



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

FOR THE YEAR ENDED DECEMBER 31, 2021

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Waterville Valley, New Hampshire, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and pension obligations and other post-employment benefit obligations be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries

of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America required 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedules of estimated and actual revenues, appropriations, expenditures, and encumbrances 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Alta CPA Group, LLC

May 27, 2022

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,693,503
Receivables <i>(net of allowance for uncollectibles)</i>	
Taxes	267,481
Accounts	216,933
Capital assets:	
Land	1,218,435
Buildings and other structures	3,901,600
Construction in progress	1,522,296
Machinery, vehicles & equipment	3,580,589
Infrastructure	13,295,364
Accumulated depreciation	(7,956,898)
	<u>18,739,303</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related <i>(NHRS)</i>	490,379
OPEB related <i>(NHRS)</i>	237
	<u>490,616</u>
LIABILITIES	
Accounts payable and other current liabilities	62,105
Intergovernmental payable	853,732
Long-term obligations:	
Due within one year	
Bonds & notes payable	363,945
Due Beyond one year:	
Bonds & notes payable	3,957,081
Town share of NHRS net pension liability	2,146,000
Town share of NHRS OPEB liability	174,032
	<u>7,556,895</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related <i>(NHRS)</i>	658,039
OPEB related <i>(NHRS)</i>	2,210
	<u>660,249</u>
NET POSITION	
Net investment in capital assets	11,240,360
Restricted for:	
Osceola Library	3,403
Conservation Commission	15,425
National Night Out	-
Capital Acquisitions and Maintenance	-
Capital and Noncapital Reserves	80,802
Unrestricted(deficit)	(327,215)
	<u>\$ 11,012,775</u>

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, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and
		Charges for	Operating	Changes in Net Position
		Services	Grants and	Primary Government
			Contributions	Governmental
				Activities
Primary government:				
<i>Governmental activities:</i>				
General Government	\$ 1,009,422	\$ -	\$ 18,175	\$ (991,247)
Public safety	972,537	64,390	-	(908,147)
Highways and streets	399,455	-	13,607	(385,848)
Sanitation	597,029	579,708	-	(17,321)
Water distribution & treatment	152,495	282,581	-	130,086
Health	1,876	-	-	(1,876)
Welfare	333	-	-	(333)
Culture and recreation	414,125	210,323	-	(203,802)
Conservation	1,694	-	-	(1,694)
Capital Outlays	12,379	-	-	(12,379)
Interest on long-term debt	198,018	-	-	(198,018)
Depreciation-unallocated	572,454	-	-	(572,454)
	<u>\$ 4,331,817</u>	<u>\$ 1,137,002</u>	<u>\$ 31,782</u>	<u>\$ (3,163,033)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				2,469,918
Property taxes, levied for debt services				540,264
Licenses and permits				241,810
Other local revenues				137,751
				<u>3,628,703</u>
Change in net position				465,670
Net position - beginning, as restated				10,547,105
Net position - ending				<u><u>\$ 11,012,775</u></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, 2021

		2022-2025	Capital &	Non-major Governmental Funds			Total
	General	Capital Improvements	Noncapital Reserves	Osceola Library	Conservation Commission	WV Capital Improvements	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,577,335	\$ -	\$ 80,802	\$ 3,403	\$ 15,425	\$ 16,538	\$ 2,693,503
Receivables							
Taxes	267,481	-	-	-	-	-	267,481
Accounts	216,933	-	-	-	-	-	216,933
Interfund	-	1,018,181	-	-	-	-	1,018,181
	<u>\$ 3,061,749</u>	<u>\$ 1,018,181</u>	<u>\$ 80,802</u>	<u>\$ 3,403</u>	<u>\$ 15,425</u>	<u>\$ 16,538</u>	<u>\$ 4,196,098</u>
LIABILITIES							
Accounts payable	\$ 62,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,105
Interfund payable	1,018,181	-	-	-	-	-	1,018,181
Intergovernmental payable	853,732	-	-	-	-	-	853,732
	<u>1,934,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,934,018</u>
DEFERRED INFLOWS							
Unavailable taxes revenues	55,000	-	-	-	-	-	55,000
	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,000</u>
FUND BALANCES							
<i>Restricted for</i>							
Osceola Library	-	-	-	3,403	-	-	3,403
Conservation Commission	-	-	-	-	15,425	-	15,425
<i>Committed for</i>							
Open purchase orders	236,778	-	-	-	-	-	236,778
<i>Committed for</i>							
Capital acquisitions & maintenance	-	6,918,181	80,802	-	-	16,538	7,015,521
Unassigned	835,953	(5,900,000)	-	-	-	-	(5,064,047)
	<u>1,072,731</u>	<u>1,018,181</u>	<u>80,802</u>	<u>3,403</u>	<u>15,425</u>	<u>16,538</u>	<u>2,207,080</u>
	<u>\$ 3,061,749</u>	<u>\$ 1,018,181</u>	<u>\$ 80,802</u>	<u>\$ 3,403</u>	<u>\$ 15,425</u>	<u>\$ 16,538</u>	<u>\$ 4,196,098</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, 2021

Total Fund Balance - Governmental Funds (page 7) \$ 2,207,080

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	1,522,296	
Machinery, vehicles & equipment	3,580,589	
Infrastructure	13,295,364	
Accumulated depreciation	<u>(7,956,898)</u>	
		15,561,386

*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
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*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	(4,321,026)	
Town's share of New Hampshire Retirement System:		
Net pension liability	(2,146,000)	
Deferred outflows of resources - Pension	490,379	
Deferred inflows of resources - Pension	(658,039)	
OPEB liability	(174,032)	
Deferred outflows of resources - OPEB	237	
Deferred inflows of resources - OPEB	<u>(2,210)</u>	
	<u>(2,489,665)</u>	
		<u>(6,810,691)</u>

Net Position of Governmental Activities (page 5)	\$	<u><u>11,012,775</u></u>
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TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

		2022-2025	Capital &	Non-major Governmental Funds			Total
	General	Capital Improvements	Noncapital Reserves	Osceola Library	Conservation Commission	WV Capital Improvements	Governmental Funds
REVENUES							
Taxes	\$ 3,010,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,010,182
Licenses and permits	241,810	-	-	-	-	-	241,810
State support	31,782	-	-	-	-	-	31,782
Charges for services	1,137,002	-	-	-	-	-	1,137,002
Other local sources	125,019	-	-	2,725	10,001	6	137,751
	<u>4,545,795</u>	<u>-</u>	<u>-</u>	<u>2,725</u>	<u>10,001</u>	<u>6</u>	<u>4,558,527</u>
EXPENDITURES							
Current:							
General Government	1,029,100	-	-	-	-	-	1,029,100
Public safety	961,864	-	10,673	-	-	-	972,537
Highways and streets	354,805	-	44,650	-	-	-	399,455
Sanitation	597,029	-	-	-	-	-	597,029
Water distribution & treatment	146,975	-	5,520	-	-	-	152,495
Health	1,876	-	-	-	-	-	1,876
Welfare	333	-	-	-	-	-	333
Culture and recreation	410,115	-	-	4,010	-	-	414,125
Conservation	1,694	-	-	-	-	-	1,694
Debt service				-			
Principal	376,562	-	-	-	-	-	376,562
Interest	198,018	-	-	-	-	-	198,018
Capital outlay	611,032	283,449	-	-	-	-	894,481
	<u>4,689,403</u>	<u>283,449</u>	<u>60,843</u>	<u>4,010</u>	<u>-</u>	<u>-</u>	<u>5,037,705</u>
Excess of revenues over(under) expenditures	<u>(143,608)</u>	<u>(283,449)</u>	<u>(60,843)</u>	<u>(1,285)</u>	<u>10,001</u>	<u>6</u>	<u>(479,178)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	2,697	150,000	40,000	-	-	-	192,697
Transfers out	(192,697)	-	-	-	-	-	(192,697)
Proceeds of long-term debt	-	238,960	-	-	-	-	238,960
	<u>(190,000)</u>	<u>388,960</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,960</u>
Net change in fund balances	(333,608)	105,511	(20,843)	(1,285)	10,001	6	(240,218)
Fund balances - beginning, as restated	1,444,009	875,000	101,645	4,688	5,424	16,532	2,447,298
Fund balances - ending	<u>\$ 1,110,401</u>	<u>\$ 980,511</u>	<u>\$ 80,802</u>	<u>\$ 3,403</u>	<u>\$ 15,425</u>	<u>\$ 16,538</u>	<u>\$ 2,207,080</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, 2021

Net change in fund balances - total governmental funds (Page 9) \$ (240,218)

Amounts reported for governmental activities in the
statement of activities (Page 6) are different because:

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.

Reduce expenditures for capital outlays increasing capital assets	882,102
Increase expenditures for depreciation charges	(572,454)

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.

Reduction in expenditures for principal payments on debt	376,562
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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.

Town's share of New Hampshire Retirement System:

(increase)decrease in net pension liability	669,192	
Increase(decrease) in deferred outflows of resources - Pension	(83,102)	
(Increase)decrease in deferred inflows of resources - Pension	(553,422)	
(increase)decrease in net OPEB liability	(12,225)	
Increase(decrease) in deferred outflows of resources - OPEB	(1,408)	
(Increase)decrease in deferred inflows of resources - OPEB	643	
	19,678	

19,678

Change in net position of governmental activities (Page 6)	\$ 465,670
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TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021

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, 2022. 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 *2022-2025 Capital Improvements Fund* is a capital projects fund that accounts for significant capital improvements to roads and wastewater treatment facilities over the next five year.
- 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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 2021, \$148,000 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 30)* 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 30</i>)	\$ 3,506,524
Adjustments:	
Encumbrances - December 31, 2020	485,720
Encumbrances - December 31, 2021	(305,285)
Amounts transferred to 2022-2025 Capital Improvements Fund	<u>1,002,444</u>
Expenditures and Other Financing Uses ~ GAAP Basis (<i>see page 10</i>)	<u>\$ 4,689,403</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Receivables and Revenues (Continued)

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.

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.

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
Vehicles	5-10
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, 2021

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

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”.

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.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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, 2021

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 2021 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 2021 property tax levy was based on a net assessed valuation as of April 1, 2021 of \$333,626,195. State Education Taxes were based on a State-wide equalized valuation of \$330,959,295. 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, 2021, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Levied
Municipal portion	\$ 9.05	\$ 3,019,683
County Tax Assessment	1.61	536,849
Local School Tax Assessment	3.18	1,060,739
State Education Tax Assessment	1.82	602,993
	<u>\$ 15.66</u>	<u>\$ 5,220,264</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - TAXES RECEIVABLE

Taxes receivable at December 31, 2021, are as follows:

<u>Uncollected Taxes</u>		
Property	\$ 261,442	
Unassigned credits	<u>(7,797)</u>	
		\$ 253,645
<u>Unredeemed Taxes (under tax liens)</u>		
Levy of 2020	\$ 24,279	
Levy of 2019	3,048	
Levy of 2018	<u>1,509</u>	
		<u>28,836</u>
		282,481
Reserve for uncollectible taxes receivable		<u>(15,000)</u>
		<u>\$ 267,481</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, 2021 are as follows:

<u>Accounts</u>		
Utility services (Sewer, Water & MSD)	\$ 203,345	
Other	<u>13,588</u>	
		<u>\$ 216,933</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2021 are as follows:

	Interfund Receivable	Interfund Payable
<i>Governmental Activities:</i>		
General Fund	\$ -	\$ 1,018,181
2022-2025 Capital Improvements Fund	1,018,181	-
	<u>\$ 1,018,181</u>	<u>\$ 1,018,181</u>

NOTE 8 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2021 is as follows:

	<i>Governmental Activities</i>			
	Balance January 1	Additions	Deductions	Balance December 31
Land	\$ 1,218,435	\$ -	\$ -	\$ 1,218,435
Buildings & Other Structures	3,901,600	-	-	3,901,600
Construction in Progress	1,273,247	574,048	324,999	1,522,296
Machinery, Vehicles & Equipment	3,462,447	118,142	-	3,580,589
Infrastructure	12,780,453	514,911	-	13,295,364
	22,636,182	1,207,101	324,999	23,518,284
Less: Accumulated Depreciation	(7,384,444)	(572,454)	-	(7,956,898)
	<u>\$ 15,251,738</u>	<u>\$ 634,647</u>	<u>\$ 324,999</u>	<u>\$ 15,561,386</u>

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. During the fiscal year, the Town was a member of the following public-entity risk pools, currently operating as a common risk management and insurance programs for member towns and school administrative units.

The *New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability* are pooled risk management programs under RSA 5-B and RSA 281-A. A coverage summary of worker's compensation and property/liability programs provided from 1/1/21 – 1/1/22 by *Primex³*, with 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. The Board has decided to retain the aggregate exposure and has allocated resources based on actuarial analysis for that purpose.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - RISK MANAGEMENT (CONTINUED)

Total contributions billed for coverage period and any credits or balances due as of December 31, 2021 are as follows:

Property/Liability	\$ 63,743
Workers' Compensation	\$ 40,516

The Workers' Compensation Section of the Self-Insurance Membership Agreement permits *Primex*³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. At this time, Town management understands that the Trust foresees no likelihood of an additional assessment for this or any prior year. Claims have not exceeded insurance coverage in any of the past three years.

NOTE 10 - INTERGOVERNMENTAL PAYABLE

Payables due other governments at December 31, 2021 include:

General Fund

Waterville Valley School District ~ <i>balance of 2021/2022 School District Assessment due in monthly installments though June 30, 2022</i>	<u>\$ 853,732</u>
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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, 2021:

	Balance January 1, 2021	Issued	Retired	Balance December 31, 2021	Due Within One Year
General Obligation Debt					
Bonds & notes	<u>\$ 4,697,588</u>	<u>\$ -</u>	<u>\$ 376,562</u>	<u>\$ 4,321,026</u>	<u>\$ 363,945</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, 2021, is comprised of the following individual issues:

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Description of Issue	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding December 31 2021
General obligation bonds & notes:					
Fire truck	\$ 454,000	08/31/12	08/31/22	2.15	\$ 45,400
Water and Sewer Improvements	\$ 481,900	02/03/14	02/03/24	3.19	107,090
DPW Garage	\$ 800,000	07/11/14	07/11/24	2.91	240,000
Water and Sewer Improvements	\$ 1,919,000	11/07/14	11/07/40	3.25	1,328,536
Corcoran Pond Dam	\$ 500,000	06/13/18	06/13/33	2.93	360,000
Town Entrance Sign & Paving	\$ 250,000	06/13/18	06/13/33	2.93	185,000
Well #3 Improvements	\$ 150,000	06/13/18	06/13/33	2.93	105,000
FD Ladder Truck;SW Trash Truck	\$ 1,078,000	06/15/19	06/15/44	2.58	855,000
Trail Improvements & Signage	\$ 150,000	12/31/19	12/31/30	2.58	115,000
Town Wide Engineering	\$ 150,000	07/14/20	07/14/25	0.57	105,000
Well #2 and #3 Improvements	\$ 875,000	01/06/21	02/15/41	3.00	875,000
					<u>\$ 4,321,026</u>

Annual Requirements to Amortize General Obligation Debt

The annual requirements to amortize all general obligation debt outstanding as of December 31, 2021, including interest payments, are as follows:

Fiscal Year Ending <u>December 31,</u>	General Obligation Notes and Bonds		
	Principal	Interest	Total
2022	\$ 393,945	\$ 116,055	\$ 510,000
2023	412,353	142,898	555,251
2024	348,808	126,564	475,372
2025	268,808	112,475	381,283
2026	<u>243,808</u>	<u>100,133</u>	<u>343,941</u>
	1,667,722	598,125	2,265,847
2027-2031	1,084,040	347,371	1,431,411
2032-2036	834,040	171,006	1,005,046
2037-2041	645,224	59,875	705,099
2042-2044	<u>90,000</u>	<u>5,580</u>	<u>95,580</u>
	<u>\$ 4,321,026</u>	<u>\$ 1,181,957</u>	<u>\$ 5,502,983</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Bonds or Notes Authorized – Unissued

Bonds and notes authorized and unissued as of December 31, 2021 were as follows:

Authorization	Purpose	Unissued Amount
May 11, 2021 ~ Article 9	Wastewater Collection & Treatment	5,000,000
May 11, 2021 ~ Article 10	Road and Sidewalk Improvements	900,000
		<u>\$ 5,900,000</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, 2021, there were no employees participating in this program.

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

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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, 2021 through June 30, 2023 are as follows:

	Pension	Medical Subsidy	Total
Group I:			
Employees	13.75%	0.31%	14.06%
Group II:			
Police	30.67%	3.21%	33.88%
Fire	29.78%	3.21%	32.99%

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.

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 are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members.

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 2021 and 2020 (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.

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/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, 2021 are as follows:

General Fund

Taxes receivable not available to pay current obligations	\$ <u>55,000</u>
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TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - FUND BALANCE

Elements of fund balance as of December 31, 2021 were as follows:

2022-2025 Capital Improvements Fund

Committed for capital acquisitions & maintenance:

Well Connection Project TM2020	\$ 893,443
WWTP Replacement 2021	4,838,858
Well Connection Added Costs	150,000
Town Entrance EPY	113,960
Repair & Repave Roads	884,250
Aeration System	21,139
Cabin Filter Replacement	16,531

6,918,181

Unassigned (5,900,000)

\$ 1,018,181

Capital & Noncapital Reserves Fund

Committed for capital acquisitions & maintenance:

Corcoran's Pond/Dam	\$ 4,291
Police Vehicle	440
Road Repairs	35,833
Fire Apparatus	9,593
Municipal Solid Waste Truck	10,438
Curious George Cottage	20,207

\$ 80,802

Non-major Special Revenue Funds

Restricted for special revenue purposes:

Osceola Library	\$ 3,403
Conservation Commission	15,425

\$ 18,828

General Fund

Committed for open purchase orders	\$ 236,778
	236,778

Unassigned 835,953

\$ 1,072,731

Non-major Capital Project Fund

Committed for capital acquisitions & maintenance:

WV Capital Improvements	\$ 16,538
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TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

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.

NOTE 16 – PRIOR PERIOD RESTATEMENT

During 2021, the Town identified a misstatement related to the recording of its most recent bond issue. The Town created a new fund, the 2022-2025 Capital Improvements Fund, and reclassified the fund balance related to these activities into the separate fund effective December 31, 2020. These adjustments resulted in the following changes to net position and fund balance as of December 31, 2020.

<u>Line Item</u>	<u>As originally reported</u>	<u>As restated</u>
Fund Balance – General Fund	\$ 2,194,009	\$ 1,444,009
Fund Balance – 2022-2025 Capital Improvements Fund	-	875,000
Net Position	10,422,105	10,547,105

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original & Final Budget	Actual	Variance With Final Budget
REVENUES			
Taxes	\$ 3,066,768	\$ 3,010,182	\$ (56,586)
Licenses and permits	218,915	241,810	22,895
State support	37,910	31,782	(6,128)
Charges for services	1,091,783	1,137,002	45,219
Miscellaneous	104,876	125,019	20,143
	<u>4,520,252</u>	<u>4,545,795</u>	<u>25,543</u>
EXPENDITURES			
Current:			
General government	1,045,553	1,029,353	16,200
Public safety	1,026,846	961,864	64,982
Highways and streets	378,571	354,805	23,766
Sanitation	628,137	597,029	31,108
Water distribution and treatment	154,407	146,975	7,432
Health	6,500	1,876	4,624
Welfare	2,000	333	1,667
Culture and recreation	408,474	407,418	1,056
Conservation	3,000	1,694	1,306
Debt service:			
Principal	402,753	376,562	26,191
Interest	137,511	198,018	(60,507)
Capital outlay	6,334,500	(637,910)	6,972,410
	<u>10,528,252</u>	<u>3,438,017</u>	<u>7,090,235</u>
Excess of revenues over(under) expenditures	(6,008,000)	1,107,778	7,115,778
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(42,697)	(192,697)	(150,000)
Proceeds of long-term debt	5,900,000	-	(5,900,000)
	<u>5,857,303</u>	<u>(192,697)</u>	<u>(6,050,000)</u>
Net change in fund balances	(150,697)	915,081	1,065,778
Fund balances - beginning	263,827	263,827	-
Fund balances - ending	<u>\$ 113,130</u>	<u>\$ 1,178,908</u>	<u>\$ 1,065,778</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
FOR THE YEAR ENDED DECEMBER 31, 2021

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 2021, \$148,000 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 30)* 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 30</i>)	\$ 3,506,524
Adjustments:	
Encumbrances - December 31, 2020	485,720
Encumbrances - December 31, 2021	(236,778)
Amounts transferred to 2022-2025 Capital Improvements Fund	<u>1,002,444</u>
Expenditures and Other Financing Uses ~ GAAP Basis (<i>see page 10</i>)	<u>\$ 4,757,910</u>

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
COMPARATIVE SCHEDULE OF PENSION OBLIGATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

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	2021
Proportionate share	0.04703310%	0.04645895%	0.04600087%	0.04555754%	0.04681237%	0.04301661%	0.04428404%	0.04401395%	0.04842147%
Employer contribution	\$ 116,950	\$ 150,724	\$ 154,327	\$ 163,132	\$ 171,494	\$ 181,813	\$ 192,716	\$ 195,528	\$ 222,461
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	\$ 2,146,000
Deferred outflows of resources:									
Differences between expected and actual experience	<i>base year</i>	-	-	6,732	5,220	16,533	11,781	76,024	60,091
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	224,138
Changes in proportion and differences between employer contributions and share of contributions	<i>base year</i>	-	-	-	43,969	32,941	68,011	44,856	206,150
<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>	<u>\$ 490,379</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	22,467
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	-	600,187
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	35,385
<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>	<u>\$ 658,039</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	158,085
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)	31,709
<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>	<u>\$ 189,794</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, 2021, 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 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 WATERVERILLE VALLEY, NEW HAMPSHIRE
COMPARATIVE SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2021

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	2021
Proportionate share	0.02824660%	0.02845449%	0.04080666%	0.04133583%	0.03696690%	0.04345843%
Employer contribution	\$ 16,413	\$ 16,865	\$ 18,050	\$ 18,864	\$ 17,159	\$ 20,884
Net OPEB Liability	\$ 136,743	\$ 130,104	\$ 186,832	\$ 181,221	\$ 161,807	\$ 174,032
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	-	237
<i>Total deferred outflows of resources</i>	<u>\$ -</u>	<u>\$ 302</u>	<u>\$ 13,118</u>	<u>\$ 257</u>	<u>\$ 1,645</u>	<u>\$ 237</u>
Deferred inflows of resources:						
Differences between expected and actual experience	<i>base year</i>	-	-	315	469	36
Net difference between projected and actual investment earnings on OPEB plan investments	<i>base year</i>	411	594	204	-	2,174
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>	<u>\$ 2,210</u>
OPEB expense:						
Proportionate share of plan OPEB expense	<i>base year</i>	9,629	17,208	11,859	15,258	8,289
Net amortization of deferred amounts from changes in proportion	<i>base year</i>	706	44,937	14,180	(16,568)	25,586
<i>Total employer OPEB expense</i>	<u>\$ -</u>	<u>\$ 10,335</u>	<u>\$ 62,145</u>	<u>\$ 26,039</u>	<u>\$ (1,310)</u>	<u>\$ 33,875</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, 2021, 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, 2021

	Original & Final Budget	Actual (GAAP Basis)	Over (Under) Budget
REVENUES			
Taxes			
Property	\$ 3,011,196	\$ 3,011,196	\$ -
Payments in lieu of taxes	46,572	46,572	-
Interest and penalties on delinquent taxes	14,000	18,451	4,451
Overlay	(5,000)	(66,037)	(61,037)
	<u>3,066,768</u>	<u>3,010,182</u>	<u>(56,586)</u>
Licenses and permits			
Motor vehicle fees	180,000	185,958	5,958
Building permits	37,995	54,313	16,318
Other licenses, permits and fees	920	1,539	619
	<u>218,915</u>	<u>241,810</u>	<u>22,895</u>
State Support			
Shared revenues			
Meals and rooms tax distribution	18,174	18,175	1
Highway block grant	13,610	13,607	(3)
Railroad tax	6,126	-	(6,126)
	<u>37,910</u>	<u>31,782</u>	<u>(6,128)</u>
Charges for Services			
Income From Departments			
<i>Public safety services:</i>			
Police department	12,406	15,143	2,737
Ambulance	50,375	49,247	(1,128)
<i>Sanitation:</i>			
Solid waste collection & disposal	196,595	211,133	14,538
Sewer services	367,920	368,575	655
<i>Water Distribution & Treatment</i>			
Water services	279,970	282,581	2,611
<i>Culture and Recreation</i>			
Recreation department	94,800	108,193	13,393
Parks department	59,717	72,130	12,413
Post office	30,000	30,000	-
	<u>1,091,783</u>	<u>1,137,002</u>	<u>45,219</u>
Miscellaneous			
Interest on investments	1,200	1,291	91
Other	103,676	123,728	20,052
	<u>104,876</u>	<u>125,019</u>	<u>20,143</u>
OTHER FINANCING SOURCES			
Proceeds of long term debt	5,900,000	-	(5,900,000)
	<u>5,900,000</u>	<u>-</u>	<u>(5,900,000)</u>
Total revenues and other financing sources	\$ <u>10,420,252</u>	\$ <u>4,545,795</u>	\$ <u>(5,874,457)</u>
Unassigned fund balance used to offset voted appropriations	\$ <u>148,000</u>		
Total revenues and use of fund balance	\$ <u>10,568,252</u>		

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Reserved From Prior Fiscal Year	Voted Appropriations	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
EXPENDITURES					
Current					
General Government					
Executive	\$ -	\$ 64,350	\$ 46,069	\$ -	\$ 18,281
Election, Registration & Vital Statistics	-	1,850	2,300	-	(450)
Financial Administration	-	366,670	383,106	-	(16,436)
Revaluation of Property	-	18,800	18,159	-	641
Legal Expenses	-	30,500	20,483	-	10,017
Personnel Administration	-	101,174	100,584	-	590
Planning and Zoning	-	13,000	11,007	-	1,993
General Government Buildings	-	121,193	124,901	-	(3,708)
Cemeteries	-	1,500	492	-	1,008
Insurance, not otherwise allocated	-	101,430	108,100	-	(6,670)
Advertising and regional association	-	1	-	-	1
Other general government:					
Town post office	-	103,811	102,262	-	1,549
Information technology	-	51,000	44,366	-	6,634
Pond maintenance	-	5,000	2,250	-	2,750
Support of the Rey Center	-	25,000	25,000	-	-
WV Transit services	-	27,774	27,774	-	-
Support of WVAIA	-	10,000	10,000	-	-
Shakespeare in the Valley	-	2,500	2,500	-	-
	-	1,045,553	1,029,353	-	16,200
Public safety					
Police Department	-	754,254	720,350	-	33,904
Ambulance	-	104,550	93,713	-	10,837
Fire Department	-	168,042	147,801	-	20,241
	-	1,026,846	961,864	-	64,982
Highways and streets					
Highways and streets	-	370,571	346,561	-	24,010
Street Lighting	-	8,000	8,244	-	(244)
	-	378,571	354,805	-	23,766
Sanitation					
Solid waste collection	-	194,539	187,866	-	6,673
Solid waste disposal	-	81,700	88,047	-	(6,347)
Wastewater collection & disposal	-	351,898	321,116	-	30,782
	-	628,137	597,029	-	31,108
Water Distribution & Treatment					
Water Services	-	154,407	146,975	-	7,432
	-	154,407	146,975	-	7,432
Health					
Health Agencies & Hospitals	-	6,500	1,876	-	4,624
	-	6,500	1,876	-	4,624
Welfare					
Administration & Direct Assistance	-	2,000	333	-	1,667
	-	2,000	333	-	1,667

TOWN OF WATERVILLE VALLEY, NEW HAMPSHIRE
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	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	\$ -	\$ 398,474	\$ 398,740	\$ -	\$ (266)
Library (operations)	-	3,000	2,178	-	822
Patriotic purposes	-	7,000	6,500	-	500
	<u>-</u>	<u>408,474</u>	<u>407,418</u>	<u>-</u>	<u>1,056</u>
Conservation					
Conservation Commission	-	3,000	1,694	-	1,306
	<u>-</u>	<u>3,000</u>	<u>1,694</u>	<u>-</u>	<u>1,306</u>
Debt service					
Principal of long-term debt	-	402,753	376,562	-	26,191
Interest expense - long-term debt	-	136,511	198,018	-	(61,507)
Interest expense - tax anticipation notes	-	1,000	-	-	1,000
	<u>-</u>	<u>540,264</u>	<u>574,580</u>	<u>-</u>	<u>(34,316)</u>
Facilities acquisition and construction					
Land and Improvements:					
Machinery, vehicles & equipment					
Plow truck (lease)	57	-	57	-	-
Plow truck (lease 2)	7,124	28,000	35,000	124	-
Pickup replacement	-	15,000	14,959	41	-
DPW MPV	-	20,000	-	20,000	-
Recreation bus	2,057	20,000	19,944	-	2,113
PW Backhoe (lease)	760	33,500	33,239	1,021	-
Buildings					
Town Building engineering/repairs	16,308	5,010,000	-	-	5,026,308
Improvements other than buildings					
Repave & Repair Roads 2021	-	900,000	-	-	900,000
Guardrail replacements	12,000	25,000	-	37,000	-
Water/WWTP system repairs	174,874	30,000	121,912	69,635	13,327
Town entrance	113,960	-	113,960	-	-
DPS Speed Board	-	15,000	15,000	-	-
Well #3 evaluation & repair	26,413	150,000	176,413	-	-
Corcoran's Pond Dam	1,250	-	-	1,250	-
Water system improvements	1,000,000	-	-	-	1,000,000
Capital improvement plan	85,352	-	-	51,741	33,611
Trail improvements	11,465	-	2,322	9,143	-
Osceola library repairs	30,404	-	226	30,177	1
Wastewater collection repair	-	10,000	-	10,000	-
Historical Society Support	-	10,000	10,000	-	-
New playground & field maint	-	68,000	68,000	-	-
Nature trail grant	3,696	-	-	3,696	-
National night out	-	-	-	2,950	(2,950)
	<u>1,485,720</u>	<u>6,334,500</u>	<u>611,032</u>	<u>236,778</u>	<u>6,972,410</u>
OTHER FINANCING USES					
Operating transfers out - Interfund transfers					
Capital reserve fund	-	40,000	190,000	-	(150,000)
Special revenue					
National Night Out expenses	2,697	-	2,697	-	-
	<u>2,697</u>	<u>40,000</u>	<u>192,697</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ 1,488,417</u>	<u>\$ 10,568,252</u>	<u>\$ 4,879,656</u>	<u>\$ 236,778</u>	<u>\$ 6,940,235</u>