

**TOWN OF JAFFREY,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2020**

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
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## **PLODZIK & SANDERSON**

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### ***INDEPENDENT AUDITOR'S REPORT***

To the Members of the Board of Selectmen and Town Manager  
Town of Jaffrey  
Jaffrey, New Hampshire

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major governmental and proprietary fund, and aggregate remaining fund information of the Town of Jaffrey 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, business-type activities, each major governmental and proprietary fund, and aggregate remaining fund information of the Town of Jaffrey, as of December 31, 2020, and the respective changes in financial position and, the respective budgetary comparison for the general and sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

**Required Supplementary Information** – Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis,
- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,

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

- Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits,
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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 Jaffrey's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

July 29, 2021

*Plodzik & Sanderson  
Professional Association*

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**2020**

As management of the Town of Jaffrey, NH, we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and (4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide financial statements.***

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

The *statement of net position* presents information on all of Town's assets, liabilities, deferred outflows/inflows of resources, with the difference between reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-wide financial statements include general government, public safety, roadways, cemetery, library, trust and capital reserve funds, grants, conservation, sanitation, culture and recreation. The business-type activities include water activities.

***Fund financial statements-***

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

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

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

An annual appropriated budget is adopted for the general fund and sewer fund. A budgetary comparison statement has been provided for general and sewer funds to demonstrate compliance with their respective budgets.

***Proprietary Funds.*** *Proprietary fund* reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for the water operations, which is considered to be a major fund.

**Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government, such as developer's performance bonds, capital reserve and expendable trust funds belonging to other governments, and trust funds for which the income is used for purposes that are not normally funded by the Town. Fiduciary funds are *not* reflected in the government-wide financial statement because these funds are not available to support the Town's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

### ***Notes to the Financial Statements.***

The notes provide additional information that is necessary to a full understanding of the data provided in the government-wide and fund financial statements, and can be found on pages 24 to 52.

### ***Required Supplementary Information***

In addition to this Management's Discussion and Analysis the basic financial statements and accompanying notes are followed by a section of required supplementary information.

This section includes the following information:

- Schedule of the Town's Proportionate Share of Net Pension Liability
- Schedule of Town Contributions – Pensions
- Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability
- Schedule of Town Contributions – Other Postemployment Benefits
- Schedule of Changes in Town's Total Other Postemployment Benefits Liability and Related Ratios

### ***Other information.***

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information which is not a required part of the basic financial statements.

## ***FINANCIAL HIGHLIGHTS***

- As of the close of the current year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$28,549,563 (i.e. net position), a change of \$1,453,911 in comparison to the prior year.
- As of the close of the current year, governmental funds reported combined ending fund balances of \$9,985,683, a change of \$2,437,376 in comparison to the prior year. Restatement to the prior Auditor balance was made. See page 51 Note 19: Prior Period Adjustment.
- At the end of the current year, unassigned fund balance for the general fund was \$2,439,563, a change of \$1,104,135 in comparison the prior year.

## ***GOVERNMENT-WIDE FINANCIAL ANALYSIS***

### ***Statement of Net Position.***

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

	<b>Governmental Activities 2020</b>	<b>Governmental Activities 2019 (as restated)</b>	<b>Activities</b>
Current and other assets	\$ 14,077,482	\$ 12,715,496	\$ 1,361,986
Capital assets	21,474,376	22,670,991	(1,196,615)
Total assets	<u>35,551,858</u>	<u>35,386,487</u>	<u>165,371</u>
Deferred outflows of resources	<u>1,453,199</u>	<u>518,803</u>	<u>934,396</u>
Current liabilities	563,815	4,233,619	(3,669,804)
Noncurrent liabilities	18,999,999	14,813,696	4,186,303
Total liabilities	<u>19,563,814</u>	<u>19,047,315</u>	<u>516,499</u>
Deferred inflows of resources	<u>378,644</u>	<u>270,612</u>	<u>108,032</u>
Net position:			
Net investment in capital assets	9,694,495	12,925,979	(3,231,484)
Restricted position	5,021,695	3,683,699	1,337,996
Unrestricted position	2,346,409	(22,315)	2,368,724
Total net position	<u>\$ 17,062,599</u>	<u>\$ 16,587,363</u>	<u>\$ 475,236</u>

	<b>Business-type Activities 2020</b>	<b>Business-type Activities 2019 (as restated)</b>	<b>Activities</b>
Current and other assets	\$ 3,055,312	\$ 2,793,253	\$ 262,059
Capital assets	12,894,651	13,401,845	(507,194)
Total assets	<u>15,949,963</u>	<u>16,195,098</u>	<u>(245,135)</u>
Deferred outflows of resources	<u>88,817</u>	<u>23,594</u>	<u>65,223</u>
Current liabilities	61,987	3,270,147	(3,208,160)
Noncurrent liabilities	4,462,446	2,427,949	2,034,497
Total liabilities	<u>4,524,433</u>	<u>5,698,096</u>	<u>(1,173,663)</u>
Deferred inflows of resources	<u>27,383</u>	<u>12,307</u>	<u>15,076</u>
Net position:			
Net investment in capital assets	8,873,681	5,925,408	2,948,273
Unrestricted position	2,613,283	4,582,881	(1,969,598)
Total net position	<u>\$ 11,486,964</u>	<u>\$ 10,508,289</u>	<u>\$ 978,675</u>



As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year total net position was \$28,549,563, a change of \$1,453,911 from the prior year or 5.37% when compared to the end of the previous year.

By far the largest portion of the Town of Jaffrey's net position \$28,549,563 reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, infrastructure) in the amount of \$18,568,176 less any related debt used to acquire those assets that is still outstanding. The Town of Jaffrey uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$5,021,695 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$4,959,692 may be used to meet the government's ongoing obligations to citizens and creditors.

#### ***Statement of Activities***

During the current year the Town's governmental activities net position increased by \$475,236. Total revenues of \$10,211,066 exceeded expenses of \$9,735,830. Property and other taxes generated \$5,618,368, motor vehicles fees \$1,278,701 in revenues for the Town. Other revenues consisted of charges for license fees, services, grants, contributions, and miscellaneous revenues.

The Town's expenses cover a range of services. The largest expenses were highway and streets 26.27%, public safety 25.74%, general government and sanitation 34.07% which accounted for 86.08% of total expenditures.

Changes in net position for the year ending December 31, 2020 are as follows:

**Governmental activities:**

	<b>2020</b>	<b>2019</b>	
	<b>Amount</b>	<b>Amount</b>	<b>Difference</b>
		<b>(as restated)</b>	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 1,702,308	\$ 2,646,640	\$ (944,332)
Operating grants and contributions	532,269	319,968	212,301
Capital grants and contributions	162,832	632,066	(469,234)
General revenues:			
Taxes	5,618,368	5,389,010	229,358
Licenses and permits	1,278,701	-	1,278,701
Intergovernmental	387,214	387,875	(661)
Miscellaneous	529,374	989,660	(460,286)
<b>Total revenues</b>	<b>10,211,066</b>	<b>10,365,219</b>	<b>(154,153)</b>
<b>Expenses:</b>			
General government	1,878,412	2,025,553	(147,141)
Public safety	2,506,389	2,171,253	335,136
Highways and streets	2,558,014	1,602,388	955,626
Sanitation	1,438,558	2,591,708	(1,153,150)
Health and welfare	137,179	137,143	36
Culture and recreation	799,086	192,427	606,659
Conservation	13,061	441	12,620
Economic development	33,059	31,425	1,634
Interest on long-term debt	340,027	320,182	19,845
Transfers (net)	32,045	(207,433)	239,478
<b>Total governmental activities</b>	<b>9,735,830</b>	<b>8,865,087</b>	<b>870,743</b>
Change in net position	475,236	1,500,132	(1,024,896)
Beginning net position, as restated	16,587,363	15,087,231	1,500,132
Ending net position	<u>\$ 17,062,599</u>	<u>\$ 16,587,363</u>	<u>\$ 475,236</u>

**FINANCIAL ANALYSIS OF GOVERNMENT FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirement.

**Governmental Funds**

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

As of the end of the current year, governmental funds reported combined ending fund balances of 9,985,683, a change of \$2,437,376 in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$ 1,136,522
Major sewer fund operating results	14,604
Major permanent trust fund results	113,683
Nonmajor fund results	1,172,567
	<u>\$ 2,437,376</u>

**General Fund.** The General fund is the Town’s primary operating fund and the largest source of day-to-day service delivery. At the end of the current year, unassigned fund balance was \$2,439,563, while total fund balance was \$4,727,932. The general fund unassigned balance increased by \$1,104,135 from last year. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>December 31, 2020</u>	<u>January 1, 2020 (as restated)</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 2,442,102	\$ 1,766,085	\$ 676,017	37.88%
Total fund balance	\$ 4,727,932	\$ 3,591,410	\$ 1,136,522	73.33%

### ***General Fund Budgetary Highlights***

The actual revenues received were more than the budgeted by \$152,670. This is primarily due to the largest revenue from motor vehicle fees exceeding expectations by \$31,669, and building permits exceeding by \$11,133.

Operating expenditures were under budget by \$357,799. The Town under expended its budget due primarily in savings from personnel changes. Restructuring of the Department of Public Works resulted in a savings of nearly \$150,000 in salaries. Additionally, changes in health insurance to a higher deductible, lower premium plan resulted in savings of nearly \$60,000. The combination revenues and expenses returned \$813,083 to the general fund at year’s end, in the form of a budget surplus.

There was a difference of \$144,276 between the original budget and the final amended budget, which related to Federal grant money being received and expended.

### ***CAPITAL ASSETS AND DEBT ADMINISTRATION***

#### ***Capital Assets.***

The Town of Jaffrey considers a capital asset to be an asset whose cost exceeds \$20,000 and has a useful life of more than two years.

Assets are depreciated on a straight-line basis, with the original cost divided evenly by the useful life of the asset.

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$34,369,027 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, infrastructure. Upon review of Town’s Capital Assets several assets that have been disposed or do not meet the threshold were removed.

<b>Governmental activities:</b>	<b>Balance, beginning (as restated)</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, ending</b>
At cost:				
Not being depreciated:				
Land	\$ 735,182	\$ -	\$ -	\$ 735,182
Construction in progress	2,324,244	164,618	(2,324,244)	164,618
Total capital assets not being depreciated	<u>3,059,426</u>	<u>164,618</u>	<u>(2,324,244)</u>	<u>899,800</u>
Being depreciated:				
Buildings and building improvements	8,969,913	1,439,687	-	10,409,600
Machinery, equipment, and furnishings	6,780,808	72,013	-	6,852,821
Infrastructure	21,077,640	884,557	-	21,962,197
Total capital assets being depreciated	<u>36,828,361</u>	<u>2,396,257</u>	<u>-</u>	<u>39,224,618</u>
Total all capital assets	<u>39,887,787</u>	<u>2,560,875</u>	<u>(2,324,244)</u>	<u>40,124,418</u>
Less accumulated depreciation:				
Buildings and building improvements	(7,384,186)	(353,621)	-	(7,737,807)
Machinery, equipment, and furnishings	(3,058,487)	(330,351)	-	(3,388,838)
Infrastructure	(6,785,975)	(737,422)	-	(7,523,397)
Total accumulated depreciation	<u>(17,228,648)</u>	<u>(1,421,394)</u>	<u>-</u>	<u>(18,650,042)</u>
Net book value, capital assets being depreciated	<u>19,599,713</u>	<u>974,863</u>	<u>-</u>	<u>20,574,576</u>
Net book value, all capital assets	<u>\$22,659,139</u>	<u>\$1,139,481</u>	<u>\$(2,324,244)</u>	<u>\$21,474,376</u>

<b>Business-type activities:</b>	<b>Balance, beginning (as restated)</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, ending</b>
At cost:				
Not being depreciated:				
Land	\$ 221,325	\$1,173,154	\$ -	\$ 1,394,479
Construction in progress	5,196,857	29,247	(5,196,857)	29,247
Total capital assets not being depreciated	<u>5,418,182</u>	<u>1,202,401</u>	<u>(5,196,857)</u>	<u>1,423,726</u>
Being depreciated:				
Buildings and building improvements	8,776,019	-	-	8,776,019
Machinery, equipment, and furnishings	457,707	70,345	-	528,052
Infrastructure	3,433,746	5,672,022	-	9,105,768
Total capital assets being depreciated	<u>12,667,472</u>	<u>5,742,367</u>	<u>-</u>	<u>18,409,839</u>
Total all capital assets	<u>18,085,654</u>	<u>6,944,768</u>	<u>(5,196,857)</u>	<u>19,833,565</u>
Less accumulated depreciation:				
Buildings and building improvements	(4,789,906)	(254,689)	-	(5,044,595)
Machinery, equipment, and furnishings	(205,466)	(20,920)	-	(226,386)
Infrastructure	(1,579,446)	(88,487)	-	(1,667,933)
Total accumulated depreciation	<u>(6,574,818)</u>	<u>(364,096)</u>	<u>-</u>	<u>(6,938,914)</u>
Net book value, capital assets being depreciated	<u>6,092,654</u>	<u>5,378,271</u>	<u>-</u>	<u>11,470,925</u>
Net book value, all capital assets	<u>\$11,510,836</u>	<u>\$6,580,672</u>	<u>\$(5,196,857)</u>	<u>\$12,894,651</u>

### ***Long-term Debt.***

At the end of the current year, total bonded debts outstanding was \$15,800,851, all of which was backed by the full faith and credit of the government. A total of \$4,784,163 was added to the total outstanding debts in 2020.

**Governmental activities:**

	Balance January 1, 2020 (as restated)	Additions	Reductions	Balance December 31, 2020
Bonds payable:				
General obligation bonds	\$ 10,751,191	\$1,905,035	\$ (876,345)	\$11,779,881
Compensated absences	176,088	-	(67,929)	108,159
Accrued landfill postclosure care costs	107,400	-	(35,800)	71,600
Net pension liability	4,683,393	1,412,968	-	6,096,361
Net other postemployment benefits	1,034,993	-	(90,995)	943,998
	<u>\$ 16,753,065</u>	<u>\$ 3,318,003</u>	<u>\$ (1,071,069)</u>	<u>\$ 18,999,999</u>

**Business-type activities:**

	Balance January 1, 2020 (as restated)	Additions	Reductions	Balance December 31, 2020
Bonds payable:				
General obligation bonds	\$ 1,243,259	\$1,810,068	\$ (101,417)	\$ 2,951,910
Notes payable	-	1,069,060	-	1,069,060
Compensated absences	-	11,180	-	11,180
Net pension liability	212,993	159,607	-	372,600
Net other postemployment benefits	47,070	10,626	-	57,696
	<u>\$ 1,503,322</u>	<u>\$ 3,060,541</u>	<u>\$ (101,417)</u>	<u>\$ 4,462,446</u>

***NEXT YEAR' BUDGETS AND RATES***

As required by State Law RSA 75:8-a, all real estate within municipality shall be reappraised at full and true value at least every five years. The town had a revaluation in 2020 resulting in a new valuation of \$520,726,640, an increase of \$109M from 2019. The total net assessed valuation is the basis on which the tax rate for municipal, county, and local education tax is computed. An increase in the total net assessed valuation decreases the tax rate, while a decrease in assessed valuation has the opposite influence. As a result, the overall tax rate for Jaffrey reduced from \$34.80 in 2019 to \$27.53 in 2020.

Due to the revaluation, comparison of annual tax rates from 2019 and 2020 are not an "apples to apples" comparison. During revaluations, a comparison of the total tax effort lends a true comparison from one year to the next. In 2019, the overall tax effort was \$14,301,918 and in 2020, \$14,313,671 – an increase of \$11,753 or .08%. Town leadership made a conscious decision to keep the overall tax effort level due to the revaluation.

The tax rate is set by the New Hampshire Department of Revenue Administration, usually in October. The Town estimates a 2021 Municipal Tax Rate (excluding school and county component) of \$10.46 per \$1,000 property assessed value, an increase of \$.91 or 9.56% above the 2020 rate. This is due exclusively to the proposed addition of a road paving capital reserve fund of \$575,000. A property assessed for tax purposes at \$250,000 in 2021 will have an estimated municipal tax bill increase over 2020 of about \$228.

***REQUEST FOR INFORMATION***

This financial report is designed to provide a general overview of the Town of Jaffrey, NH's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Selectmen/Town Manager  
Town of Jaffrey  
10 Goodnow Street  
Jaffrey, NH 03452

## ***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Statement of Net Position*  
*December 31, 2020*

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,245,358	\$ 2,448,953	\$ 5,694,311
Investments	4,549,861	264,401	4,814,262
Taxes receivables (net)	866,112	-	866,112
Account receivables	230,932	177,236	408,168
Intergovernmental receivable	3,739,814	1,286,920	5,026,734
Internal balances	1,173,511	(1,173,511)	-
Prepaid items	271,894	51,313	323,207
Capital assets:			
Land and construction in progress	899,800	1,423,726	2,323,526
Other capital assets, net of depreciation	20,574,576	11,470,925	32,045,501
Total assets	35,551,858	15,949,963	51,501,821
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Amounts related to pensions	1,371,702	83,836	1,455,538
Amounts related to other postemployment benefits	81,497	4,981	86,478
Total deferred outflows of resources	1,453,199	88,817	1,542,016
<b>LIABILITIES</b>			
Accounts payable	295,914	-	295,914
Accrued salaries and benefits	57,242	2,734	59,976
Retainage payable	-	50,622	50,622
Accrued interest payable	134,098	8,631	142,729
Intergovernmental payable	76,561	-	76,561
Long-term liabilities:			
Due within one year	812,267	1,218,468	2,030,735
Due in more than one year	18,187,732	3,243,978	21,431,710
Total liabilities	19,563,814	4,524,433	24,088,247
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	49,465	-	49,465
Unavailable revenue - other miscellaneous	28,001	8,976	36,977
Amounts related to pensions	161,234	9,854	171,088
Amounts related to other postemployment benefits	139,944	8,553	148,497
Total deferred inflows of resources	378,644	27,383	406,027
<b>NET POSITION</b>			
Net investment in capital assets	9,694,495	8,873,681	18,568,176
Restricted	5,021,695	-	5,021,695
Unrestricted	2,346,409	2,613,283	4,959,692
Total net position	\$ 17,062,599	\$ 11,486,964	\$ 28,549,563

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT B**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2020**

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
General government	\$ 1,878,412	\$ 5,506	\$ -	\$ -	\$ (1,872,906)	\$ -	\$ (1,872,906)
Public safety	2,506,389	91,418	144,276	-	(2,270,695)	-	(2,270,695)
Highways and streets	2,558,014	3,250	-	162,832	(2,391,932)	-	(2,391,932)
Sanitation	1,438,558	1,580,087	333,250	-	474,779	-	474,779
Health	36,393	-	-	-	(36,393)	-	(36,393)
Welfare	100,786	-	-	-	(100,786)	-	(100,786)
Culture and recreation	799,086	22,047	54,743	-	(722,296)	-	(722,296)
Conservation	13,061	-	-	-	(13,061)	-	(13,061)
Economic development	33,059	-	-	-	(33,059)	-	(33,059)
Interest on long-term debt	340,027	-	-	-	(340,027)	-	(340,027)
Total governmental activities	9,703,785	1,702,308	532,269	162,832	(7,306,376)	-	(7,306,376)
<b>Business-type activities:</b>							
Water	584,169	1,425,194	119,033	-	-	960,058	960,058
Total	\$ 10,287,954	\$ 3,127,502	\$ 651,302	\$ 162,832	(7,306,376)	960,058	(6,346,318)
General revenues:							
Taxes:							
Property					5,550,983	-	5,550,983
Other					67,385	-	67,385
Motor vehicle permit fees					1,161,751	-	1,161,751
Licenses and other fees					116,950	-	116,950
Grants and contributions not restricted to specific programs					387,214	-	387,214
Unrestricted investment earnings					257,969	(13,428)	244,541
Miscellaneous					271,405	-	271,405
Total general revenues					7,813,657	(13,428)	7,800,229
Transfers					(32,045)	32,045	-
Total general revenues, contributions, and transfers					7,781,612	18,617	7,800,229
Change in net position					475,236	978,675	1,453,911
Net position, beginning, as restated (see Note 19)					16,587,363	10,508,289	27,095,652
Net position, ending					\$ 17,062,599	\$ 11,486,964	\$ 28,549,563



**EXHIBIT C-1**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2020**

	General	Sewer	Permanent	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,562,236	\$ 164,138	\$ 143,864	\$ 1,375,120	\$ 3,245,358
Investments	1,312,416	74,049	2,130,765	1,032,631	4,549,861
Taxes receivable	994,041	-	-	42,071	1,036,112
Accounts receivable	83	174,989	-	55,860	230,932
Intergovernmental receivable	14,316	-	-	564	14,880
Interfund receivable	1,247,878	-	-	110,646	1,358,524
Prepaid items	309,014	105,737	-	-	414,751
Total assets	<u>\$ 5,439,984</u>	<u>\$ 518,913</u>	<u>\$ 2,274,629</u>	<u>\$ 2,616,892</u>	<u>\$ 10,850,418</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 295,914	\$ -	\$ -	\$ -	\$ 295,914
Accrued salaries and benefits	55,734	1,260	-	248	57,242
Intergovernmental payable	76,561	-	-	-	76,561
Interfund payable	85,340	25,306	10,992	63,375	185,013
Total liabilities	<u>513,549</u>	<u>26,566</u>	<u>10,992</u>	<u>63,623</u>	<u>614,730</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - Property taxes	198,503	-	-	23,501	222,004
Unavailable revenue - Other	-	3,001	-	25,000	28,001
Total deferred inflows of resources	<u>198,503</u>	<u>3,001</u>	<u>-</u>	<u>48,501</u>	<u>250,005</u>
<b>FUND BALANCES</b>					
Nonspendable	309,014	-	1,704,720	-	2,013,734
Restricted	-	489,346	558,917	2,268,712	3,316,975
Committed	1,730,348	-	-	236,056	1,966,404
Assigned	249,007	-	-	-	249,007
Unassigned	2,439,563	-	-	-	2,439,563
Total fund balances	<u>4,727,932</u>	<u>489,346</u>	<u>2,263,637</u>	<u>2,504,768</u>	<u>9,985,683</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,439,984</u>	<u>\$ 518,913</u>	<u>\$ 2,274,629</u>	<u>\$ 2,616,892</u>	<u>\$ 10,850,418</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-2**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**December 31, 2020**

Amounts reported for governmental activities in the Statement of Net  
Position are different because:

Total fund balances of governmental funds (Exhibit C-1)		\$ 9,985,683
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 40,124,418	
Less accumulated depreciation	<u>(18,650,042)</u>	
		21,474,376
Other long-term assets that are not available to pay for current period expenditures, therefore, are not reported in the governmental funds.		
State aid		3,724,934
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 1,371,702	
Deferred inflows of resources related to pensions	(161,234)	
Deferred outflows of resources related to OPEB	81,497	
Deferred inflows of resources related to OPEB	<u>(139,944)</u>	
		1,152,021
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (185,013)	
Payables	<u>185,013</u>	
		-
Repayment of long-term liabilities not due until subsequent year are recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements.		
Prepaid bond principal		(142,857)
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.		
Deferred property taxes	\$ 172,539	
Allowance for uncollectible taxes	<u>(170,000)</u>	
		2,539
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(134,098)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 11,779,881	
Compensated absences	108,159	
Accrued landfill postclosure care costs	71,600	
Net pension liability	6,096,361	
Other postemployment benefits	<u>943,998</u>	
		(18,999,999)
Net position of governmental activities (Exhibit A)		<u><u>\$ 17,062,599</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-3**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2020**

	General	Sewer	Permanent	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 5,063,101	\$ -	\$ -	\$ 721,571	\$ 5,784,672
Licenses and permits	1,278,701	-	-	-	1,278,701
Intergovernmental	693,840	333,250	-	57,306	1,084,396
Charges for services	25,216	1,567,260	-	109,832	1,702,308
Miscellaneous	188,403	10,190	169,562	163,731	531,886
Total revenues	<u>7,249,261</u>	<u>1,910,700</u>	<u>169,562</u>	<u>1,052,440</u>	<u>10,381,963</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,578,057	-	30,864	63,199	1,672,120
Public safety	2,170,367	-	-	51,234	2,221,601
Highways and streets	1,055,704	-	-	-	1,055,704
Sanitation	385,040	1,085,077	-	3,840	1,473,957
Health	36,393	-	-	-	36,393
Welfare	100,786	-	-	-	100,786
Culture and recreation	579,220	-	-	124,098	703,318
Conservation	425	-	-	12,636	13,061
Economic development	33,059	-	-	-	33,059
Debt service:					
Principal	230,385	413,104	-	90,000	733,489
Interest	99,886	193,658	-	31,584	325,128
Capital outlay	99,843	204,257	-	239,826	543,926
Total expenditures	<u>6,369,165</u>	<u>1,896,096</u>	<u>30,864</u>	<u>616,417</u>	<u>8,912,542</u>
Excess of revenues over expenditures	<u>880,096</u>	<u>14,604</u>	<u>138,698</u>	<u>436,023</u>	<u>1,469,421</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	406,816	-	-	277,993	684,809
Transfers out	(150,390)	-	(25,015)	(541,449)	(716,854)
Bond proceeds	-	-	-	1,000,000	1,000,000
Total other financing sources (uses)	<u>256,426</u>	<u>-</u>	<u>(25,015)</u>	<u>736,544</u>	<u>967,955</u>
Net change in fund balances	1,136,522	14,604	113,683	1,172,567	2,437,376
Fund balances, beginning, as restated (see Note 19)	3,591,410	474,742	2,149,954	1,332,201	7,548,307
Fund balances, ending	<u>\$ 4,727,932</u>	<u>\$ 489,346</u>	<u>\$ 2,263,637</u>	<u>\$ 2,504,768</u>	<u>\$ 9,985,683</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT C-4**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Reconciliation of the Statement of Revenues, Expenditures, and*  
*Changes in Fund Balances - Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended December 31, 2020*

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 2,437,376
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 236,631	
Depreciation expense	<u>(1,421,394)</u>	(1,184,763)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (684,809)	
Transfers out	<u>684,809</u>	-
Prepaid debt consumes current financial resources of governmental funds, but reduces net position on the government-wide statements.		
Prepaid debt, current year		142,857
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Proceeds of debt	\$ (1,273,178)	
Repayment of bond principal	<u>876,345</u>	(396,833)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	\$ (14,899)	
Increase in prepaid items	47,087	
Decrease in compensated absences payable	67,929	
Decrease in accrued landfill postclosure care costs	35,800	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(563,817)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(95,501)</u>	(523,401)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 475,236</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT D-1**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund**  
**For the Fiscal Year Ended December 31, 2020**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,871,903	\$ 4,871,903	\$ 4,896,797	\$ 24,894
Licenses and permits	1,230,282	1,230,282	1,278,701	48,419
Intergovernmental	540,907	685,183	693,840	8,657
Charges for services	31,525	31,525	25,216	(6,309)
Miscellaneous	19,164	19,164	96,173	77,009
Total revenues	6,693,781	6,838,057	6,990,727	152,670
<b>EXPENDITURES</b>				
Current:				
General government	1,598,096	1,608,108	1,509,233	98,875
Public safety	2,173,819	2,260,291	2,191,028	69,263
Highways and streets	1,161,612	1,163,793	1,222,809	(59,016)
Sanitation	369,353	392,649	363,773	28,876
Health	36,826	36,826	36,393	433
Welfare	146,710	148,193	100,786	47,407
Culture and recreation	600,022	620,854	596,823	24,031
Conservation	475	475	425	50
Economic development	35,324	35,324	33,059	2,265
Debt service:				
Principal	391,678	391,678	230,385	161,293
Interest	143,766	143,766	99,886	43,880
Capital outlay	35,000	35,000	62,513	(27,513)
Total expenditures	6,692,681	6,836,957	6,447,113	389,844
Excess of revenues over expenditures	1,100	1,100	543,614	542,514
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	178,400	178,400	481,014	302,614
Transfers out	(379,500)	(379,500)	(411,545)	(32,045)
Total other financing sources (uses)	(201,100)	(201,100)	69,469	270,569
Net change in fund balances	\$ (200,000)	\$ (200,000)	613,083	\$ 813,083
Increase in nonspendable fund balance			(47,087)	
Decrease in committed fund balance			110,021	
Unassigned fund balance, beginning, as restated (see Note 19)			1,766,085	
Unassigned fund balance, ending			\$ 2,442,102	

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT D-2**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Sewer Fund**  
**For the Fiscal Year Ended December 31, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 288,655	\$ 333,250	\$ 44,595
Charges for services	1,959,474	1,567,260	(392,214)
Miscellaneous	-	5,699	5,699
Total revenues	<u>2,248,129</u>	<u>1,906,209</u>	<u>(341,920)</u>
<b>EXPENDITURES</b>			
Current:			
Sanitation	1,199,755	1,059,492	140,263
Debt service:			
Principal	416,625	413,104	3,521
Interest	195,547	193,658	1,889
Capital outlay	<u>436,202</u>	<u>204,257</u>	<u>231,945</u>
Total expenditures	<u>2,248,129</u>	<u>1,870,511</u>	<u>377,618</u>
Excess of revenues over expenditures	<u>-</u>	<u>35,698</u>	<u>35,698</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>-</u>	<u>(31,067)</u>	<u>(31,067)</u>
Net change in fund balances	<u>\$ -</u>	<u>4,631</u>	<u>\$ 4,631</u>
Restricted fund balance, beginning, as restated (see Note 19)		<u>410,229</u>	
Restricted fund balance, ending		<u>\$ 414,860</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT E-1**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Net Position**  
**December 31, 2020**

	Water
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,448,953
Investments	264,401
Accounts receivable	177,236
Intergovernmental	1,286,920
Prepaid items	51,313
Capital assets:	
Land and construction in progress	1,423,726
Other capital assets, net of depreciation	11,470,925
Total assets	<u>17,123,474</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	83,836
Amounts related to other postemployment benefits	4,981
Total deferred outflows of resources	<u>88,817</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accrued salaries and benefits	2,734
Retainage payable	50,622
Accrued interest payable	8,631
Internal balances	1,173,511
Long term liabilities:	
Due within one year	1,218,468
Due in more than one year	3,243,978
Total liabilities	<u>5,697,944</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - water filtration grant	8,976
Amounts related to pensions	9,854
Amounts related to other postemployment benefits	8,553
Total deferred inflows of resources	<u>27,383</u>
<b>NET POSITION</b>	
Net investment in capital assets	8,873,681
Unrestricted	2,613,283
Total net position	<u>\$ 11,486,964</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT E-2**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2020**

	Water
Operating revenues:	
User charges	\$ 1,421,921
Fees and interest	3,273
Total operating revenues	<u>1,425,194</u>
Operating expenses:	
Salaries and wages	20,285
Operation and maintenance	91,228
Contractual services	15,713
Materials and supplies	92,847
Depreciation	364,096
Total operating expenses	<u>584,169</u>
Operating gain	<u>841,025</u>
Nonoperating revenues (expense):	
Intergovernmental revenues	119,033
Interest income	18,381
Interest expense	(31,809)
Total nonoperating revenues	<u>105,605</u>
Other financing sources:	
Transfers in	<u>32,045</u>
Change in net position	978,675
Net position, beginning, as restated (see Note 19)	<u>10,508,289</u>
Net position, ending	<u><u>\$ 11,486,964</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.



**EXHIBIT E-3**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended December 31, 2020**

	Water
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,334,862
Payments to employees and suppliers	(308,041)
Net cash provided by operating activities	<u>1,026,821</u>
Cash flows from capital and related financing activities:	
Proceeds from state filtration grant	(30,909)
Proceeds from state revolving loans	(652,518)
Principal paid on debt	(101,417)
Issuance of state revolving loan	1,810,068
Acquisition and construction of capital assets	(1,747,911)
Interest paid on debt	(31,809)
Net cash used for capital and related financing activities	<u>(754,496)</u>
Cash flows from non-capital financing activities:	
Interfund borrowings	<u>208,342</u>
Cash flows from investing activities:	
Purchase of investments	(264,401)
Interest received	18,381
Net cash used for investing activities	<u>(246,020)</u>
Net increase in cash	234,647
Cash, beginning	2,214,306
Cash, ending	<u><u>\$ 2,448,953</u></u>

***Reconciliation of Operating Gain to Net Cash Provided by Operating Activities***

Operating gain	<u>\$ 841,025</u>
Adjustments to reconcile operating gain to net cash provided (used) by operating activities:	
Depreciation expense	364,096
Change in other receivables	(90,332)
Change in prepaid items	(43,684)
Change in accrued salaries and benefits	(40,769)
Change in retainage payable	(133,462)
Change in other liabilities	7,173
Change in compensated absences	11,180
Change in net pension liability and deferred outflows/inflows of resources	95,966
Change in net OPEB liability and deferred outflows/inflows of resources	15,628
Total adjustments	<u>185,796</u>
Net cash provided by operating activities	<u><u>\$ 1,026,821</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT F-1**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**December 31, 2020**

	Private Purpose Trust Funds	Other Custodial Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 315,777	\$3,826,161	\$4,141,938
Investments	4,762,780	1,074,769	5,837,549
Total assets	5,078,557	4,900,930	9,979,487
<b>LIABILITIES</b>			
Intergovernmental payable	14,316	-	14,316
Due to school district	-	3,439,394	3,439,394
Total liabilities	14,316	3,439,394	3,453,710
<b>NET POSITION</b>			
Restricted	\$ 5,064,241	\$ 1,461,536	\$6,525,777

The Notes to the Basic Financial Statements are an integral part of this statement.

**EXHIBIT F-2**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2020**

	Private Purpose Trust Funds	Other Custodial Funds	Total Custodial Funds
<b>ADDITIONS</b>			
Contributions	\$ -	\$ 100,000	\$ 100,000
Investment earnings	254,619	42,408	297,027
Change in fair market value	305,892	51,481	357,373
Tax collections for other governments	-	9,341,828	9,341,828
Other	-	14,300	14,300
Total additions	<u>560,511</u>	<u>9,550,017</u>	<u>10,110,528</u>
<b>DEDUCTIONS</b>			
Benefits paid	61,414	8,613	70,027
Administrative expenses	32,156	8,540	40,696
Payments of taxes to other governments	-	9,341,828	9,341,828
Payments for escrow purposes	-	8,427	8,427
Total deductions	<u>93,570</u>	<u>9,367,408</u>	<u>9,460,978</u>
Change in net position	466,941	182,609	649,550
Net position, beginning, as restated (see Note 19)	4,597,300	1,278,927	5,876,227
Net position, ending	<u>\$5,064,241</u>	<u>\$ 1,461,536</u>	<u>\$6,525,777</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Jaffrey, New Hampshire (the Town), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town's accounting policies are described below.

***1-A Reporting Entity***

The Town of Jaffrey is a municipal corporation governed by an elected 3-member Board of Selectmen and Town Manager. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB.

***1-B Basis of Accounting, and Measurement Focus***

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

***Government-wide Financial Statements*** – The Town's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Town accompanied by a total column. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated, except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

***Governmental Fund Financial Statements*** – Include a balance sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

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 generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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.

The Town reports the following major governmental funds:

**General Fund** – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the expendable trust funds are consolidated in the general fund.

**Sewer Fund** – accounts for the activities related to the operation of the sewer treatment plant, pumping station, and sewer lines.

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

Additionally, the Town reports the following fund types:

**Special Revenue Funds** – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** – are used to account for the financial resources and activities relating to specific construction projects.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports sixteen nonmajor governmental funds.

**Proprietary Fund Financial Statements** – Include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the major proprietary fund.

Proprietary funds are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town reports the following major proprietary fund:

**Water Fund** – accounts for the activities related to the operation of the water treatment plant, wells, and water system.

**Fiduciary Fund Financial Statements** – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The Town reports the following fiduciary funds:

**Private Purpose Trust Fund** – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

**Custodial Fund** – are custodial in nature and do not belong to the primary government. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
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***1-C Cash and Cash Equivalents***

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

***1-D Statement of Cash Flows***

For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

***1-E Investments***

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

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

**Fair Value Measurements of Investments** – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

**Level 1** – Inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date. Directly held marketable equity securities would be examples of Level 1 investments.

**Level 2** – Inputs are other than quoted prices that are observable for the assets or liabilities, either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities are categorized in Level 2. All of the Town's holdings in U.S. government obligations and corporate bonds would be examples of Level 2 investments.

**Level 3** – Inputs are significant unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1.

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Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

***1-F Receivables***

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

***1-G Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The nonspendable fund balance at the governmental fund level is equal to the amount of prepaid items at year-end to indicate that portion of the governmental fund balance that is nonspendable.

***1-H Capital Assets***

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (i.e., easements) which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position. Capital assets of the proprietary fund are capitalized in the fund and the cost basis for proprietary fund capital assets is the same as that used for general capital assets.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
<b>Capital Asset Classes:</b>	
Buildings	40
Building improvements	20
Infrastructure	50 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

***1-I Interfund Activities***

Interfund activities are reported as follows:

***Interfund Receivables and Payables*** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as “internal balances.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

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**Interfund Transfers** – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

**1-J Property Taxes**

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 18, 2020, and November 19, 2020, and due on July 1, 2020, and December 1, 2020. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2019 on April 3, 2020.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Jaffrey-Rindge Cooperative School District, and Cheshire County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2020, utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$510,028,040
For all other taxes	\$520,726,640

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

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$9.54	\$ 4,971,843
School portion:		
State of New Hampshire	\$2.05	1,044,451
Local	\$12.25	6,376,381
County portion	\$3.69	1,920,996
Total	\$27.53	\$14,313,671

**1-K Accounts Payable**

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2020.

**1-L Deferred Outflows/Inflows of Resources**

*Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Town after the measurement date but before the end of the Town's reporting period.

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the



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governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year-end.

***1-M Long-term Obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

***1-N Compensated Absences***

***Vacation*** - The Town's policy allows certain employees to earn varying amounts of vacation based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by the Town's personnel policy. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

***Sick Leave*** - Town's policy allows certain employees to earn varying amounts of sick time as set forth by the Town's personnel policy. A liability for those amounts is recorded in the government-wide and proprietary fund financial statements.

***1-O Defined Benefit Pension Plan***

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No. 73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

***1-P Postemployment Benefits Other Than Pensions***

The Town maintains two separate other postemployment benefit plans (OPEB), as follows:

***New Hampshire Retirement System Plan*** – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

***Single Employer Plan*** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

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***1-Q Net Position/Fund Balances***

***Government-wide Statements*** – Equity is classified as net position and displayed in three components:

**Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.

**Unrestricted net position** – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

***Fund Balance Classifications*** – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory, or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

**Restricted** – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen and Town Manager through the budgetary process.

**Unassigned** – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

***1-R Use of Estimates***

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivables, and the useful lives and impairment of capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, and accrued landfill postclosure care costs, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

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**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**2-A Budgetary Information**

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 which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general, sewer, and water (proprietary) funds, as well as the nonmajor tax incremental financing district (TIF) funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

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 assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2020, \$200,000 of the beginning general fund unassigned fund balance was applied for this purpose.

**2-B Budgetary Reconciliation to GAAP Basis**

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for each major governmental fund which had a budget. There are no differences between the budgetary basis of accounting for the major sewer fund. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$7,471,741
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	92,230
To eliminate transfers between blended funds	(74,198)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	166,304
Per Exhibit C-3 (GAAP basis)	<u>\$7,656,077</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$6,858,658
Adjustment:	
Basis differences:	
Encumbrances, beginning	158,479
Encumbrances, ending	(249,007)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	12,580
To eliminate transfers between general and blended funds	(493,698)
To recognize transfer between blended expendable trust and other funds	232,543
Per Exhibit C-3 (GAAP basis)	<u>\$6,519,555</u>

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**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$9,836,249 and the bank balances totaled \$9,977,842. Petty cash totaled \$525.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$5,694,311
Cash per Statement of Fiduciary Net Position (Exhibit F-1)	4,141,938
Total cash and cash equivalents	<u>\$9,836,249</u>

**NOTE 4 – INVESTMENTS**

Note 1-E describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Since investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements and maturities as of December 31, 2020:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Common stock	Level 1	\$ 4,840,599	\$ 4,840,599
Corporate bonds	Level 2	1,797,879	1,797,879
Equity exchange traded funds	Level 1	911,559	911,559
Equity mutual funds	Level 1	263,290	263,290
Fixed income mutual funds	Level 2	1,126,189	1,126,189
U.S. Treasury bonds	Level 2	1,712,295	1,712,295
Total fair value		<u>\$ 10,651,811</u>	<u>\$ 10,651,811</u>

**Interest Rate Risk** – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - The Town has no formal policy on managing credit risk; however, state law limits investments as explained in Note 1-E. The Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure
Common stock	\$ 4,840,599	\$ 4,840,599
Corporate bonds	1,797,879	1,797,879
Equity exchange traded funds	911,559	911,559
Equity mutual funds	263,290	263,290
Fixed income mutual funds	1,126,189	1,126,189
U.S. Treasury bonds	1,712,295	1,712,295
Total	<u>\$ 10,651,811</u>	<u>\$ 10,651,811</u>

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Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 4,814,262
Investments per Statement of Fiduciary Net Position (Exhibit F-1)	5,837,549
Total investments	<u>\$ 10,651,811</u>

**NOTE 5 – TAXES RECEIVABLE**

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2020. The amount has been reduced by an allowance for an estimated uncollectible amount of \$170,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2020	\$ 757,634	\$ 757,634
Unredeemed (under tax lien):		
Levy of 2019	80,972	80,972
Levy of 2018	16,667	16,667
Levies of 2017 and prior	137,533	137,533
Yield	1,049	1,049
Excavation	186	186
TIF districts	42,071	42,071
Less: allowance for estimated uncollectible taxes	(170,000) *	-
Net taxes receivable	<u>\$ 866,112</u>	<u>\$ 1,036,112</u>

\*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

**NOTE 6 – OTHER RECEIVABLES**

Receivables at December 31, 2020, consisted of accounts (billings for police details, water, sewer, ambulance, revolving loans, and other user charges, and intergovernmental amounts arising from grants and reimbursements. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

**NOTE 7 – PREPAID ITEMS**

Prepaid items at December 31, 2020 consisted of the following:

	Governmental Activities (Exhibit A)	Governmental Funds (Exhibit C-1)	Proprietary Fund (Exhibit E-1)
Insurance	\$ 48,530	\$ 48,530	\$ -
Software licensing and support	23,651	23,651	-
Annual dues	4,471	4,471	-
Prepaid debt	-	142,857	-
Other miscellaneous	195,242	195,242	51,313
Total	<u>\$ 271,894</u>	<u>\$ 414,751</u>	<u>\$ 51,313</u>

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**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 is as follows:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
<b>Governmental activities:</b>				
At cost:				
Not being depreciated:				
Land	\$ 735,182	\$ -	\$ -	\$ 735,182
Construction in progress	2,324,244	164,618	(2,324,244)	164,618
Total capital assets not being depreciated	3,059,426	164,618	(2,324,244)	899,800
Being depreciated:				
Buildings and building improvements	8,969,913	1,439,687	-	10,409,600
Machinery, equipment, and furnishings	6,780,808	72,013	-	6,852,821
Infrastructure	21,077,640	884,557	-	21,962,197
Total capital assets being depreciated	36,828,361	2,396,257	-	39,224,618
Total all capital assets	39,887,787	2,560,875	(2,324,244)	40,124,418
Less accumulated depreciation:				
Buildings and building improvements	(7,384,186)	(353,621)	-	(7,737,807)
Machinery, equipment, and furnishings	(3,058,487)	(330,351)	-	(3,388,838)
Infrastructure	(6,785,975)	(737,422)	-	(7,523,397)
Total accumulated depreciation	(17,228,648)	(1,421,394)	-	(18,650,042)
Net book value, capital assets being depreciated	19,599,713	974,863	-	20,574,576
Net book value, all governmental activities capital assets	\$22,659,139	\$1,139,481	\$(2,324,244)	\$21,474,376
<b>Business-type activities:</b>				
At cost:				
Not being depreciated:				
Land	\$ 221,325	\$1,173,154	\$ -	\$ 1,394,479
Construction in progress	5,196,857	29,247	(5,196,857)	29,247
Total capital assets not being depreciated	5,418,182	1,202,401	(5,196,857)	1,423,726
Being depreciated:				
Buildings and building improvements	8,776,019	-	-	8,776,019
Machinery, equipment, and furnishings	457,707	70,345	-	528,052
Infrastructure	3,433,746	5,672,022	-	9,105,768
Total capital assets being depreciated	12,667,472	5,742,367	-	18,409,839
Total all capital assets	18,085,654	6,944,768	(5,196,857)	19,833,565
Less accumulated depreciation:				
Buildings and building improvements	(4,789,906)	(254,689)	-	(5,044,595)
Machinery, equipment, and furnishings	(205,466)	(20,920)	-	(226,386)
Infrastructure	(1,579,446)	(88,487)	-	(1,667,933)
Total accumulated depreciation	(6,574,818)	(364,096)	-	(6,938,914)
Net book value, capital assets being depreciated	6,092,654	5,378,271	-	11,470,925
Net book value, all business-type activities capital assets	\$11,510,836	\$6,580,672	\$(5,196,857)	\$12,894,651

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Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

<b>Governmental activities:</b>	
General government	\$ 66,801
Public safety	114,112
Highways and streets	1,146,294
Culture and recreation	94,187
Total depreciation expense	<u>\$ 1,421,394</u>
<b>Business-type activities:</b>	
Water	<u>\$ 364,096</u>

**NOTE 9 – INTERFUND BALANCES AND TRANSFERS**

**Interfund Balances** - The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 74,367
Nonmajor	General	110,646
General	Proprietary (Water)	1,173,511
		<u>\$ 1,358,524</u>

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Interfund Transfers** - The composition of interfund transfers for the year ended December 31, 2020 is as follows:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
General fund	\$ -	\$ 150,390	\$ 150,390
Sewer fund	-	31,067	31,067
Permanent fund	-	25,015	25,015
Nonmajor funds	406,816	103,566	510,382
Total	<u>\$ 406,816</u>	<u>\$ 310,038</u>	<u>\$ 716,854</u>

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

**NOTE 10 – INTERGOVERNMENTAL PAYABLES**

Amounts due to other governments of \$3,530,271 at December 31, 2020, consist of the following:

	Governmental Fund	Fiduciary Funds
	General	
Taxes due to the Jaffrey-Rindge Cooperative School District	\$ -	\$ 3,439,394
Balance due to the New Hampshire Retirement System	74,803	-
Balance due to other governments	1,758	14,316
Total intergovernmental payables due	<u>\$ 76,561</u>	<u>\$ 3,453,710</u>

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**NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources of at December 31, 2020 consist of amounts related to pensions totaling \$1,455,538 (\$1,371,702 for the governmental activities and \$83,836 for the business-type activities and proprietary fund) and amounts related to OPEB totaling \$86,478 (\$81,497 for the governmental activities and \$4,981 for the business-type activities and proprietary fund). For further discussion on these amounts, see Note 13 and 14, respectively.

Deferred inflows of resources are as follows:

	Government- wide	General Fund	Sewer Fund	Nonmajor Governmental Funds	Proprietary Fund
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 172,539	\$ -	\$ -	\$ -
Other miscellaneous deferred revenue, including grants and donations	36,977	-	3,001	25,000	8,976
Prepaid property taxes	49,465	25,964	-	23,501	-
Amounts related to pensions, see Note 13	171,088	-	-	-	9,854
Amounts related to OPEB, see Note 14	148,497	-	-	-	8,553
Total deferred inflows of resources	<u>\$ 406,027</u>	<u>\$ 198,503</u>	<u>\$ 3,001</u>	<u>\$ 48,501</u>	<u>\$ 27,383</u>

**NOTE 12 – LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2020:

	Balance January 1, 2020 (as restated)	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds payable	\$ 10,751,191	\$ 1,905,035	\$ (876,345)	\$ 11,779,881	\$ 776,467
Compensated absences	176,088	-	(67,929)	108,159	-
Accrued landfill postclosure care costs	107,400	-	(35,800)	71,600	35,800
Net pension liability	4,683,393	1,412,968	-	6,096,361	-
Net other postemployment benefits	1,034,993	-	(90,995)	943,998	-
Total long-term liabilities	<u>\$ 16,753,065</u>	<u>\$ 3,318,003</u>	<u>\$ (1,071,069)</u>	<u>\$ 18,999,999</u>	<u>\$ 812,267</u>
<b>Business-type activities:</b>					
General obligation bonds payable	\$ 1,243,259	\$ 1,810,068	\$ (101,417)	\$ 2,951,910	\$ 149,408
Notes payable	-	1,069,060	-	1,069,060	1,069,060
Compensated absences	-	11,180	-	11,180	-
Net pension liability	212,993	159,607	-	372,600	-
Net other postemployment benefits	47,070	10,626	-	57,696	-
Total long-term liabilities	<u>\$ 1,503,322</u>	<u>\$ 3,060,541</u>	<u>\$ (101,417)</u>	<u>\$ 4,462,446</u>	<u>\$ 1,218,468</u>



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Long-term bonds/notes are comprised of the following:

**Governmental activities:**

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2020	Current Portion
General obligation bonds payable:						
Road bond	\$ 1,000,000	2020	2027	2.00%	\$ 857,143	\$ -
Water mains bond 2000 series B (1/3 governmental activities)	\$ 500,000	2000	2021	5.08%	25,000	25,000
Mountain Rd & Main St water main replacement (1/3 governmental activities)	\$ 613,232	2018	2037	2.42%	545,921	26,332
Stratton, Squantum, School PH 2 (1/3 governmental activities)	\$ 905,035	2020	2040	1.70%	905,035	23,373
Sewer facility upgrades 2002	\$ 933,681	2004	2023	1.70%	140,052	46,684
Sewer facility upgrades 2005	\$ 1,506,246	2006	2025	1.69%	376,562	75,312
Wastewater improvements - USDA 2012 refinanced NHMBB 2016	\$ 6,170,000	2016	2035	2.14%	5,185,000	275,000
Wastewater wood pellet boiler	\$ 1,394,523	2013	2032	2.72%	945,678	67,701
Wastewater CWSRF	\$ 1,743,561	2012	2032	2.72%	1,155,800	82,744
Wastewater River St Nelson Circle	\$ 1,162,374	2017	2026	0.00%	110,250	18,375
Wastewater asset management	\$ 57,311	2018	2022	0.00%	22,924	11,462
Septage facility USRD (DES)	\$ 500,000	2020	2048	2.75%	482,758	17,242
Septage facility USRD (Sewer)	\$ 500,000	2020	2048	2.75%	482,758	17,242
Community field bond 2004	\$ 287,500	2004	2024	4.38%	50,000	15,000
Stone Bridge bond	\$ 750,000	2000	2021	4.69%	35,000	35,000
Stone Bridge bond - water main extension	\$ 739,500	2013	2033	3.55%	460,000	40,000
					<u>\$ 11,779,881</u>	<u>\$ 776,467</u>

**Business-type activities:**

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2020	Current Portion
General obligation bonds/notes payable:						
Water mains bond 2000 series B (2/3 business-type activities)	\$ 1,000,000	2000	2021	5.08%	\$ 50,000	\$ 50,000
Mountain Rd & Main St water main replacement (2/3 business-type activities)	\$ 1,226,464	2018	2037	2.42%	1,091,842	52,664
Stratton, Squantum, School PH 2 (2/3 business-type activities)	\$ 1,810,068	2020	2040	1.70%	1,810,068	46,744
Cold Springs Drinking Water SRL #1221010-07	\$ 1,069,060	2020	N/A	N/A	1,069,060	1,069,060
					<u>\$ 4,020,970</u>	<u>\$ 1,218,468</u>

\* Debt payment of \$142,857 due in 2021 was paid prior to year-end which will be reported as a prepayment in the governmental fund (general fund) on the modified accrual basis, but in the governmental activities it will be recorded as a reduction in the debt liability on the full accrual basis.

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

**Governmental activities:**

Fiscal Year Ending December 31,	Principal	Interest	Total
2021	\$ 1,036,020	\$ 236,120	\$ 1,272,140
2022	874,770	229,353	1,104,123
2023	873,542	208,231	1,081,773
2024	847,227	187,002	1,034,229
2025	852,735	166,523	1,019,258
2026-2030	3,622,772	565,220	4,187,992
2031-2035	2,969,478	256,168	3,225,646
2036-2040	427,503	51,453	478,956
2041-2046	172,420	27,259	199,679
2047-2050	103,414	4,977	108,391
Totals	<u>\$ 11,779,881</u>	<u>\$ 1,932,306</u>	<u>\$ 13,712,187</u>

**Business-type activities:**

Fiscal Year Ending December 31,	Principal	Interest	Total
2021	\$ 1,737,573	\$ 12,748	\$ 1,750,321
2022	112,115	4,406	116,521
2023	114,176	4,177	118,353
2024	116,279	3,943	120,222
2025	118,424	3,703	122,127
2026-2030	625,849	14,709	640,558
2031-2035	686,387	7,775	694,162
2036-2040	510,167	975	511,142
Totals	<u>\$ 4,020,970</u>	<u>\$ 52,436</u>	<u>\$ 4,073,406</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

**Accrued Landfill Postclosure Care Costs** - The Town ceased operating its landfill in 1992. Federal and State laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future postclosure care costs that will be incurred. The recognition of these landfill postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill postclosure care costs has a balance of \$71,600 as of December 31, 2020, which is based on 100% usage (filled) of the landfill. The estimated total current cost of the landfill postclosure care (\$71,600) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2020. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

The Town expects to finance the postclosure care costs by general appropriations.

**Bonds/Notes Authorized and Unissued** – Bonds and notes authorized and unissued as of December 31, 2020 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 13, 2018	Squantam Project	\$ 124,897
March 10, 2020	Cold Spring Project	1,930,940
		<u>\$ 2,055,837</u>

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**NOTE 13 – DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time State employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

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

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

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

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

**Contributions** - The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation and Group II (police and fire) members contribute 11.55% and 11.80% respectively. For fiscal year 2020, the Town contributed 24.77% for police, 26.43% for fire and 10.88% for other employees. The contribution requirement for the fiscal year 2020 was \$217,703, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2020 the Town reported a liability of \$6,468,961 (\$6,096,361 for the governmental activities and \$372,600 for the business-type activities and proprietary fund) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the Town's proportion was 0.10% which was the same as its proportion measured as of June 30, 2019.

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For the year ended December 31, 2020, the Town recognized pension expense of \$946,721. At December 31, 2020 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 23,121	\$ 101,630
Changes in assumptions	639,909	-
Net difference between projected and actual investment earnings on pension plan investments	400,112	-
Differences between expected and actual experience	174,693	69,458
Contributions subsequent to the measurement date	217,703	-
Total	<u>\$ 1,455,538</u>	<u>\$ 171,088</u>

The \$217,703 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2021	\$ 166,948
2022	281,874
2023	323,811
2024	294,115
2025	-
Thereafter	-
Totals	<u>\$ 1,066,748</u>

**Actuarial Assumptions** – The collective total pension liability was based on the following assumptions:

Inflation:	2.0%
Salary increases:	5.6% average, including inflation
Wage inflation:	2.75% (2.25% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return
		2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

**Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 8,374,672	\$ 6,468,961	\$4,911,743

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

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**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**14-A New Hampshire Retirement System (NHRS)**

**Plan Description** – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system which administers a cost-sharing multiple-employer other postemployment benefit (OPEB) plan. For additional system information, please refer to the 2019 Comprehensive Annual Financial Report, which can be found on the system’s website at [www.nhrs.org](http://www.nhrs.org).

**Benefits Provided** - Benefit amounts and eligibility requirements for the OPEB Plan are set by State law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2020 were as follows:

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

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2020, the Town contributed 3.66% for police and fire, and 0.29% for other employees. The contribution requirement for the fiscal year 2020 was \$20,862, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – At December 31, 2020, the Town reported a liability of \$418,574 (\$394,465 for governmental activities and \$24,109 for business-type activities and proprietary fund) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the Town’s proportion was 0.10% which was the same as its proportion measured as of June 30, 2019.

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For the year ended December 31, 2020, the Town recognized OPEB expense of \$9,023. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 4,434
Net difference between projected and actual investment earnings on OPEB plan investments	1,566	-
Changes in assumptions	2,691	-
Differences between expected and actual experience	-	1,213
Contributions subsequent to the measurement date	20,862	-
Total	<u>\$ 25,119</u>	<u>\$ 5,647</u>

The \$20,862 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2021	\$(2,837)
2022	464
2023	553
2024	430
2025	-
Thereafter	-
Totals	<u>\$ (1,390)</u>

**Actuarial Assumptions** – The collective total OPEB liability was based on the following actuarial assumptions:

Inflation:	2.0%
Salary increases:	5.6 % average, including inflation
Wage inflation:	2.75 % (2.25%) for teachers
Investment rate of return:	6.75 % net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation	Weighted average long-term expected real rate of return 2020
Large Cap Equities	22.50%	3.71%
Small/Mid Cap Equities	7.50%	4.15%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	13.00%	3.96%
Emerging Int'l Equities	7.00%	6.20%
Total international equity	20.00%	
Core Bonds	9.00%	0.42%
Global Multi-Sector Fixed Income	10.00%	1.66%
Absolute Return Fixed Income	6.00%	0.92%
Total fixed income	25.00%	
Private equity	10.00%	7.71%
Private debt	5.00%	4.81%
Total alternative investments	15.00%	
Real estate	10.00%	2.95%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2020, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and 100-A:53. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Discount Rate** – The following table presents the Town's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 454,528	\$ 418,574	\$ 387,359

**Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption** – GASB No. 75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

#### **14-B Town of Jaffrey Retiree Health Benefit Program**

**Plan Description** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.



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**Benefits Provided** – The Town provides postemployment healthcare benefits for certain eligible retirees.

**Employees Covered by Benefit Terms** – At January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	40
Total participants covered by OPEB plan	<u>42</u>

**Total OPEB Liability** – The Town's total OPEB liability of \$583,120 (\$549,533 for the governmental activities and \$33,587 for the business-type activities and proprietary fund) was measured as of January 1, 2020, and was determined by an actuarial valuation of that date.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability of \$583,120 in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.12%
Healthcare Cost Trend Rates:	
Current Year Trend	7.00%
Second Year Trend	6.55%
Decrement	0.45%
Ultimate Trend	4.00%
Year Ultimate Trend is Reached	2075
Salary Increases:	2.40%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of December 31, 2020.

Mortality rates were based on the PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

**Changes in the Total OPEB Liability**

	December 31,	
	2019	2020
OPEB liability beginning of year	\$ 550,493	\$ 627,195
Changes for the year:		
Service cost	64,297	72,684
Interest	21,665	18,892
Differences between expected and actual experience	-	(163,106)
Changes of assumptions	52,389	48,203
Benefit payments	(61,649)	(20,748)
OPEB liability end of year	<u>\$ 627,195</u>	<u>\$ 583,120</u>

**Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate** – The January 1, 2020, actuarial valuation was prepared using a discount rate of 2.12%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$519,320. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$656,214.

	Discount Rate		
	1% Decrease	Baseline 2.12%	1% Increase
Total OPEB Liability	<u>\$ 656,214</u>	<u>\$ 583,120</u>	<u>\$ 519,320</u>

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**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The January 1, 2020, actuarial valuation was prepared using an initial trend rate of 4.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$687,652. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$496,908.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 4.00%	1% Increase
Total OPEB Liability	\$ 496,908	\$ 583,120	\$ 687,652

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2020, the Town recognized OPEB expense of \$69,305. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 61,359	\$ 6,615
Differences between expected and actual experience	-	136,235
Total	\$ 61,359	\$ 142,850

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2021	\$ (9,899)
2022	(13,479)
2023	(18,930)
2024	(18,930)
2025	(18,930)
Thereafter	(1,323)
Totals	\$ (81,491)

**NOTE 15 – ENCUMBRANCES**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2020 and are as follows:

General fund:	
General government	\$ 14,456
Public safety	32,948
Highways and streets	184,000
Culture and recreation	17,603
Total encumbrances	\$ 249,007

**NOTE 16 – STATE AID TO WATER POLLUTION PROJECTS**

The Town is due to receive from the State of New Hampshire the following amounts in the form of state aid to water pollution projects:

Purpose	Bonds Issued	Amount
Design of wastewater treatment facility upgrade	State Aid Grant C-695	\$ 42,015
Hadley Rd pump station upgrade	State Aid Grant C-714	112,945
Wastewater treatment facility upgrade	State Aid Grant C-824	3,370,190
River St and Nelson Cir pump station replacements	State Aid Grant C-910	199,784
	Total	\$ 3,724,934

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Under New Hampshire RSA Chapter 486, the Town receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from the acquisition and construction of sewage disposal facilities. At December 31, 2020 the Town is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending December 31,	Amount
2021	\$ 250,739
2022	254,162
2023	257,696
2024	247,340
2025	213,567
2026-2030	1,010,360
2031-2035	1,029,736
2036-2038	461,334
Total	<u>\$ 3,724,934</u>

**NOTE 17 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION**

Net position reported on the government wide and fiduciary funds Statements of Net Position at December 31, 2020 include the following:

	Government-wide Financial Statements			Fiduciary Funds
	Governmental Activities	Business-type Activities	Total	
Net investment in capital assets:				
Net book value, all capital assets	\$ 21,474,376	\$ 12,894,651	\$ 34,369,027	\$ -
Less:				
General obligation bonds payable	(11,779,881)	(2,951,910)	(14,731,791)	-
Notes payable	-	(1,069,060)	(1,069,060)	-
Total net investment in capital assets	<u>9,694,495</u>	<u>8,873,681</u>	<u>18,568,176</u>	<u>-</u>
Restricted net position:				
Perpetual care - nonexpendable	1,704,720	-	1,704,720	-
Perpetual care - expendable	558,917	-	558,917	-
Asset forfeiture	7,886	-	7,886	-
Reclamation trust	90,943	-	90,943	-
Library	1,079,605	-	1,079,605	-
Capital projects	1,090,278	-	1,090,278	-
Sewer	489,346	-	489,346	-
Individuals, organizations and other governments	-	-	-	6,525,777
Total restricted net position	<u>5,021,695</u>	<u>-</u>	<u>5,021,695</u>	<u>6,525,777</u>
Unrestricted	<u>2,346,409</u>	<u>2,613,283</u>	<u>4,959,692</u>	<u>-</u>
Total net position	<u>\$ 17,062,599</u>	<u>\$ 11,486,964</u>	<u>\$ 28,549,563</u>	<u>\$ 6,525,777</u>

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**NOTE 18 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2020 include the following:

	General Fund	Sewer Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Prepaid items	\$ 309,014	\$ -	\$ -	\$ -	\$ 309,014
Permanent fund - principal balance	-	-	1,704,720	-	1,704,720
Total nonspendable fund balance	309,014	-	1,704,720	-	2,013,734
<b>Restricted:</b>					
Library	-	-	-	1,079,605	1,079,605
Sewer	-	489,346	-	-	489,346
Capital projects	-	-	-	1,090,278	1,090,278
Permanent - income balance	-	-	558,917	-	558,917
Reclamation trust	-	-	-	90,943	90,943
Asset forfeiture	-	-	-	7,886	7,886
Total restricted fund balance	-	489,346	558,917	2,268,712	3,316,975
<b>Committed:</b>					
Expendable trusts	1,715,546	-	-	-	1,715,546
Non-lapsing appropriations	14,802	-	-	-	14,802
Special revenue funds	-	-	-	236,056	236,056
Total committed fund balance	1,730,348	-	-	236,056	1,966,404
<b>Assigned:</b>					
Encumbrances	249,007	-	-	-	249,007
<b>Unassigned</b>	2,439,563	-	-	-	2,439,563
Total governmental fund balances	\$ 4,727,932	\$ 489,346	\$ 2,263,637	\$ 2,504,768	\$ 9,985,683

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**NOTE 19 – PRIOR PERIOD ADJUSTMENTS**

Net position/fund balance at January 1, 2020, was restated to give retroactive effect to the following prior period adjustments:

	Government-wide Statements	Business-type Activities	General Fund (GAAP Basis)	General Fund (Budgetary)	Sewer Fund	Capital Project Fund	Other Governmental Funds	Fiduciary Funds
To restate for the cumulative changes related to implementation of GASB Statement No. 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278,927
To restate for removal of tax deeded property previously sold	(227,310)	-	(227,310)	-	-	-	-	-
To reclassify beginning cash error between funds	-	-	(75,857)	-	-	-	75,857	-
To establish allowance for uncollectible taxes	(160,000)	-	-	-	-	-	-	-
To reallocate expendable trust funds recorded as special revenue funds	-	-	57,462	-	-	-	(57,462)	-
To remove water fund expendable trusts reported in the general fund	(299,118)	299,118	(299,118)	-	-	-	-	-
To remove sewer fund expendable trusts reported in the general fund	-	-	(64,513)	-	64,513	-	-	-
To remove incorrectly deferred revenue in prior year	-	-	729,208	-	-	-	-	-
To defer receivables not collected after 60-days	-	-	(168,843)	-	-	-	-	-
To reverse prior year deferred receivable for user charges	106,729	-	-	-	106,729	-	-	-
To record reclassification of debt liability to the government-wide activities (1/3 of debt appropriated from general taxation)	(1,859,816)	(688,439)	-	-	-	-	-	-
To remove allowance for doubtful accounts	-	14,945	-	-	-	-	-	-
To restate for change in OPEB liability	(96,580)	(4,393)	-	-	-	-	-	-
To record effect of capital asset adjustments	(11,853)	(270,288)	-	-	-	-	-	-
To adjust Squantum project DWSRF accrual	-	2,269,778	-	-	-	-	-	-
To record long-term state aid receivable issued in 2019	3,537,967	-	-	-	-	-	-	-
To report sewer capital projects as part of nonmajor governmental fund	-	-	-	-	-	57,768	(57,768)	-
To record recalculation of beginning fair market value	2,308	-	2,308	-	-	-	-	-
To record other miscellaneous restatements	8,421	-	-	-	-	-	8,421	-
To record beginning unassigned fund balance on a budgetary basis not previously reported	-	-	-	1,766,085	-	-	-	-
Net position/fund balance, as previously reported	15,586,615	8,887,568	3,638,073	-	303,500	(57,768)	1,363,153	-
Net position/fund balance, as restated	\$ 16,587,363	\$ 10,508,289	\$ 3,591,410	\$ 1,766,085	\$ 474,742	\$ -	\$ 1,332,201	\$ 1,278,927

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**NOTE 20 – 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; or natural disasters. During fiscal year 2020, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2020, to December 31, 2020, by Primex<sup>3</sup>, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> 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. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2020 the Town paid \$79,543 and \$90,733 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 21 – COVID-19**

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the budget approved for 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 31, 2020. The Town was awarded a portion of this federal funding totaling \$144,276. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

**NOTE 22 – TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

**NOTE 23 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through July 29, 2021, the date the December 31, 2020 financial statements were available to be issued, and noted that there was \$778,658 in debt forgiven related to the Squantum capital projects.

In addition, management noted the following warrant article was approved by the voters at the March 9, 2021, annual Town meeting:

**Warrant Article 3:** Authorized the issuance of up to \$1,229,020 in bonds or notes for expanded broadband access to unserved areas in Town.

***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT G**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,					
	2015	2016	2017	2018	2019	2020
Town's proportion of the net pension liability	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Town's proportionate share of the net pension liability	\$ 4,102,455	\$ 5,710,698	\$ 5,101,931	\$ 4,862,690	\$ 4,896,386	\$ 6,468,961
Town's covered payroll	\$ 1,212,471	\$ 2,793,907	\$ 2,767,383	\$ 2,779,378	\$ 2,875,856	\$ 2,443,755
Town's proportionate share of the net pension liability as a percentage of its covered payroll	338.35%	204.40%	184.36%	174.96%	170.26%	264.71%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.70%	64.73%	65.59%	58.72%



**EXHIBIT H**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 364,277	\$ 384,550	\$ 380,045	\$ 426,826	\$ 442,845	\$ 449,299
Contributions in relation to the contractually required contributions	(364,277)	(384,550)	(380,045)	(426,826)	(442,845)	(449,299)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 1,212,471	\$ 2,793,907	\$ 2,767,383	\$ 2,779,378	\$ 2,875,856	\$ 2,443,755
Contributions as a percentage of covered payroll	30.04%	13.76%	13.73%	15.36%	15.40%	18.39%

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

***Schedule of the Town's Proportionate Share of Net Pension Liability and  
Schedule of Town Contributions - Pensions***

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the Town's pension plan at December 31, 2020. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year 2020:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	20 years beginning July 1, 2019 (30 years beginning July 1, 2009)
Asset Valuation Method	5-year smooth market for funding purposes: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year (3.00% for teachers) in the 2017 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	7.25% per year, net of investment expenses, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2010-215 experience study.
Mortality	RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the 2010-2015 experience study.

**Other Information:**

Notes	The board has adopted new assumptions based on the 2015-2019 experience study effective for employer contributions in the 2022-23 biennium.
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**EXHIBIT I**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,		
	2018	2019	2020
Town's proportion of the net OPEB liability	0.10%	0.10%	0.10%
Town's proportionate share of the net OPEB liability (asset)	\$ 467,110	\$ 454,868	\$ 418,574
Town's covered payroll	\$2,807,925	\$2,931,049	\$2,443,755
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	16.64%	15.52%	17.13%
Plan fiduciary net position as a percentage of the total OPEB liability	7.53%	7.75%	7.74%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

**EXHIBIT J**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Other Postemployment Benefits*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,		
	2018	2019	2020
Contractually required contribution	\$ 45,128	\$ 47,349	\$ 44,388
Contributions in relation to the contractually required contribution	(45,128)	(47,349)	(44,388)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered payroll	\$2,807,925	\$2,931,049	\$2,443,755
Contributions as a percentage of covered payroll	1.61%	1.62%	1.82%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

**EXHIBIT K**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios*  
*Retiree Health Benefit Program*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,		
	2018	2019	2020
OPEB liability, beginning of year, as restated	\$ 589,291	\$ 550,493	\$ 627,195
Changes for the year:			
Service cost	74,665	64,297	72,684
Interest	20,423	21,665	18,892
Assumption changes and difference between actual and expected experience	(63,576)	52,389	(114,903)
Benefit payments	(70,310)	(61,649)	(20,748)
OPEB liability, end of year	<u>\$ 550,493</u>	<u>\$ 627,195</u>	<u>\$ 583,120</u>
Covered payroll	<u>\$ 2,807,925</u>	<u>\$ 2,931,049</u>	<u>\$ 2,577,661</u>
Total OPEB liability as a percentage of covered pay roll	19.60%	21.40%	22.62%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFIT LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

***Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of Town Contributions – Other Postemployment Benefits***

As required by GASB Statement No. 75, Exhibits I and J represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2020. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2/0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

**Methods and Assumptions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Not applicable under statutory funding
Asset Valuation Method	5-year smooth market: 20% corridor
Price Inflation	2.5% per year
Wage Inflation	3.25% per year (3.00% for teachers) in the 2017 valuation
Salary Increases	5.6% Average, including inflation
Municipal Bond Rate	2.45% per year
Investment Rate of Return	7.25% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions
Funding Discount Rate	3.25% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2010-2015 experience study.
Mortality	RP-2014 Healthy Annuitant and Employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the 2010-2015 experience study.

***Schedule of Changes in Town's Total Other Postemployment Benefits Liability and Related Ratios***

As required by GASB Statement No. 75, Exhibit K represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2020. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***

**SCHEDULE 1**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended December 31, 2020*

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 4,792,903	\$ 4,793,975	\$ 1,072
Land use change	1,500	23,925	22,425
Yield	11,500	18,216	6,716
Excavation	1,000	1,319	319
Interest and penalties on taxes	65,000	59,362	(5,638)
Total from taxes	<u>4,871,903</u>	<u>4,896,797</u>	<u>24,894</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	2,000	2,281	281
Motor vehicle permit fees	1,130,082	1,161,751	31,669
Building permits	24,000	35,133	11,133
Other	74,200	79,536	5,336
Total from licenses, permits, and fees	<u>1,230,282</u>	<u>1,278,701</u>	<u>48,419</u>
Intergovernmental:			
State:			
Shared revenues	100,848	100,848	-
Meals and rooms distribution	274,469	274,469	-
Highway block grant	162,851	162,832	(19)
State and federal forest land reimbursement	139	139	-
Other	2,600	11,276	8,676
Federal:			
Other	144,276	144,276	-
Total from intergovernmental	<u>685,183</u>	<u>693,840</u>	<u>8,657</u>
Charges for services:			
Income from departments	<u>31,525</u>	<u>25,216</u>	<u>(6,309)</u>
Miscellaneous:			
Sale of municipal property	1,000	20,600	19,600
Interest on investments	13,864	14,631	767
Other	4,300	60,942	56,642
Total from miscellaneous	<u>19,164</u>	<u>96,173</u>	<u>77,009</u>
Other financing sources:			
Transfers in	<u>178,400</u>	<u>481,014</u>	<u>302,614</u>
Total revenues and other financing sources	<u>7,016,457</u>	<u>\$ 7,471,741</u>	<u>\$ 455,284</u>
Unassigned fund balance used to reduce tax rate	<u>200,000</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 7,216,457</u>		



**SCHEDULE 2**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended December 31, 2020*

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 245,946	\$ 246,564	\$ -	\$ (618)
Election and registration	-	92,396	86,128	-	6,268
Financial administration	25,000	260,692	278,864	5,060	1,768
Revaluation of property	30,000	81,484	105,082	-	6,402
Legal	15,000	20,000	19,954	9,396	5,650
Personnel administration	-	695,050	625,978	-	69,072
Planning and zoning	700	80,659	79,741	-	1,618
General government buildings	-	33,356	34,621	-	(1,265)
Cemeteries	-	50,005	40,024	-	9,981
Insurance, not otherwise allocated	-	48,520	48,521	-	(1)
Total general government	70,700	1,608,108	1,565,477	14,456	98,875
Public safety:					
Police	-	1,549,584	1,506,945	16,763	25,876
Ambulance	-	40,000	40,000	-	-
Fire	11,831	410,869	365,459	16,185	41,056
Building inspection	456	82,412	79,902	-	2,966
Emergency management	-	60,438	60,744	-	(306)
Other	-	116,988	117,317	-	(329)
Total public safety	12,287	2,260,291	2,170,367	32,948	69,263
Highways and streets:					
Administration	-	761,101	731,332	-	29,769
Highways and streets	16,895	345,540	271,374	184,000	(92,939)
Bridges	-	7,001	7,411	-	(410)
Street lighting	-	20,000	14,275	-	5,725
Other	-	30,151	31,312	-	(1,161)
Total highways and streets	16,895	1,163,793	1,055,704	184,000	(59,016)
Sanitation:					
Administration	21,267	173,804	162,375	-	32,696
Solid waste disposal	-	180,296	190,005	-	(9,709)
Solid waste clean-up	-	38,549	32,660	-	5,889
Total sanitation	21,267	392,649	385,040	-	28,876
Health:					
Administration	-	1,787	1,828	-	(41)
Pest control	-	625	151	-	474
Health agencies	-	34,414	34,414	-	-
Total health	-	36,826	36,393	-	433
Welfare:					
Administration and direct assistance	-	118,426	71,020	-	47,406
Vendor payments and other	-	29,767	29,766	-	1
Total welfare	-	148,193	100,786	-	47,407

(Continued)

**SCHEDULE 2 (Continued)**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended December 31, 2020**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	272,362	247,484	870	24,008
Library	-	338,492	322,780	16,733	(1,021)
Patriotic purposes	-	4,000	2,956	-	1,044
Other	-	6,000	6,000	-	-
Total culture and recreation	-	620,854	579,220	17,603	24,031
Conservation	-	475	425	-	50
Economic development	-	35,324	33,059	-	2,265
Debt service:					
Principal of long-term debt	-	391,678	230,385	-	161,293
Interest on long-term debt	-	143,766	99,886	-	43,880
Total debt service	-	535,444	330,271	-	205,173
Capital outlay	37,330	35,000	99,843	-	(27,513)
Other financing uses;					
Transfers out	-	379,500	411,545	-	(32,045)
Total appropriations, expenditures, other financing uses, and encumbrances	\$158,479	\$ 7,216,457	\$ 6,768,130	\$ 249,007	\$ 357,799

**SCHEDULE 3**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Major General Fund**  
**Schedule of Changes in Unassigned Fund Balance**  
**For the Fiscal Year Ended December 31, 2020**

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 19)		\$ 1,766,085
Changes:		
Unassigned fund balance used to reduce 2020 tax rate		(200,000)
2020 Budget summary:		
Revenue surplus (Schedule 1)	\$ 455,284	
Unexpended balance of appropriations (Schedule 2)	<u>357,799</u>	
2020 Budget surplus		813,083
Increase in nonspendable fund balance		(47,087)
Decrease in committed fund balance		<u>110,021</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,442,102
<b>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</b>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(172,539)
Elimination of the allowance for uncollectible taxes		<u>170,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 2,439,563</u></u>

**SCHEDULE 4**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
*Nonmajor Governmental Funds*  
**Combining Balance Sheet**  
**December 31, 2020**

	Special Revenue Funds							
	Recreation	Downtown TIF	DARE	Stone Bridge TF	Conservation	Police Department Special Details	Library Grants	Cash Revolving Loan
<b>ASSETS</b>								
Cash and cash equivalents	\$ 21,842	\$ 11,827	\$ 4,972	\$ (30,655)	\$ 108,737	\$ 10,143	\$ 477	\$ 21,579
Investments	-	-	-	-	-	-	-	-
Taxes receivable	-	11,292	-	30,779	-	-	-	-
Accounts receivable	-	-	-	-	-	33,736	-	21,159
Intergovernmental receivables	-	564	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	1,257	-	-
Total assets	<u>\$ 21,842</u>	<u>\$ 23,683</u>	<u>\$ 4,972</u>	<u>\$ 124</u>	<u>\$ 108,737</u>	<u>\$ 45,136</u>	<u>\$ 477</u>	<u>\$ 42,738</u>
<b>LIABILITIES, DEFERRED INFLOWS INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accrued salaries and benefits	\$ -	\$ 124	\$ -	\$ 124	\$ -	\$ -	\$ -	\$ -
Interfund payable	1,609	-	-	-	-	-	-	-
Total liabilities	<u>1,609</u>	<u>124</u>	<u>-</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>								
Unavailable revenue -								
Property taxes	-	23,501	-	-	-	-	-	-
Other miscellaneous	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>23,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	20,233	58	4,972	-	108,737	45,136	477	42,738
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>20,233</u>	<u>58</u>	<u>4,972</u>	<u>-</u>	<u>108,737</u>	<u>45,136</u>	<u>477</u>	<u>42,738</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,842</u>	<u>\$ 23,683</u>	<u>\$ 4,972</u>	<u>\$ 124</u>	<u>\$ 108,737</u>	<u>\$ 45,136</u>	<u>\$ 477</u>	<u>\$ 42,738</u>

Special Revenue Funds								
Fire Department Special Details	Police and Fire Grants	250th Celebration	Miscellaneous Donations	Held Evidence	Reclamation Trust	Library	Capital Project Funds Consolidated	Total
\$ 15	\$ 97	\$ 2,694	\$ 10,449	\$ 7,886	\$ 90,620	\$ 66,974	\$ 1,047,463	\$ 1,375,120
-	-	-	-	-	-	1,032,631	-	1,032,631
-	-	-	-	-	-	-	-	42,071
-	-	-	450	-	-	-	515	55,860
-	-	-	-	-	-	-	-	564
-	-	-	-	-	323	-	109,066	110,646
<u>\$ 15</u>	<u>\$ 97</u>	<u>\$ 2,694</u>	<u>\$ 10,899</u>	<u>\$ 7,886</u>	<u>\$ 90,943</u>	<u>\$ 1,099,605</u>	<u>\$ 1,157,044</u>	<u>\$ 2,616,892</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248
-	-	-	-	-	-	-	61,766	63,375
-	-	-	-	-	-	-	61,766	63,623
-	-	-	-	-	-	-	-	23,501
-	-	-	-	-	-	20,000	5,000	25,000
-	-	-	-	-	-	20,000	5,000	48,501
-	-	-	-	-	-	-	-	-
-	-	-	-	7,886	90,943	1,079,605	1,090,278	2,268,712
15	97	2,694	10,899	-	-	-	-	236,056
-	-	-	-	-	-	-	-	-
<u>15</u>	<u>97</u>	<u>2,694</u>	<u>10,899</u>	<u>7,886</u>	<u>90,943</u>	<u>1,079,605</u>	<u>1,090,278</u>	<u>2,504,768</u>
<u>\$ 15</u>	<u>\$ 97</u>	<u>\$ 2,694</u>	<u>\$ 10,899</u>	<u>\$ 7,886</u>	<u>\$ 90,943</u>	<u>\$ 1,099,605</u>	<u>\$ 1,157,044</u>	<u>\$ 2,616,892</u>

**SCHEDULE 5**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2020**

	Special Revenue Funds							
	Recreation	Downtown TIF	DARE	Stone Bridge TIF	Conservation	Police Department Special Details	Library Grants	Cash Revolving Loan
<b>Revenues:</b>								
Taxes	\$ -	\$ 429,048	\$ -	\$ 268,598	\$ 23,925	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	20,208	-	-	-	-	79,756	-	-
Miscellaneous	72	1,902	13	1,238	712	27	6,009	118
Total revenues	20,280	430,950	13	269,836	24,637	79,783	6,009	118
<b>Expenditures:</b>								
Current:								
General government	-	50,722	-	12,198	-	-	-	-
Public safety	-	-	103	-	-	49,800	-	-
Sanitation	-	-	-	-	-	-	-	-
Culture and recreation	20,378	-	-	-	-	-	5,277	-
Conservation	-	-	-	-	12,636	-	-	-
Debt service:								
Principal	-	15,000	-	75,000	-	-	-	-
Interest	-	2,909	-	28,675	-	-	-	-
Capital outlay	-	40,401	-	-	-	-	-	-
Total expenditures	20,378	109,032	103	115,873	12,636	49,800	5,277	-
Excess (deficiency) of revenues over (under) expenditures	(98)	321,918	(90)	153,963	12,001	29,983	732	118
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(346,967)	-	(155,563)	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(346,967)	-	(155,563)	-	-	-	-
Net change in fund balances	(98)	(25,049)	(90)	(1,600)	12,001	29,983	732	118
Fund balances (deficit), beginning, as restated (see Note 19)	20,331	25,107	5,062	1,600	96,736	15,153	(255)	42,620
Fund balances, ending	\$ 20,233	\$ 58	\$ 4,972	\$ -	\$ 108,737	\$ 45,136	\$ 477	\$ 42,738

Special Revenue Funds								
Fire Department	Police and Fire	250th	Miscellaneous	Held	Reclamation		Capital Project Funds	
Special Details	Grants	Celebration	Donations	Evidence	Trust	Library	Consolidated	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 721,571
-	-	-	-	-	-	54,743	2,563	57,306
8,582	-	-	-	-	-	1,286	-	109,832
7	-	1,694	5,010	16	18,251	121,494	7,168	163,731
8,589	-	1,694	5,010	16	18,251	177,523	9,731	1,052,440
-	-	-	279	-	-	-	-	63,199
1,331	-	-	-	-	-	-	-	51,234
-	-	-	-	-	3,840	-	-	3,840
-	-	-	-	-	-	98,443	-	124,098
-	-	-	-	-	-	-	-	12,636
-	-	-	-	-	-	-	-	90,000
-	-	-	-	-	-	-	-	31,584
-	-	-	-	-	-	-	199,425	239,826
1,331	-	-	279	-	3,840	98,443	199,425	616,417
7,258	-	1,694	4,731	16	14,411	79,080	(189,694)	436,023
-	-	1,000	-	-	-	14,023	262,970	277,993
-	-	-	-	-	-	-	(38,919)	(541,449)
-	-	-	-	-	-	-	1,000,000	1,000,000
-	-	1,000	-	-	-	14,023	1,224,051	736,544
7,258	-	2,694	4,731	16	14,411	93,103	1,034,357	1,172,567
(7,243)	97	-	6,168	7,870	76,532	986,502	55,921	1,332,201
\$ 15	\$ 97	\$ 2,694	\$ 10,899	\$ 7,886	\$ 90,943	\$ 1,079,605	\$ 1,090,278	\$ 2,504,768

**SCHEDULE 6**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Fiduciary Net Position**  
**December 31, 2020**

	Custodial Funds						Total
	Taxes	School Trust	Alice Poole Trust	Impact Fees	Bonds and Security Deposits	Other Escrow Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,439,394	\$ 294,518	\$ 41,832	\$ 9,621	\$ 23,842	\$ 16,954	\$ 3,826,161
Investments	-	443,824	630,945	-	-	-	1,074,769
Total assets	<u>3,439,394</u>	<u>738,342</u>	<u>672,777</u>	<u>9,621</u>	<u>23,842</u>	<u>16,954</u>	<u>4,900,930</u>
<b>LIABILITIES</b>							
Due to school	<u>3,439,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,439,394</u>
<b>NET POSITION</b>							
Restricted	<u>\$ -</u>	<u>\$ 738,342</u>	<u>\$ 672,777</u>	<u>\$ 9,621</u>	<u>\$ 23,842</u>	<u>\$ 16,954</u>	<u>\$ 1,461,536</u>



**SCHEDULE 7**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2020**

	Custodial Funds						
	Taxes	School Trust	Alice Poole Trust	Impact Fees	Bonds and Security Deposits	Other Escrow Funds	Total
<b>Additions:</b>							
Contributions	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Investment earnings	-	8,434	33,838	49	69	18	42,408
Change in fair market value	-	11,571	39,910	-	-	-	51,481
Tax collections for other governments	9,341,828	-	-	-	-	-	9,341,828
Other	-	-	-	-	14,300	-	14,300
Total additions	<u>9,341,828</u>	<u>120,005</u>	<u>73,748</u>	<u>49</u>	<u>14,369</u>	<u>18</u>	<u>9,550,017</u>
<b>Deductions:</b>							
Benefits paid	-	-	8,613	-	-	-	8,613
Administrative expenses	-	4,266	4,274	-	-	-	8,540
Payments of taxes to other governments	9,341,828	-	-	-	-	-	9,341,828
Payments for escrow purposes	-	-	-	-	5,617	2,810	8,427
Total deductions	<u>9,341,828</u>	<u>4,266</u>	<u>12,887</u>	<u>-</u>	<u>5,617</u>	<u>2,810</u>	<u>9,367,408</u>
Net increase (decrease) in fiduciary net position	-	115,739	60,861	49	8,752	(2,792)	182,609
Net position, beginning, as restated (see Note 19)	-	622,603	611,916	9,572	15,090	19,746	1,278,927
Net position, ending	<u>\$ -</u>	<u>\$ 738,342</u>	<u>\$ 672,777</u>	<u>\$ 9,621</u>	<u>\$ 23,842</u>	<u>\$ 16,954</u>	<u>\$ 1,461,536</u>

**SCHEDULE 8**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Combining Schedule of Water Fund Net Position**  
**December 31, 2020**

	Fund 02 Water Fund	Water Expendable Trust	Fund 62 Capital Project Cold Spring	Accrual Entries for Long-term Activity	Adjustments and Elimination Entries	Exhibit E-1 Water Fund Full Accrual Basis
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,358,165	\$ 91,921	\$ (1,133)	\$ -	\$ -	\$ 2,448,953
Investments	-	264,401	-	-	-	264,401
Accounts receivable	177,236	-	-	-	-	177,236
Due from other governments	112,276	-	1,174,644	-	-	1,286,920
Prepaid items	51,313	-	-	-	-	51,313
Capital assets:						
Land and construction in progress	-	-	-	1,423,726	-	1,423,726
Other capital assets, net of depreciation	-	-	-	11,470,925	-	11,470,925
Total assets	2,698,990	356,322	1,173,511	12,894,651	-	17,123,474
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Amounts related to pensions	-	-	-	83,836	-	83,836
Amounts related to other postemployment benefits	-	-	-	4,981	-	4,981
Total deferred outflows of resources	-	-	-	88,817	-	88,817
<b>LIABILITIES</b>						
Current Liabilities:						
Accrued salaries and benefits	2,734	-	-	-	-	2,734
Retainage payable	50,622	-	-	-	-	50,622
Accrued interest payable	-	-	-	8,631	-	8,631
Interfund payable	-	-	1,173,511	-	-	1,173,511
Long term liabilities:						
Due within one year	-	-	-	1,218,468	-	1,218,468
Due within more than one year	-	-	-	3,243,978	-	3,243,978
Total liabilities	53,356	-	1,173,511	4,471,077	-	5,697,944
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Water Filtration Grant	121,253	-	-	(112,277)	-	8,976
Amounts related to pensions	-	-	-	9,854	-	9,854
Amounts related to other postemployment benefits	-	-	-	8,553	-	8,553
Total deferred inflows of resources	121,253	-	-	18,407	-	18,407
<b>NET POSITION</b>						
Restricted	2,524,381	-	-	(2,524,381)	-	-
Committed	-	356,322	-	(356,322)	-	-
Net investment in capital assets	-	-	-	8,873,681	-	8,873,681
Unrestricted	-	-	-	2,613,283	-	2,613,283
Total net position	\$ 2,524,381	\$ 356,322	\$ -	\$ 8,606,261	\$ -	\$ 11,486,964

**SCHEDULE 9**  
**TOWN OF JAFFREY, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Combining Schedule of Water Fund Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2020**

	Fund 02 Water Fund	Water Expendable Trust	Fund 62 Capital Project Cold Spring	Accrual Entries for Long-term Activity	Adjustments and Elimination Entries	Exhibit E-2 Water Fund Full Accrual Basis
<b>REVENUES</b>						
Intergovernmental	\$ 30,909	\$ -	\$ 1,188,093	\$ (30,909)	\$ (1,069,060)	\$ 119,033
Charges for services	1,425,141	-	-	-	-	1,425,141
Miscellaneous	2,765	15,620	-	49	-	18,434
Total revenues	1,458,815	15,620	1,188,093	(30,860)	(1,069,060)	1,562,608
<b>EXPENSES</b>						
Current:						
Water distribution and treatment	680,570	(55,892)	-	(1,261,041)	1,252,341	615,978
Debt service:						
Principal	101,924	-	-	(101,418)	(506)	-
Interest	31,809	-	-	(43,503)	11,694	-
Capital outlay	61,128	-	1,202,401	-	(1,263,529)	-
Total expenditures	875,431	(55,892)	1,202,401	(1,405,962)	-	615,978
Excess (deficiency) of revenues over (under) expenses	583,384	71,512	(14,308)	1,375,102	(1,069,060)	946,630
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	32,045	-	14,308	-	(14,308)	32,045
Transfers out	-	(14,308)	-	-	14,308	-
Debt proceeds	-	-	-	(1,069,060)	1,069,060	-
Total other financing sources (uses)	32,045	(14,308)	14,308	(1,069,060)	1,069,060	32,045
Change in net position	615,429	57,204	-	306,042	-	978,675
Net position, beginning	1,908,952	299,118	-	8,300,219	-	10,508,289
Net position, ending	\$ 2,524,381	\$ 356,322	\$ -	\$ 8,606,261	\$ -	\$ 11,486,964