



**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULES  
WITH INDEPENDENT AUDITOR'S  
REPORTS THEREON**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report .....	3-4
Government Wide Financial Statements:	
Statement of Net Position .....	5
Statement of Activities .....	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	10
Notes to Financial Statements .....	11-27
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	29
Notes to Required Supplementary Information – Budgetary Reporting.....	30
Comparative Schedule of Pension Obligations.....	31
Comparative Schedule of Other Post Employment Benefit Obligations .....	32
Supplementary Information:	
Schedule of Estimated and Actual Revenues .....	34
Schedule of Appropriations, Expenditures, and Encumbrances .....	35-36



Independent Auditor's Report

To the Members of the Selectboard and Management of  
Town of Waterville Valley, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Waterville Valley, New Hampshire as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Waterville Valley, New Hampshire, as of December 31, 2020,

and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 29-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Waterville Valley, New Hampshire's basic financial statements. The accompanying schedules listed in the table of contents such as the individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This 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 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Alta CPA Group, LLC*

March 18, 2021

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

		Governmental Activities
<b>ASSETS</b>		
Cash and cash equivalents	\$	2,700,268
Receivables ( <i>net of allowance for uncollectibles</i> )		
Taxes		213,714
Accounts		206,646
Capital assets:		
Land		1,218,435
Buildings and other structures		3,901,600
Construction in progress		1,273,247
Machinery, Vehicles & Equipment		3,462,447
Infrastructure		12,780,453
Accumulated depreciation		(7,384,444)
		18,373,068
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension related ( <i>NHRS</i> )		573,481
OPEB related ( <i>NHRS</i> )		1,645
		575,126
<b>LIABILITIES</b>		
Accounts payable and other current liabilities		139,923
Intergovernmental payable		604,109
Long-term obligations:		
Due within one year		
Bonds & notes payable		437,753
Due Beyond one year:		
Bonds & notes payable		4,259,835
Town share of NHRS net pension liability		2,815,192
Town share of NHRS OPEB liability		161,807
		8,418,619
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related ( <i>NHRS</i> )		104,617
OPEB related ( <i>NHRS</i> )		2,853
		107,470
<b>NET POSITION</b>		
Net investment in capital assets		10,554,150
Restricted for:		
Osceola Library		4,688
Conservation Commission		5,424
National Night Out		2,697
Capital Acquisitions and Maintenance		1,485,720
Capital and Noncapital Reserves		101,645
Unrestricted(deficit)		(1,732,219)
	\$	10,422,105

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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary government:				
<i>Governmental activities:</i>				
General Government	\$ 1,111,230	\$ -	\$ 13,366	\$ (1,097,864)
Public safety	899,919	92,611		(807,308)
Highways and streets	362,026		13,965	(348,061)
Sanitation	635,219	436,767		(198,452)
Water distribution & treatment	153,882	241,304		87,422
Health	6,276			(6,276)
Welfare	500			(500)
Culture and recreation	350,985	128,528		(222,457)
Conservation	541			(541)
Interest on long-term debt	154,870			(154,870)
Depreciation-unallocated	564,155			(564,155)
	<u>\$ 4,239,603</u>	<u>\$ 899,210</u>	<u>\$ 27,331</u>	<u>\$ (3,313,062)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				2,412,577
Property taxes, levied for debt services				680,654
Licenses and permits				163,469
Other local revenues				102,723
				<u>3,359,423</u>
Change in net position				46,361
Net position - beginning				10,375,744
Net position - ending				<u>\$ 10,422,105</u>

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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	General	Capital & Noncapital Reserves	Non-major Governmental Funds			Total Governmental Funds
			Osceola Library	Conservation Commission	WV Capital Improvements	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,571,277	\$ 102,347	\$ 4,688	\$ 5,424	\$ 16,532	\$ 2,700,268
Receivables						
Taxes	213,714	-	-	-	-	213,714
Accounts	206,646	-	-	-	-	206,646
Interfund	702	-	-	-	-	702
	<u>\$ 2,992,339</u>	<u>\$ 102,347</u>	<u>\$ 4,688</u>	<u>\$ 5,424</u>	<u>\$ 16,532</u>	<u>\$ 3,121,330</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 139,923	\$ -	\$ -	\$ -	\$ -	\$ 139,923
Interfund payable		-	-	-	-	-
Intergovernmental payable	603,407	702	-	-	-	604,109
	<u>743,330</u>	<u>702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>744,032</u>
<b>DEFERRED INFLOWS</b>						
Unavailable taxes revenues	55,000	-	-	-	-	55,000
	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,000</u>
<b>FUND BALANCES</b>						
<i>Restricted for</i>						
Osceola Library	-	-	4,688	-	-	4,688
Conservation Commission	-	-	-	5,424	-	5,424
National Night Out	2,697	-	-	-	-	2,697
<i>Committed for</i>						
Capital acquisitions & maintenance	1,485,720	101,645	-	-	16,532	1,603,897
Unassigned	705,592	-	-	-	-	705,592
	<u>2,194,009</u>	<u>101,645</u>	<u>4,688</u>	<u>5,424</u>	<u>16,532</u>	<u>2,322,298</u>
	<u>\$ 2,992,339</u>	<u>\$ 102,347</u>	<u>\$ 4,688</u>	<u>\$ 5,424</u>	<u>\$ 16,532</u>	<u>\$ 3,121,330</u>

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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2020

Total Fund Balance - Governmental Funds (page 7) \$ 2,322,298

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. These assets consist of:*

Land	1,218,435	
Buildings and other structures	3,901,600	
Construction in progress	1,273,247	
Machinery, Vehicles & Equipment	3,462,447	
Infrastructure	12,780,453	
Accumulated depreciation	<u>(7,384,444)</u>	
		15,251,738

*Receivables in the Balance Sheet that do not provide current financial resources are not recognized in the funds:*

Taxes not available to pay current obligations		55,000
--	--	--------

*Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:*

Notes payable	(4,697,588)	
Town's share of New Hampshire Retirement System:		
Net pension liability	(2,815,192)	
Deferred outflows of resources - Pension	573,481	
Deferred inflows of resources - Pension	(104,617)	
OPEB liability	(161,807)	
Deferred outflows of resources - OPEB	1,645	
Deferred inflows of resources - OPEB	<u>(2,853)</u>	
	<u>(2,509,343)</u>	<u>(7,206,931)</u>

Net Position of Governmental Activities (page 5)		\$ <u><u>10,422,105</u></u>
--	--	-----------------------------

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Capital & Noncapital Reserves	Non-major Governmental Funds			Total Governmental Funds
			Osceola Library	Conservation Commission	WV Capital Improvements	
<b>REVENUES</b>						
Taxes	\$ 3,093,231	\$ -	\$ -	\$ -	\$ -	\$ 3,093,231
Licenses and permits	163,469	-	-	-	-	163,469
State support	27,331	-	-	-	-	27,331
Charges for services	899,210	-	-	-	-	899,210
Other local sources	100,272	1,827	623	1	-	102,723
	<u>4,283,513</u>	<u>1,827</u>	<u>623</u>	<u>1</u>	<u>-</u>	<u>4,285,964</u>
<b>EXPENDITURES</b>						
Current:						
General Government	926,468	-	-	-	-	926,468
Public safety	899,919	-	-	-	-	899,919
Highways and streets	360,676	1,350	-	-	-	362,026
Sanitation	635,219	-	-	-	-	635,219
Water distribution & treatment	144,402	9,480	-	-	-	153,882
Health	6,276	-	-	-	-	6,276
Welfare	500	-	-	-	-	500
Culture and recreation	347,447	-	3,538	-	-	350,985
Conservation	541	-	-	-	-	541
Debt service						
Principal	506,781	-	-	-	-	506,781
Interest	154,870	-	-	-	-	154,870
Capital outlay	541,095	-	-	-	-	541,095
	<u>4,524,194</u>	<u>10,830</u>	<u>3,538</u>	<u>-</u>	<u>-</u>	<u>4,538,562</u>
Excess of revenues over(under) expenditures	<u>(240,681)</u>	<u>(9,003)</u>	<u>(2,915)</u>	<u>1</u>	<u>-</u>	<u>(252,598)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	6,900	30,000	2,000	-	-	38,900
Transfers out	(32,900)	(6,000)	-	-	-	(38,900)
Proceeds of long-term debt	1,025,000	-	-	-	-	1,025,000
	<u>999,000</u>	<u>24,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>1,025,000</u>
Net change in fund balances	758,319	14,997	(915)	1	-	772,402
Fund balances - beginning	<u>1,435,690</u>	<u>86,648</u>	<u>5,603</u>	<u>5,423</u>	<u>16,532</u>	<u>1,549,896</u>
Fund balances - ending	\$ <u>2,194,009</u>	\$ <u>101,645</u>	\$ <u>4,688</u>	\$ <u>5,424</u>	\$ <u>16,532</u>	\$ <u>2,322,298</u>

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

TOWN OF WATERVILLE VALLEY, 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, 2020

Net change in fund balances - total governmental funds (Page 9)		\$ 772,402
Amounts reported for governmental activities in the statement of activities (Page 6) are different because:		
<i>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</i>		
Reduce expenditures for capital outlays increasing capital assets		541,095
Increase expenditures for depreciation charges		(564,155)
 <i>The issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</i>		
Reduction in Other Financing Sources for long-term debt issued		(1,025,000)
Reduction in expenditures for principal payments on debt		<u>506,781</u>
 <i>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.</i>		
Town's share of New Hampshire Retirement System:		
(increase)decrease in net pension liability	(684,397)	
Increase(decrease) in deferred outflows of resources - Pension	417,237	
(Increase)decrease in deferred inflows of resources - Pension	63,930	
(increase)decrease in net OPEB liability	19,414	
Increase(decrease) in deferred outflows of resources - OPEB	1,388	
(Increase)decrease in deferred inflows of resources - OPEB	<u>(2,334)</u>	
	<u>(184,762)</u>	(184,762)
Change in net position of governmental activities (Page 6)		\$ <u><u>46,361</u></u>

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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Waterville Valley is a New Hampshire Municipal Corporation governed by a Selectboard and other elected officials. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies and its conformity with such principles are disclosed below. These disclosures are an integral part of the Town's financial statements.

Financial Reporting Entity

The accompanying financial statements present the Town and its component units. A component unit is defined by GASB as a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government is such that the exclusion would cause the reporting entity's financial statements to be misleading. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity and the Town is not a component unit of any other primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, constitute all of the Town's activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when they occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental fund financial statements* are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers all revenues except property taxes to be available if they are collected within 60 days of the end of the current fiscal period. A period of 180 days is used for property taxes due to large offsetting liabilities for school taxes payable, which are payable in installments through June 30, 2021. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Tax assessments (property and other taxes), grants, charges for services, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period when measurable and available. If any, only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's main operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Capital and Noncapital Reserves Fund* is a capital projects fund that accounts for the Town's capital and non-capital reserves, which were created by vote of the legislative body and are restricted for specific purposes.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

*General Budget Policies* – General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town's operations. The Town votes appropriations by official ballot in accordance with State Statutes. Appropriations are made on an annual basis for the General and all major Special Revenue Funds. Project-length financial plans are adopted for all Capital Projects. Except as reconciled below, budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. Unexpended balances of special articles for specific purposes may not be transferred. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over-expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Revenue Administration. State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2020, \$ 335,100 of the beginning General Fund balance was applied for this purpose.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. Amounts recorded as budgetary expenditures in the *Budgetary Comparison Schedule (page 29)* are presented on the basis budgeted by the Town. The amounts differ from those reported in conformity with generally accepted accounting principles in the statement of revenues, expenditures and changes in fund balances as follows:

Expenditures and Other Financing Uses ~ Budgetary Basis ( <i>see page 29</i> )	\$ 4,550,891
Adjustments:	
Encumbrances - December 31, 2019	468,576
Encumbrances - December 31, 2020	<u>(485,720)</u>
Expenditures and Other Financing Uses ~ GAAP Basis ( <i>see page 9</i> )	<u>\$ 4,533,747</u>

NOTE 2 – ASSETS, LIABILITIES, AND FUND EQUITY

Deposits and Investments

For financial reporting purposes, cash and equivalents include amounts in demand deposits and money market funds, as well as certificates of deposit and short-term investments with original maturities of 90 days or less.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – ASSETS, LIABILITIES, AND FUND EQUITY (CONTINUED)

Deposits and Investments (Continued)

With the exception of Library and Trust Fund monies, which are held by separately elected trustees, the Town Treasurer is required by State statute to have custody of all monies belonging to the Town and shall pay out the same only upon orders of the Selectboard.

The Town Treasurer shall deposit all such monies in solvent banks in the state or in participation units in the public deposit investment pool established pursuant to RSA 383:22. Monies may be deposited in banks outside the state if such banks pledge and deliver to the state treasurer as collateral security for such deposits in value at least equal to the amount of the deposit in each case. Whenever the Town Treasurer has an excess of monies which are not immediately needed for the purpose of expenditure, State statutes require the Treasurer, with the approval of the Town Manager, to invest the same in obligations of the United States government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within this state or the Commonwealth of Massachusetts. Any person who directly or indirectly receives any such monies for deposit or for investment in securities of any kind shall, prior to acceptance of such monies, make available at the time of such deposit or investment an option to have such monies secured by collateral having a value at least equal to the amount of such monies. 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.

The Town Trustees are authorized by State statute to invest Trust Funds, including Capital Reserve Funds, in obligations of political subdivisions and stocks, bonds that are legal for investment by New Hampshire savings banks except mutual funds unless the mutual funds are registered with the Securities and Exchange Commission, qualified for sale in the State of New Hampshire in accordance with the New Hampshire Uniform Securities Act of the New Hampshire Secretary of State's Office, and have in their prospectus a stated investment policy that is consistent with the investment policy adopted by the Trustees of Trust Funds in accordance with RSA 35:9. The Trustees may also invest trust monies in New Hampshire credit unions and in the public deposit investment pool established pursuant to RSA 383:22. Capital Reserve monies must be kept in separate accounts and not intermingled with other monies.

Receivables and Revenues

Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded: *Tax revenue* is recognized in the period for which the taxes were levied. However, any taxes not liened or deeded within statutory time limits and 1.00% of the remaining uncollected balances are considered in determining the allowance for uncollectible receivables. Property tax revenues not collected within 180 days after year end are not considered an "available spendable resource" and likewise are reported as deferred inflows of resources in the governmental funds. As prescribed by law, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – ASSETS, LIABILITIES, AND FUND EQUITY (CONTINUED)

Receivables and Revenues (Continued)

The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town. *Interest on deposits* is recorded as revenue in the year earned. Certain *grants* received from other governments require that eligible expenditures be made in order to recognize the revenue.

Revenue for these grants is recorded for the period in which eligible expenditures are made. Various *service charges* (Water, Sewer, Landfill, Ambulance, etc.) are recorded as revenue for the period when service was provided.

Interfund Receivables and Payables

During the course of normal operations, the Town has activity between funds, including expenditures and transfers of resources to provide services and fund capital outlay. All outstanding balances between funds are reported as “due to/from other funds”.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$5,000 and an initial estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Public domain infrastructure	40
Light vehicles	5
Heavy vehicles	10
Office equipment	5
Computer equipment	5
Other equipment and furnishings	10

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – ASSETS, LIABILITIES, AND FUND EQUITY (CONTINUED)

Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources that are applicable to future accounting periods. In subsequent periods, when expense recognition criteria are met, the deferred outflow is removed from the balance sheet and expense is recognized.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long Term Obligations

In the government-wide financial statements long term debt and other long-term obligations are reported as liabilities. If any, bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

Deferred inflows of resources arise in governmental funds when potential non-exchange revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

Fund Equity

In the governmental fund balance sheet, fund balances are reported using a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned depending on the level of constraints.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – ASSETS, LIABILITIES, AND FUND EQUITY (CONTINUED)

Fund Equity (Continued)

*Nonspendable fund balance* includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. *Restricted fund balance* is the amount that is restricted to specific purposes by external requirements such as those of creditors, grantors, contributors or laws and regulations or imposed by law through constitutional provisions or legally enforceable enabling legislation. *Committed fund balance* is the amount that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority (the legislative body). *Assigned fund balance* is the amount that is constrained by the Town's intent to be used for specific purposes but is not restricted or committed. *Unassigned fund balance* is the residual classification for the general fund. Whenever multiple classifications of resources are available for use, it is the Town's policy to use restricted, committed and assigned resources in that order first, then unassigned resources as they are needed.

Accounting Estimates

Accounting estimates are an integral part of the financial statements. They are based on our knowledge and experience about past and current events and assumptions about future events. Actual results may differ from our estimates.

NOTE 3 - CASH AND CASH EQUIVALENTS

Deposits

Throughout the fiscal year, all bank deposits were insured by Federal Depository Insurance (FDIC) or collateralized with securities held by the Town or its agent in the Town's name.

Cash Equivalents

The Town participates in the *New Hampshire Public Deposit Investment Pool*. At this time, the Pool's investments are made only in securities approved by the New Hampshire Bank Commissioner with the assistance of the Advisory Committee, and in accordance with policies designed to preserve capital. While the Pool seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Town to credit risk consist primarily of bank deposits and participation units of the New Hampshire Public Deposit Investment Pool. It is the Town's policy to deposit monies in high quality financial institutions according to State Statutes and to limit risk by maintaining deposits within the Federal Depository Insurance Corporation (FDIC) limits whenever possible or to require banking institutions to collateralize deposits. The Town has not experienced any losses on its cash deposits during 2020 and management believes the Town is not exposed to significant credit risk on those amounts. Each participation unit of the Pool is valued at one-dollar and does not fluctuate with the market values of underlying investments.

NOTE 4 - PROPERTY TAXES

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year. The 2020 property tax levy was based on a net assessed valuation as of April 1, 2020 of \$333,052,695. State Education Taxes were based on a State-wide equalized valuation of \$330,408,595. In connection with the setting of the tax rate, Town Officials, with the approval of the New Hampshire Department of Revenue Administration, establish and raise through taxation an amount for abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax reserves at year-end. Property taxes collected by the Town include taxes levied for the State of New Hampshire, the Waterville Valley School District and Grafton County, which are remitted to these entities as required by law.

The tax rates and amounts assessed for the year ended December 31, 2020, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Levied
Municipal portion	\$ 9.09	\$ 3,027,861
County Tax Assessment	1.65	549,941
Local School Tax Assessment	1.52	505,116
State Education Tax Assessment	1.99	658,291
	\$ 14.25	\$ 4,741,209

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - TAXES RECEIVABLE

Taxes receivable at December 31, 2020, are as follows:

<u>Uncollected Taxes</u>			
Property	\$	217,751	
Unassigned credits		<u>(20,192)</u>	
			\$ 197,559
 <u>Unredeemed Taxes (under tax liens)</u>			
Levy of 2019	\$	11,597	
Levy of 2018		<u>9,558</u>	
			<u>21,155</u>
			218,714
Reserve for uncollectible taxes receivable			<u>(5,000)</u>
			<u>\$ 213,714</u>

The responsibility for the collection of taxes rests with the Town and tax amounts must be remitted to other municipal entities as requested. Any amounts due at year end are reported in these financial statements as Intergovernmental payables.

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are sent on or around June 1 and November 1 of each year, with interest accruing at a rate of 12% on bills outstanding for more than 30 days. The June 1 billing is considered an estimate only and is one-half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the State Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

As prescribed by law, within 18 months of the date assessed, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If the property lien is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town.

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivables as of December 31, 2020 are as follows:

<u>Accounts</u>		
Utility services (Sewer, Water & MSD)	\$	189,886
Other		<u>26,760</u>
		<u>\$ 216,646</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2020 are as follows:

	Interfund Receivable	Interfund Payable
<i>Governmental Activities:</i>		
General Fund	\$ 702	\$ -
Capital & Non-capital Reserves:		
Ladder Truck	-	702
	\$ 702	\$ 702

NOTE 8 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2020 is as follows:

	<i>Governmental Activities</i>			
	Balance			Balance
	January 1	Additions	Deductions	December 31
Land	\$ 1,218,435	\$ -	\$ -	\$ 1,218,435
Buildings & Other Structures	3,839,445	62,155	-	3,901,600
Construction in Progress	1,804,959	363,176	894,888	1,273,247
Machinery, Vehicles & Equipment	3,430,447	32,000	-	3,462,447
Infrastructure	11,947,720	832,733	-	12,780,453
	22,241,006	1,290,064	894,888	22,636,182
Less: Accumulated Depreciation	(6,820,289)	(564,155)	-	(7,384,444)
	\$ 15,420,717	\$ 725,909	\$ 894,888	\$ 15,251,738

NOTE 9 - RISK MANAGEMENT

Effective January 1, 2020, the Town contracted with Travelers Insurance for commercial liability insurance covered to \$1,000,000 per occurrence and \$2,000,000 in the aggregate; automobile insurance covered to \$1,000,000; umbrella liability covered to a \$5,000,000 per occurrence and in aggregate; and workers compensation and employers liability insurance up to \$1,000,000 per occurrence in accordance with statutes.

Total contributions billed for coverage period and any credits or balances due as of December 31, 2020 are as follows:

Property/Liability	\$ 62,469
Workers' Compensation	\$ 31,469

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 - INTERGOVERNMENTAL PAYABLE

Payables due other governments at December 31, 2020 include:

General Fund

Waterville Valley School District ~ *balance of 2020/2021 School District Assessment due in monthly installments though June 30, 2021*

\$ 603,407

NOTE 11 – LONG TERM LIABILITIES

Changes in General Long Term Debt

The following is a summary of the Town's general obligation long-term debt transactions for the fiscal year ended December 31, 2020:

	Balance January 1, 2020	Issued	Retired	Balance December 31, 2020	Due Within One Year
General Obligation Debt					
Bonds & notes	<u>\$ 4,329,369</u>	<u>\$ 875,000</u>	<u>\$ 506,781</u>	<u>\$ 4,697,588</u>	<u>\$ 437,753</u>

General Long Term Debt Payable

All debt is general obligation debt of the Town, which is backed by its full faith and credit. Long-term debt payable at December 31, 2020, is comprised of the following individual issues:

Description of Issue	Original Amount	Issue Date	Maturity Date	Rate %	December 31 2020
General obligation bonds & notes:					
Fire truck	\$ 454,000	08/31/12	08/31/22	2.15	\$ 90,800
Water and Sewer Improvements	\$ 481,900	02/03/14	02/03/24	3.19	160,635
DPW Garage	\$ 800,000	07/11/14	07/11/24	2.91	320,000
Water and Sewer Improvements	\$ 1,919,000	11/07/14	11/07/40	3.25	1,476,152
Corcoran Pond Dam	\$ 500,000	06/13/18	06/13/33	2.93	391,667
Town Entrance Sign & Paving	\$ 250,000	06/13/18	06/13/33	2.93	198,334
Well #3 Improvements	\$ 150,000	06/13/18	06/13/33	2.93	115,000
FD Ladder Truck;SW Trash Truck	\$ 1,078,000	06/15/19	06/15/44	2.58	920,000
Trail Improvements & Signage	\$ 150,000	12/31/19	12/31/30	2.58	150,000
Well #2 and #3 Improvements	\$ 875,000	12/31/20	02/15/41	3.00	875,000
					<u>\$ 4,697,588</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Annual Requirements to Amortize General Obligation Debt

The annual requirements to amortize all general obligation debt outstanding as of December 31, 2020, including interest payments, are as follows:

Fiscal Year Ending <u>December 31,</u>	General Obligation Notes and Bonds		
	Principal	Interest	Total
2021	\$ 437,753	\$ 162,093	\$ 599,846
2022	437,753	146,676	584,429
2023	382,353	131,501	513,854
2024	323,808	117,892	441,700
2025	243,808	106,401	350,209
	<u>1,825,475</u>	<u>664,563</u>	<u>2,490,038</u>
2026-2030	1,149,041	389,606	1,538,647
2031-2035	884,040	205,402	1,089,442
2036-2040	719,032	83,307	802,339
2041-2045	120,000	9,300	129,300
	<u>\$ 4,697,588</u>	<u>\$ 1,352,178</u>	<u>\$ 6,049,766</u>

Bonds or Notes Authorized – Unissued

Bonds and notes authorized and unissued as of December 31, 2020 were as follows:

Authorization	Purpose	Unissued Amount
March 09, 2010 ~ Article 3	Impr. Water Treatment & Distribution	673,100
March 09, 2010 ~ Article 4	Extending W&S Lines - West Branch	499,050
March 12, 2013 ~ Article 7	Reconstruct Tripoli Road Base	183,000
March 12, 2019 ~ Article 9	FD Ladder Truck	500
March 10, 2020 ~ Article 4	Impr. Water Treatment & Distribution	125,000
		<u>\$ 1,480,650</u>

Voluntary Separation Program

For employees age 58 or older who voluntarily separate from service, Town Policy provides for the payment of health insurance premiums until the employee reaches age 65. In estimating future amounts due, the Town is using a 10% annual increase in costs based on actual experience of 8% annual increases. As of December 31, 2020, there were no employees participating in this program.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - NEW HAMPSHIRE RETIREMENT SYSTEM COST-SHARING DEFINED BENEFIT PENSION AND POSTEMPLOYMENT MEDICAL SUBSIDY HEALTHCARE PLANS

Full-time employees participate in the State of New Hampshire Retirement System (NHRS), a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan) and four separate cost-sharing multiple-employer postemployment medical subsidy healthcare plans. NHRS was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code.

The cost-sharing defined benefit pension plan (pension plan) is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The pension plan is divided into two membership groups. By statute, Group I (employee and teacher) members contribute 7% of their salary to NHRS. Group II (police & fire) members contribute 11.5% and 11.8% respectively. While member rates are set by statute, employer rates are set by the NHRS Board of Trustees every two years after a biennial actuarial valuation is conducted using the *Entry Age Normal* actuarial method. Employer contributions are assessed at five different rates, one each for state employees, political subdivisions employees, teachers, police and fire. NHRS employers are required by the New Hampshire Constitution to pay 100% of the actuarial sound employer contribution rate as certified by the NHRS Board of Trustees to fully fund the pension plan and to pay down the retirement system’s unfunded actuarial accrued liability over a closed amortization period. Currently, employer contribution rates for the period July 1, 2019 through June 30, 2021 are as follows:

	Pension	Medical Subsidy	Total
Group I:			
Employees	10.88%	0.29%	11.17%
Group II:			
Police	24.77%	3.66%	28.43%
Fire	26.43%	3.66%	30.09%

According to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the Town recognizes their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. As provided in the reports above, collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions to the plan are recognized when legally due, based on statutory requirements.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - NEW HAMPSHIRE RETIREMENT SYSTEM COST-SHARING DEFINED BENEFIT PENSION AND POSTEMPLOYMENT MEDICAL SUBSIDY HEALTHCARE PLANS (CONTINUED)

This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive, Concord, NH 03301-8509 or on its web site at: <https://www.nhrs.org> and <https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>.

Benefit amounts and eligibility requirements for the cost-sharing multiple-employer postemployment medical subsidy plan (OPEB Plan) are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types re Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. The OPEB plan is closed to new entrants. Maximum medical subsidy rates paid during fiscal years 2020 and 2019 (the most recently available valuation dates) were as follows:

- For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.
- For those qualified retirees eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

According to the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the Town recognizes their proportionate share of collective OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense. As provided in the reports above, collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions to the plan are recognized when legally due, based on statutory requirements.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - NEW HAMPSHIRE RETIREMENT SYSTEM COST-SHARING DEFINED BENEFIT PENSION AND  
POSTEMPLOYMENT MEDICAL SUBSIDY HEALTHCARE PLANS (CONTINUED)

This information along with significant assumptions and inputs for total OPEB liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive, Concord, NH 03301-8509 or on its web site at: <https://www.nhrs.org> and <https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>.

NOTE 13 - DEFERRED INFLOWS OF RESOURCES

According to generally accepted accounting principles, taxes receivable older than 180 days are not recognized as available spendable resources and thus are deferred until collected. Other than those related to the New Hampshire Retirement System as noted above, Deferred Inflows of Resources at December 31, 2020 are as follows:

General Fund

Taxes receivable not available to pay current obligations	\$ <u>55,000</u>
---	------------------

NOTE 14 - FUND BALANCE

Elements of fund balance as of December 31, 2020 were as follows:

Capital & Noncapital Reserves Fund

*Committed for capital acquisitions & maintenance:*

Wastewater Toxicity Testing	\$ 8,197
Corcoran's Pond/Dam	4,291
Police Vehicle	440
Road Repairs	67,815
Fire Apparatus	263
Municipal Solid Waste Truck	10,436
Curious George Cottage	10,203
	<u>\$ 101,645</u>

Non-major Special Revenue Funds

*Restricted for special revenue purposes:*

Osceola Library	\$ 4,688
Conservation Commission	5,424
	<u>\$ 10,112</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - FUND BALANCE (CONTINUED)

Non-major Capital Project Fund

*Committed for capital acquisitions & maintenance:*

WV Capital Improvements	\$ <u>16,532</u>
-------------------------	------------------

General Fund

<i>Restricted for National Night Out</i>	\$ 2,697
--	----------

*Committed for capital acquisitions & maintenance:*

Nature trail grant	\$ 3,696
Ocseola Library repairs	30,403
Arena capital improvements	17,519
Town building engineering/repairs	16,308
Aeration system	25,000
Town wide engineering	85,352
Well #3 evaluation & repair	26,413
Corcoran Pond repairs	1,250
Town entrance	113,961
Town improvements	11,465
Well#2 and #3 improvements	1,000,000
Guardrail repairs	12,000
Vehicle lease payments	9,998
WWTP carbon filter replacement	16,531
Wastewater collection repair	9,528
Sludge drying maintenance	15,000
Water distribution repairs	10,000
Water assessment grant	36,296
Wastewater assessment grant	<u>45,000</u>

1,485,720

*Unassigned*

705,592

\$ 2,194,009

NOTE 15 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (CONTINUED)

Litigation

The town is involved in a state-wide tax appeal by a communications company. At this time, there is no way of knowing what the outcome may be or what impact (if any) it would have. Interested parties should make inquiries of management regarding the status of this or any other matters.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
 BUDGETARY COMPARISON SCHEDULE  
 NUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Original & Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Taxes	\$ 3,118,418	\$ 3,093,231	\$ (25,187)
Licenses and permits	146,450	163,469	17,019
State support	47,333	27,331	(20,002)
Charges for services	864,874	899,210	34,336
Miscellaneous	78,672	100,272	21,600
	<u>4,255,747</u>	<u>4,283,513</u>	<u>27,766</u>
<b>EXPENDITURES</b>			
Current:			
General government	966,604	926,468	40,136
Public safety	915,934	899,919	16,015
Highways and streets	385,707	360,676	25,031
Sanitation	653,652	635,219	18,433
Water distribution and treatment	214,796	144,402	70,394
Health	6,276	6,276	-
Welfare	2,000	500	1,500
Culture and recreation	464,624	347,244	117,380
Conservation	3,000	541	2,459
Debt service:			
Principal	521,782	506,781	15,001
Interest	158,872	154,870	4,002
Capital outlay	1,500,100	1,561,139	(61,039)
	<u>5,793,347</u>	<u>5,544,035</u>	<u>249,312</u>
Excess of revenues over(under) expenditures	(1,537,600)	(1,260,522)	277,078
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	6,900	6,900
Transfers out	(30,000)	(32,900)	(2,900)
Proceeds of long-term debt	1,195,000	1,025,000	(170,000)
	<u>1,165,000</u>	<u>999,000</u>	<u>(166,000)</u>
Net change in fund balances	(372,600)	(261,522)	111,078
Fund balances - beginning	967,114	967,114	-
Fund balances - ending	<u>\$ 594,514</u>	<u>\$ 705,592</u>	<u>\$ 111,078</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING  
 FOR THE YEAR ENDED DECEMBER 31, 2020

The budgetary comparison schedule – Budget to Actual (Non-GAAP Budgetary Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

General Budget Policies

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town's operations. The Town votes appropriations by official ballot in accordance with State Statutes. Appropriations are made on an annual basis for the General and all major Special Revenue Funds. Project-length financial plans are adopted for all Capital Projects. Except as reconciled below, budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. Unexpended balances of special articles for specific purposes may not be transferred. All annual appropriations lapse at year end unless encumbered. In the case of emergency expenditures, over-expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Revenue Administration. State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2020, \$335,100 of the beginning General Fund balance was applied for this purpose.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. Amounts recorded as budgetary expenditures in the *Budgetary Comparison Schedule (page 29)* are presented on the basis budgeted by the Town. The amounts differ from those reported in conformity with generally accepted accounting principles in the *Statement of Revenues, Expenditures and Changes in Fund Balances (page 9)* as follows:

Expenditures and Other Financing Uses ~ Budgetary Basis ( <i>see page 29</i> )	\$	4,556,891
Adjustments:		
Encumbrances - December 31, 2019		468,576
Encumbrances - December 31, 2020		<u>(486,905)</u>
Expenditures and Other Financing Uses ~ GAAP Basis ( <i>see page 9</i> )	\$	<u><u>4,538,562</u></u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
COMPARATIVE SCHEDULE OF PENSION OBLIGATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Estimated future pension obligations - New Hampshire Retirement System (NHRS).** Selected comparative information from NHRS's audited financial statements and cost-sharing schedules that is specific to the Town is as follows:

	Estimates based on actuarial valuation as of June 30							
	2013	2014	2015	2016	2017	2018	2019	2020
Proportionate share	0.04703310%	0.04645895%	0.04600087%	0.04555754%	0.04681237%	0.04301661%	0.04428404%	0.04401395%
Employer contribution	\$ 116,950	\$ 150,724	\$ 154,327	\$ 163,132	\$ 171,494	\$ 181,813	\$ 192,716	\$ 195,528
Net Pension Liability	\$ 2,024,203	\$ 1,743,877	\$ 1,822,337	\$ 2,422,566	\$ 2,302,229	\$ 2,071,337	\$ 2,130,795	\$ 2,815,192
Deferred outflows of resources:								
Differences between expected and actual experience	<i>base year</i>	-	-	6,732	5,220	16,533	11,781	76,024
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	-	-	151,568	-	-	-	174,123
Changes of assumptions	<i>base year</i>	-	-	298,141	231,174	143,347	76,452	278,478
Changes in proportion and differences between employer contributions and share of contributions	<i>base year</i>	-	-	-	43,969	32,941	68,011	44,856
<i>Total deferred outflows of resources</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,441</u>	<u>\$ 280,363</u>	<u>\$ 192,821</u>	<u>\$ 156,244</u>	<u>\$ 573,481</u>
Deferred inflows of resources:								
Differences between expected and actual experience	<i>base year</i>	-	39,989	30,591	29,301	16,772	45,818	30,227
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	223,130	48,704	-	29,320	47,933	17,406	-
Changes in proportion and differences between employer contributions and share of contributions	<i>base year</i>	20,303	31,695	38,481	26,850	151,351	105,323	74,390
<i>Total deferred inflows of resources</i>	<u>\$ -</u>	<u>\$ 243,433</u>	<u>\$ 120,388</u>	<u>\$ 69,072</u>	<u>\$ 85,471</u>	<u>\$ 216,056</u>	<u>\$ 168,547</u>	<u>\$ 104,617</u>
Pension expense:								
Proportionate share of plan pension expense	<i>base year</i>	118,237	117,745	267,234	244,237	205,779	264,115	419,385
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<i>base year</i>	(4,406)	(8,003)	(11,630)	(603)	(36,731)	(22,873)	(20,626)
<i>Total employer pension expense</i>	<u>\$ -</u>	<u>\$ 113,831</u>	<u>\$ 109,742</u>	<u>\$ 255,604</u>	<u>\$ 243,634</u>	<u>\$ 169,048</u>	<u>\$ 241,242</u>	<u>\$ 398,759</u>

This information should be read in conjunction with the audited *Schedule of Employer Allocations* and *Schedule of Pension Amounts by Employer* presented by the NHRS. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at <https://www.nhrs.org/funding-and-investments/reports-valuations/annual-report-archive> and <https://www.nhrs.org/employers/gasb/gasb-67-68-reports>. As noted there in, the preparation of those reports requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of those estimates, actual results could differ, and the differences could be material. As of December 31, 2020, the Town has recognized all statutorily required contributions to the plan. Unless additional assessments are imposed by the NHRS Board due to insolvency or some other circumstances, all future obligations to the plan (subject to annual appropriation by the legislative body) will become due as a percentage of qualifying wages as they are paid by the Town. At this time, management understands that that the NHRS foresees no likelihood of additional assessment beyond normal contribution rates, which are established every two years by a statutorily-governed rate-setting process. All future obligations of the Town to the NHRS will be paid by current appropriations as they become due.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
COMPARATIVE SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Estimated future OPEB obligations - New Hampshire Retirement System (NHRS). Selected comparative information from NHRS's audited financial statements and cost-sharing schedules that is specific to the Town is as follows:

	As of and for the years ended December 31, (Valuation as of June 30)				
	2016	2017	2018	2019	2020
Proportionate share	0.02824660%	0.02845449%	0.04080666%	0.04133583%	0.03696690%
Employer contribution	\$ 16,413	\$ 16,865	\$ 18,050	\$ 18,864	\$ 17,159
Net OPEB Liability	\$ 136,743	\$ 130,104	\$ 186,832	\$ 181,221	\$ 161,807
Deferred outflows of resources:					
Differences between expected and actual experience	<i>base year</i>	-	1,097	-	-
Net difference between projected and actual investment	<i>base year</i>	-	-	-	605
Changes of assumptions	<i>base year</i>	-	-	-	1,040
Changes in proportion	<i>base year</i>	302	12,021	257	-
<i>Total deferred outflows of resources</i>	<u>\$ -</u>	<u>\$ 302</u>	<u>\$ 13,118</u>	<u>\$ 257</u>	<u>\$ 1,645</u>
Deferred inflows of resources:					
Differences between expected and actual experience	<i>base year</i>	-	-	315	469
Net difference between projected and actual investment earnings on OPEB plan investments	<i>base year</i>	411	594	204	-
Changes of assumptions	<i>base year</i>	-	-	-	-
Changes in proportion	<i>base year</i>	-	-	-	2,384
<i>Total deferred inflows of resources</i>	<u>\$ -</u>	<u>\$ 411</u>	<u>\$ 594</u>	<u>\$ 519</u>	<u>\$ 2,853</u>
OPEB expense:					
Proportionate share of plan OPEB expense	<i>base year</i>	9,629	17,208	11,859	15,258
Net amortization of deferred amounts from changes in proportion	<i>base year</i>	706	44,937	14,180	(16,568)
<i>Total employer OPEB expense</i>	<u>\$ -</u>	<u>\$ 10,335</u>	<u>\$ 62,145</u>	<u>\$ 26,039</u>	<u>\$ (1,310)</u>

This information should be read in conjunction with the audited actuarial reports presented by the NHRS. This information along with significant assumptions and inputs for total OPEB liabilities, the NHRS's fiduciary net position and current year sources of changes to net OPEB liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at:

<https://www.nhrs.org/employers/employer-resources/gasb/gasb-reports>

As noted there in, the preparation of those reports requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of those estimates, actual results could differ, and the differences could be material. As of December 31, 2020, the Town has recognized all statutorily required contributions to the plan. Unless additional assessments are imposed by the NHRS Board due to insolvency or some other circumstances, all future obligations to the plan will become due as a percentage of qualifying wages as they are paid by the Town. At this time, management understands that that the NHRS foresees no likelihood of additional assessment beyond normal contribution rates, which are established every two years by a statutorily-governed rate-setting process. All future obligations of the Town to the NHRS will be paid by current appropriations as they become due.

SUPPLEMENTARY INFORMATION

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
GENERAL FUND  
SCHEDULE OF ESTIMATED AND ACTUAL RETURNS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original & Final Budget	Actual (GAAP Basis)	Over (Under) Budget
<b>REVENUES</b>			
<b>Taxes</b>			
Property	\$ 3,048,181	\$ 3,022,994	\$ (25,187)
Payments in lieu of taxes	46,237	46,237	-
Interest and penalties on delinquent taxes	31,500	39,778	8,278
Overlay	(7,500)	(15,778)	(8,278)
	<u>3,118,418</u>	<u>3,093,231</u>	<u>(25,187)</u>
<b>Licenses and permits</b>			
Motor vehicle fees	135,000	147,401	12,401
Building permits	10,750	15,365	4,615
Other licenses, permits and fees	700	703	3
	<u>146,450</u>	<u>163,469</u>	<u>17,019</u>
<b>State Support</b>			
Shared revenues	817	817	-
Meals and rooms tax distribution	12,549	12,549	-
Highway block grant	13,967	13,965	(2)
Railroad tax	20,000	-	(20,000)
	<u>47,333</u>	<u>27,331</u>	<u>(20,002)</u>
<b>Charges for Services</b>			
<b>Income From Departments</b>			
<i>Public safety services:</i>			
Police department	3,111	5,422	2,311
Ambulance	81,234	87,189	5,955
<i>Sanitation:</i>			
Solid waste collection & disposal	112,000	117,678	5,678
Sewer services	317,500	319,089	1,589
<i>Water Distribution &amp; Treatment</i>			
Water services	242,000	241,304	(696)
<i>Culture and Recreation</i>			
Recreation department	56,829	52,071	(4,758)
Parks department	22,200	46,457	24,257
Post office	30,000	30,000	-
	<u>864,874</u>	<u>899,210</u>	<u>34,336</u>
<b>Miscellaneous</b>			
Interest on investments	3,800	3,727	(73)
Other	74,872	96,545	21,673
	<u>78,672</u>	<u>100,272</u>	<u>21,600</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds of long term debt	1,195,000	1,025,000	(170,000)
<b>Operating transfers in - Interfund Transfers</b>			
<i>Capital &amp; Noncapital Reserve Funds -</i>			
Road Repairs	-	6,000	6,000
Ladder Truck	-	697	697
	<u>1,195,000</u>	<u>1,031,697</u>	<u>(163,303)</u>
<b>Total revenues and other financing sources</b>	<b>\$ <u>5,450,747</u></b>	<b>\$ <u>5,315,210</u></b>	<b>\$ <u>(135,537)</u></b>
<b>Unassigned fund balance used</b>			
to offset voted appropriations	335,100		
to reduce tax rate	\$ -		
<b>Total revenues and use of fund balance</b>	<b>\$ <u>5,785,847</u></b>		

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
GENERAL FUND  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Reserved From Prior Fiscal Year	Voted Appropriations	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
<b>EXPENDITURES</b>					
<b>Current</b>					
<b>General Government</b>					
Executive	\$	\$ 8,675	\$ 7,570	\$	\$ 1,105
Election, Registration & Vital Statistics		2,500	1,712		788
Financial Administration		418,120	413,806		4,314
Revaluation of Property		15,300	16,259		(959)
Legal Expenses		11,000	18,959		(7,959)
Planning and Zoning		10,000	6,968		3,032
General Government Buildings		122,595	123,186		(591)
Cemeteries		2,000	-		2,000
Insurance, not otherwise allocated		101,489	94,899		6,590
Advertising and regional association		1	-		1
<b>Other general government:</b>					
Town post office		106,114	107,477		(1,363)
Information technology		45,760	43,810		1,950
Pond maintenance		5,000	3,032		1,968
Support of the Rey Center		35,000	25,000		10,000
WV Transit services		55,550	46,290		9,260
Support of WVAIA		10,000	10,000		-
Historical Society		10,000	5,000		5,000
Shakespeare in the Valley		2,500	2,500		-
Special celebrations/National Night Out		5,000	-		5,000
	-	966,604	926,468	-	40,136
<b>Public safety</b>					
Police Department		651,433	644,424		7,009
Ambulance		108,950	100,950		8,000
Fire Department		155,551	154,545		1,006
	-	915,934	899,919	-	16,015
<b>Highways and streets</b>					
Highways and streets		378,107	353,007		25,100
Street Lighting		7,600	7,669		(69)
	-	385,707	360,676	-	25,031
<b>Sanitation</b>					
Solid waste collection		198,929	206,897		(7,968)
Solid waste disposal		84,500	77,222		7,278
Wastewater collection & disposal		370,223	351,100		19,123
	-	653,652	635,219	-	18,433
<b>Water Distribution &amp; Treatment</b>					
Water Services		214,796	144,402		70,394
	-	214,796	144,402	-	70,394
<b>Health</b>					
Health Agencies & Hospitals		6,276	6,276		-
	-	6,276	6,276	-	-
<b>Welfare</b>					
Administration & Direct Assistance		2,000	500		1,500
	-	2,000	500	-	1,500

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE  
GENERAL FUND  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Reserved From Prior Fiscal Year	Voted Appropriations	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
Culture and recreation					
Parks and Recreation	\$ -	\$ 452,624	\$ 345,146	\$ -	\$ 107,478
Library (operations)		3,000	98	-	2,902
Patriotic purposes		9,000	2,000	-	7,000
	<u>-</u>	<u>464,624</u>	<u>347,244</u>	<u>-</u>	<u>117,380</u>
Conservation					
Conservation Commission	-	3,000	541	-	2,459
	<u>-</u>	<u>3,000</u>	<u>541</u>	<u>-</u>	<u>2,459</u>
Debt service					
Principal of long-term debt	-	521,782	506,781	-	15,001
Interest expense - long-term debt	-	157,872	154,870	-	3,002
Interest expense - tax anticipation notes	-	1,000	-	-	1,000
	<u>-</u>	<u>680,654</u>	<u>661,651</u>	<u>-</u>	<u>19,003</u>
Facilities acquisition and construction					
Land and Improvements:					
Machinery, vehicles & equipment					
Plow truck (lease)	-	30,100	30,043	57	-
Plow truck (lease 2)	-	35,000	27,876	7,124	-
Thermal imaging device	-	10,000	10,000	-	-
Ambulance life pak AED	-	22,000	22,000	-	-
Recreation bus	-	22,000	19,943	2,057	-
PW Backhoe (lease)	-	34,000	33,240	760	-
Buildings					
Guardrail replacements	-	12,000	-	12,000	-
WWTP Sand Filters	16,194	-	16,194	-	-
Town Building engineering/repairs	27,339	-	11,031	16,308	-
WWTP Upgrades/repairs	13,108	-	13,108	-	-
Improvements other than buildings					
Water/WWTP system repairs	-	160,000	40,164	174,874	(55,038)
Town entrance	114,310	-	350	113,960	-
Cochran Pond Dam	24,116	-	24,116	-	-
Well #3 evaluation & repair	73,010	-	46,597	26,413	-
Corcoran's Pond Dam	10,000	25,000	33,750	1,250	-
Water system improvements	-	1,000,000	-	1,000,000	-
Capital improvement plan	-	150,000	64,648	85,352	-
Trail improvements	131,696	-	120,231	11,465	-
Osceola library repairs	35,365	-	4,961	30,404	-
Area maintenance	16,842	-	22,843	-	(6,001)
Nature trail grant	3,696	-	-	3,696	-
	<u>465,676</u>	<u>1,500,100</u>	<u>541,095</u>	<u>1,485,720</u>	<u>(61,039)</u>
OTHER FINANCING USES					
Operating transfers out - Interfund transfers					
Capital reserve fund	-	30,000	30,697	-	(697)
<i>Special revenue</i>					
Osceola Library	-	-	2,000	-	(2,000)
National Night Out expenses	2,900	-	203	2,697	-
	<u>2,900</u>	<u>30,000</u>	<u>32,900</u>	<u>2,697</u>	<u>(2,697)</u>
	<u>\$ 468,576</u>	<u>\$ 5,823,347</u>	<u>\$ 4,556,891</u>	<u>\$ 1,488,417</u>	<u>\$ 246,615</u>