Hampshire RSA 41:9. We recommend that the Selectmen annually review and adopt an investment policy for the investment of public funds in conformance with applicable statutes and advise the Treasurer of the same.

Gross Budgeting

The Town did not appropriate an amount for its debt service related to the broadband bond entered into in 2021. Nor did the Town estimate the broadband service fee revenues that are used to cover the debt service payments. Municipal Budget Law (NH RSA 32) requires gross budgeting, and prohibits expenditures being made from functions where no amount has been appropriated. We recommend that the Town gross appropriate for the activity related to the broadband expansion (fees received and debt service payments).

Unauthorized Transfer to Capital Reserve Funds

The Town received unanticipated state aid during 2022, and subsequently transferred those funds to the capital reserve funds. NH RSA 35:5 requires any payments into capital reserve funds to be appropriated by Town Meeting. Furthermore, moving grant funds to a capital reserve is not recommended, as there are specific guidelines usually associated with the use of grants, whereas the purpose of a capital reserve fund can be changed by Town Meeting. The Town should withdraw the funds from the capital reserve funds, and place articles on the 2024 warrant to seek voter permission to add funds to the capital reserve funds, if it so chooses.

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

June 21, 2023

Roberts & Heune, PLLC