

**TOWN OF JAFFREY,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021**

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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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2021, the respective changes in financial position, and where applicable cash flows thereof, and the respective budgetary comparisons for the general and sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town of Jaffrey's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Supplementary 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 22, 2022

*Blodzik & Sanderson
Professional Association*

TOWN OF JAFFREY, NEW HAMPSHIRE
MANAGEMENT DISCUSSION AND ANALYSIS
2021

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, 2021.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements of (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.

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, 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, governmental 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. A budgetary comparison statement has been provided for general fund to demonstrate compliance with this budget.

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 page 24 to 54.

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 required to be disclosed by accounting principles generally accepted in the United States of America.

FINANCIAL HIGHLIGHTS

- As of the close of the current year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$34,424,319 (i.e. net position), a change of \$1,246,329 in comparison to the prior year, as restated (see Note 20).
- As of the close of the current year, governmental funds reported combined ending fund balances of \$11,582,455 a change of \$1,729,794 in comparison to the prior year, as restated (see Note 20).
- At the end of the current year, unassigned fund balance for the general fund was \$2,720,607, a change of \$281,044 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.

	Governmental Activities 2021	Governmental Activities 2020 (as restated)	Activities
Current and other assets	\$ 19,112,792	\$ 14,087,317	\$ 5,025,475
Capital assets	25,519,589	26,349,208	(829,619)
Total assets	44,632,381	40,436,525	4,195,856
Deferred outflows of resources	780,567	1,453,199	(672,632)
Current liabilities	3,903,806	870,860	3,032,946
Noncurrent liabilities	18,157,269	20,128,399	(1,971,130)
Total liabilities	22,061,075	20,999,259	1,061,816
Deferred inflows of resources	2,086,790	378,644	1,708,146
Net position:			
Net investment in capital assets	14,746,062	14,569,327	176,735
Restricted position	5,305,047	5,021,695	283,352
Unrestricted position	1,213,974	920,799	293,175
Total net position	\$ 21,265,083	\$ 20,511,821	\$ 753,262

	Business-type Activities 2021	Business-type Activities 2020 (as restated)	Activities
Current and other assets	\$ 3,145,248	\$ 3,055,312	\$ 89,936
Capital assets	13,821,953	14,073,856	(251,903)
Total assets	16,967,201	17,129,168	(161,967)
Deferred outflows of resources	55,633	88,817	(33,184)
Current liabilities	30,787	61,987	(31,200)
Noncurrent liabilities	3,710,085	4,462,446	(752,361)
Total liabilities	3,740,872	4,524,433	(783,561)
Deferred inflows of resources	122,726	27,383	95,343
Net position:			
Net investment in capital assets	10,463,010	10,052,886	410,124
Unrestricted position	2,696,226	2,613,283	82,943
Total net position	\$ 13,159,236	\$ 12,666,169	\$ 493,067

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 \$34,424,319, a change of \$1,246,329 from the prior year or 3.76% when compared to the end of the previous year.

By far the largest portion of the Town of Jaffrey's net position \$34,424,319 reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, infrastructure) in the amount of \$25,209,072, less any related debt used to acquire those assets that 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 \$5,305,047 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$3,910,200 may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

During the current year the Town's net position increased by \$1,246,329. Total revenues of \$13,166,068 exceeded expenses of \$11,919,739. The largest revenue sources were property and other taxes, which generated \$5,934,707, and motor vehicle and other fees which generated \$1,393,595 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 (21.68%), public safety (16.94%), and general government (23.71%), which accounted for 62.25% of total expenditures.

Changes in net position for the year ending December 31, 2021 are as follows:

Governmental activities:

	2021	2020	
	Amount	Amount	Difference
	(as restated)		
Revenues:			
Program revenues:			
Charges for services	\$ 1,859,349	\$ 1,702,308	\$ 157,041
Operating grants and contributions	371,174	532,269	(161,095)
Capital grants and contributions	158,464	162,832	(4,368)
General revenues:			
Taxes	5,934,707	5,618,368	316,339
Licenses and permits	1,393,595	1,278,701	114,894
Intergovernmental	582,343	387,214	195,129
Miscellaneous and loan forgiveness	768,264	529,374	238,890
Total revenues	11,067,896	10,211,066	856,830
Expenses:			
General government	2,830,071	1,878,412	951,659
Public safety	2,019,148	2,506,389	(487,241)
Highways and streets	2,574,339	2,558,014	16,325
Sanitation	1,610,438	1,438,558	171,880
Health and welfare	136,259	137,179	(920)
Culture and recreation	752,519	799,086	(46,567)
Conservation	7,262	13,061	(5,799)
Economic development	36,841	33,059	3,782
Interest on long-term debt	347,757	340,027	7,730
Transfers (net)	-	32,045	(32,045)
Total governmental activities	10,314,634	9,735,830	578,804
Change in net position	753,262	475,236	278,026
Beginning net position, as restated	20,511,821	20,036,585	475,236
Ending net position	<u>\$ 21,265,083</u>	<u>\$ 20,511,821</u>	<u>\$ 753,262</u>

	2021	2020	
	Amount	Amount	Difference
	(as restated)		
Business-type activities:			
Program revenues:			
Charges for services	\$ 1,422,364	\$ 1,625,724	\$ (203,360)
Operating grants and contributions	16,045	119,033	(102,988)
General revenues:			
Miscellaneous and loan forgiveness	659,763	18,617	641,146
Total revenues	2,098,172	1,763,374	334,798
Expenses:			
Water	1,605,105	584,169	1,020,936
Change in net position	493,067	1,179,205	(686,138)
Beginning net position, as restated	12,666,169	11,486,964	1,179,205
Ending net position	<u>\$ 13,159,236</u>	<u>\$ 12,666,169</u>	<u>\$ 493,067</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Fund

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 \$11,582,455, a change of \$1,729,794 in comparison to the prior year, as restated. Key elements of this change are as follows:

General fund operating results	\$ 1,239,095
Major sewer fund operating results	228,652
Major permanent trust fund results	420,177
Nonmajor fund results	(158,130)
	<u>\$ 1,729,794</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 \$2,720,607 while total fund balance was \$5,824,677. The general fund unassigned balance increased by \$281,044 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.

	December 31, 2021	January 1, 2021 (as restated)	Change	% of Total General Fund Expenditures
General Fund				
Unassigned fund balance	\$ 2,720,607	\$ 2,442,102	\$ 281,044	40.95%
Total fund balance	\$ 5,824,677	\$ 4,585,582	\$ 1,239,095	87.66%

General Fund Budgetary Highlights

The actual revenues received were more than the budgeted by \$66,190. Operating expenses were under budget by \$628,975. The Town under expended its budget due disciplined budget management by all town department heads. The pandemic has created an economic environment that either makes good and services difficult to obtain or extremely costly.

Each year during the Budget Committee process, we project returning to the general fund \$435,000 for property tax reduction. By returning funds in excess of \$435,000, we are able to maintain our undesignated fund balance according to our finance policy.

There are no major differences between the original budget and the final amended budget.

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 \$39,341,542 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, infrastructure. The Town added more assets that have not been previously reported. Several assets that did not meet the threshold were removed.

Governmental activities:	Balance, beginning (as restated)	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 2,825,253	\$ -	\$ 2,825,253
Construction in progress	222,555	776,381	998,936
Total capital assets not being depreciated	3,047,808	776,381	3,824,189
Being depreciated:			
Buildings and building improvements	10,487,407	-	10,487,407
Machinery, equipment, and furnishings	6,498,695	48,940	6,547,635
Infrastructure	32,631,753	-	32,631,753
Total capital assets being depreciated	49,617,855	48,940	49,666,795
Total all capital assets	52,665,663	825,321	53,490,984
Less accumulated depreciation:			
Buildings and building improvements	(7,490,327)	(354,461)	(7,844,788)
Machinery, equipment, and furnishings	(2,733,028)	(534,134)	(3,267,162)
Infrastructure	(16,093,100)	(766,345)	(16,859,445)
Total accumulated depreciation	(26,316,455)	(1,654,940)	(27,971,395)
Net book value, capital assets being depreciated	23,301,400	(1,606,000)	21,695,400
Net book value, all capital assets	\$26,349,208	\$ (829,619)	\$25,519,589
Business-type activities:	Balance, beginning (as restated)	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 1,537,134	\$ -	\$ 1,537,134
Construction in progress	29,247	232,195	261,442
Total capital assets not being depreciated	1,566,381	232,195	1,798,576
Being depreciated:			
Buildings and building improvements	8,182,646	-	8,182,646
Machinery, equipment, and furnishings	547,979	37,215	585,194
Infrastructure	13,292,873	-	13,292,873
Total capital assets being depreciated	22,023,498	37,215	22,060,713
Total all capital assets	23,589,879	269,410	23,859,289
Less accumulated depreciation:			
Buildings and building improvements	(3,678,082)	(202,452)	(3,880,534)
Machinery, equipment, and furnishings	(167,547)	(36,705)	(204,252)
Infrastructure	(5,670,394)	(282,156)	(5,952,550)
Total accumulated depreciation	(9,516,023)	(521,313)	(10,037,336)
Net book value, capital assets being depreciated	12,507,475	(484,098)	12,023,377
Net book value, all capital assets	\$14,073,856	\$ (251,903)	\$13,821,953

Long-term Debt.

At the end of the current year, total bonded debts outstanding was \$15,341,015 all of which was backed by the full faith and credit of the government. A total of \$1,235,506 was added to the outstanding debts in 2021.

Governmental activities:	Balance January 1, 2021 (as restated)	Additions	Reductions	Balance December 31, 2021
Bonds payable:				
Direct placements	\$ 6,612,143	\$ 1,208,545	\$ (532,857)	\$ 7,287,831
Premium	307,045	20,475	(21,538)	305,982
Total bonds payable	6,919,188	1,229,020	(554,395)	7,593,813
Notes payable - direct borrowings	5,024,881	-	(636,622) *	4,388,259
Compensated absences	108,159	71,059	-	179,218
Accrued landfill postclosure care costs	1,200,000	150,000	-	1,350,000
Net pension liability	6,096,361	-	(2,349,070)	3,747,291
Net other postemployment benefits	943,998	-	(45,310)	898,688
	<u>\$20,292,587</u>	<u>\$ 1,450,079</u>	<u>\$ (3,585,397)</u>	<u>\$18,157,269</u>
Business-type activities:	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021
Notes payable - direct borrowings	\$ 4,020,970	\$ 6,486	\$ (668,513) *	\$ 3,358,943
Compensated absences	11,180	8,830	-	20,010
Net pension liability	372,600	-	(105,520)	267,080
Net other postemployment benefits	57,696	6,356	-	64,052
	<u>\$ 4,462,446</u>	<u>\$ 21,672</u>	<u>\$ (774,033)</u>	<u>\$ 3,710,085</u>

* Reductions to notes payable include \$259,553 and \$519,105 of loan forgiveness in the governmental activities and business-type activities/proprietary fund, respectively.

NEXT YEAR'S BUDGETS AND RATES

The tax rate is set by the New Hampshire Department of Revenue Administration, usually in October. The Town estimates a 2022 Municipal Tax Rate (excluding school and county component) of \$10.51 per \$1,000 property assessed value, an increase of \$.35 or 3.41% above the 2021 rate. The increase is attributable increases in salaries and retirement contributions.

The Jaffrey-Rindge School District approved a budget with an estimated increase of \$3.79 on the tax rate. A property assessed for tax purposes at \$250,000 in 2022 will have an estimated tax bill increase over 2021 of about \$948 for the local school portion alone.

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,237,247	\$ 2,713,130	\$ 10,950,377
Investments	6,026,024	218,837	6,244,861
Taxes receivables (net)	722,369	-	722,369
Account receivables	258,254	324,447	582,701
Intergovernmental receivable	3,589,959	84,075	3,674,034
Internal balances	203,319	(203,319)	-
Prepaid items	75,620	8,078	83,698
Capital assets:			
Land and construction in progress	3,824,189	1,798,576	5,622,765
Other capital assets, net of depreciation	21,695,400	12,023,377	33,718,777
Total assets	44,632,381	16,967,201	61,599,582
DEFERRED OUTFLOWS OF RESOURCES			
Amounts related to pensions	719,354	51,270	770,624
Amounts related to other postemployment benefits	61,213	4,363	65,576
Total deferred outflows of resources	780,567	55,633	836,200
LIABILITIES			
Accounts payable	214,468	6,098	220,566
Accrued salaries and benefits	103,876	-	103,876
Accrued interest payable	68,853	24,689	93,542
Intergovernmental payable	3,516,609	-	3,516,609
Long-term liabilities:			
Due within one year	918,441	1,187,661	2,106,102
Due in more than one year	17,238,828	2,522,424	19,761,252
Total liabilities	22,061,075	3,740,872	25,801,947
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	12,529	-	12,529
Unavailable revenue - Other	89,982	5,759	95,741
Unavailable revenue - ARPA	343,158	-	343,158
Amounts related to pensions	1,534,668	109,380	1,644,048
Amounts related to other postemployment benefits	106,453	7,587	114,040
Total deferred inflows of resources	2,086,790	122,726	2,209,516
NET POSITION			
Net investment in capital assets	14,746,062	10,463,010	25,209,072
Restricted	5,305,047	-	5,305,047
Unrestricted	1,213,974	2,696,226	3,910,200
Total net position	\$ 21,265,083	\$ 13,159,236	\$ 34,424,319

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, 2021

	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	
Governmental activities:							
General government	\$ 2,826,471	\$ 5,533	\$ -	\$ -	\$ (2,820,938)	\$ -	\$ (2,820,938)
Public safety	2,019,148	94,544	-	-	(1,924,604)	-	(1,924,604)
Highways and streets	2,574,339	4,650	-	158,464	(2,411,225)	-	(2,411,225)
Sanitation	1,610,438	1,708,331	331,351	-	429,244	-	429,244
Water distribution and treatment	3,600	-	-	-	(3,600)	-	(3,600)
Health	30,645	-	-	-	(30,645)	-	(30,645)
Welfare	105,614	3,434	-	-	(102,180)	-	(102,180)
Culture and recreation	752,519	42,857	39,823	-	(669,839)	-	(669,839)
Conservation	7,262	-	-	-	(7,262)	-	(7,262)
Economic development	36,841	-	-	-	(36,841)	-	(36,841)
Interest on long-term debt	347,757	-	-	-	(347,757)	-	(347,757)
Total governmental activities	10,314,634	1,859,349	371,174	158,464	(7,925,647)	-	(7,925,647)
Business-type activities:							
Water	1,605,105	1,422,364	16,045	-	-	(166,696)	(166,696)
Total	\$ 11,919,739	\$ 3,281,713	\$ 387,219	\$ 158,464	(7,925,647)	(166,696)	(8,092,343)
General revenues:							
Taxes:							
Property					5,864,945	-	5,864,945
Other					69,762	-	69,762
Motor vehicle permit fees					1,247,728	-	1,247,728
Licenses and other fees					145,867	-	145,867
Grants and contributions not restricted to specific programs					582,343	-	582,343
Unrestricted investment earnings					149,991	7,093	157,084
Miscellaneous					358,720	133,565	492,285
Total general revenues					8,419,356	140,658	8,560,014
Loan forgiveness					259,553	519,105	778,658
Total general revenues and other financing sources					8,678,909	659,763	9,338,672
Change in net position					753,262	493,067	1,246,329
Net position, beginning, as restated (see Note 20)					20,511,821	12,666,169	33,177,990
Net position, ending					\$ 21,265,083	\$ 13,159,236	\$ 34,424,319

EXHIBIT C-1
TOWN OF JAFFREY, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2021

	General	Sewer	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,594,980	\$ 320,571	\$ 120,769	\$ 1,200,927	\$ 8,237,247
Investments	2,248,001	79,927	2,531,419	1,166,677	6,026,024
Taxes receivable	848,560	-	-	73,809	922,369
Accounts receivable	5,869	210,018	-	42,367	258,254
Intergovernmental receivable	148,958	-	-	3,400	152,358
Interfund receivable	284,780	-	-	-	284,780
Prepaid items	149,972	151,802	-	11,480	313,254
Total assets	<u>\$ 10,281,120</u>	<u>\$ 762,318</u>	<u>\$ 2,652,188</u>	<u>\$ 2,498,660</u>	<u>\$ 16,194,286</u>
LIABILITIES					
Accounts payable	\$ 214,468	\$ -	\$ -	\$ -	\$ 214,468
Accrued salaries and benefits	101,541	1,674	-	661	103,876
Intergovernmental payable	3,516,609	-	-	-	3,516,609
Interfund payable	-	-	11,028	70,433	81,461
Total liabilities	<u>3,832,618</u>	<u>1,674</u>	<u>11,028</u>	<u>71,094</u>	<u>3,916,414</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - Property taxes	221,737	-	-	3,946	225,683
Unavailable revenue - Other	58,930	42,646	-	25,000	126,576
Unavailable revenue - ARPA	343,158	-	-	-	343,158
Total deferred inflows of resources	<u>623,825</u>	<u>42,646</u>	<u>-</u>	<u>28,946</u>	<u>695,417</u>
FUND BALANCES					
Nonspendable	149,972	151,802	2,085,875	11,480	2,399,129
Restricted	-	566,196	555,285	2,097,691	3,219,172
Committed	2,819,698	-	-	289,449	3,109,147
Assigned	134,400	-	-	-	134,400
Unassigned	2,720,607	-	-	-	2,720,607
Total fund balances	<u>5,824,677</u>	<u>717,998</u>	<u>2,641,160</u>	<u>2,398,620</u>	<u>11,582,455</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,281,120</u>	<u>\$ 762,318</u>	<u>\$ 2,652,188</u>	<u>\$ 2,498,660</u>	<u>\$ 16,194,286</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, 2021

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 11,582,455
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 53,490,984	
Less accumulated depreciation	<u>(27,971,395)</u>	
		25,519,589
Other long-term assets that are not available to pay for current period expenditures, therefore, are not reported in the governmental funds.		
State aid		3,474,195
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 719,354	
Deferred inflows of resources related to pensions	(1,534,668)	
Deferred outflows of resources related to OPEB	61,213	
Deferred inflows of resources related to OPEB	<u>(106,453)</u>	
		(860,554)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (81,461)	
Payables	<u>81,461</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		(237,634)
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	\$ 213,154	
Allowance for uncollectible taxes	<u>(200,000)</u>	
		13,154
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(68,853)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 7,287,831	
Bond premium	305,982	
Notes	4,388,259	
Compensated absences	179,218	
Accrued landfill postclosure care costs	1,350,000	
Net pension liability	3,747,291	
Other postemployment benefits	<u>898,688</u>	
		(18,157,269)
Net position of governmental activities (Exhibit A)		<u>\$ 21,265,083</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, 2021

	General	Sewer	Permanent	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,236,299	\$ -	\$ -	\$ 687,793	\$ 5,924,092
Licenses and permits	1,377,279	-	-	16,316	1,393,595
Intergovernmental	695,163	331,351	-	85,467	1,111,981
Charges for services	61,609	1,665,505	-	132,235	1,859,349
Miscellaneous	98,448	1,494	463,905	195,603	759,450
Total revenues	7,468,798	1,998,350	463,905	1,117,414	11,048,467
EXPENDITURES					
Current:					
General government	1,554,976	-	17,214	128,263	1,700,453
Public safety	2,066,615	-	3,700	89,230	2,159,545
Highways and streets	1,152,670	-	-	-	1,152,670
Water distribution and treatment	-	-	-	3,600	3,600
Sanitation	358,307	1,105,128	-	4,042	1,467,477
Health	30,645	-	-	-	30,645
Welfare	105,614	-	-	-	105,614
Culture and recreation	536,892	-	-	159,160	696,052
Conservation	-	-	-	7,262	7,262
Economic development	36,841	-	-	-	36,841
Debt service:					
Principal	400,042	429,282	-	90,000	919,324
Interest	122,096	181,287	-	26,982	330,365
Capital outlay	199,577	54,001	-	1,684,267	1,937,845
Total expenditures	6,564,275	1,769,698	20,914	2,192,806	10,547,693
Excess (deficiency) of revenues over (under) expenditures	904,523	228,652	442,991	(1,075,392)	500,774
OTHER FINANCING SOURCES (USES)					
Transfers in	415,435	-	-	90,600	506,035
Transfers out	(80,863)	-	(22,814)	(402,358)	(506,035)
Bond proceeds	-	-	-	1,229,020	1,229,020
Total other financing sources (uses)	334,572	-	(22,814)	917,262	1,229,020
Net change in fund balances	1,239,095	228,652	420,177	(158,130)	1,729,794
Fund balances, beginning, as restated (see Note 20)	4,585,582	489,346	2,220,983	2,556,750	9,852,661
Fund balances, ending	\$ 5,824,677	\$ 717,998	\$ 2,641,160	\$ 2,398,620	\$ 11,582,455

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, 2021

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

Net change in fund balances of governmental funds (Exhibit C-3) \$ 1,729,794

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	\$ 825,321	
Depreciation expense	(1,654,940)	
		(829,619)

Transfers in and out between governmental funds are eliminated on the Statement of Activities.

Transfers in	\$ (506,035)	
Transfers out	506,035	
		-

Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.

Change in deferred tax revenue	\$ 40,615	
Change in allowance for uncollectible taxes	(30,000)	
Change in long-term intergovernmental receivable	(250,739)	
		(240,124)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Proceeds of debt	\$ (1,208,545)	
Bond premium on new issuance	(20,475)	
Repayment of bond principal	532,857	
Repayment of note principal	377,069	
Forgiveness of note principal	259,553	
Amortization of bond premium	21,538	
		(38,003)

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.

Decrease in accrued interest expense	\$ 65,245	
Increase in prepaid debt	(94,777)	
Increase in compensated absences payable	(71,059)	
Increase in accrued landfill postclosure care costs	(150,000)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	323,288	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	58,517	
		131,214

Change in net position of governmental activities (Exhibit B)	\$ 753,262	
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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, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 5,265,429	\$ 5,246,914	\$ (18,515)
Licenses and permits	1,270,950	1,377,279	106,329
Intergovernmental	558,540	564,101	5,561
Charges for services	33,525	61,609	28,084
Miscellaneous	13,016	37,680	24,664
Total revenues	7,141,460	7,287,583	146,123
EXPENDITURES			
Current:			
General government	1,497,312	1,431,151	66,161
Public safety	2,214,776	2,068,762	146,014
Highways and streets	1,112,749	1,046,670	66,079
Sanitation	373,828	355,260	18,568
Health	31,660	30,645	1,015
Welfare	151,494	105,614	45,880
Culture and recreation	620,511	521,241	99,270
Conservation	475	-	475
Economic development	40,574	36,841	3,733
Debt service:			
Principal	400,042	400,042	-
Interest	130,437	122,096	8,341
Capital outlay	245,001	71,562	173,439
Total expenditures	6,818,859	6,189,884	628,975
Excess of revenues over expenditures	322,601	1,097,699	775,098
OTHER FINANCING SOURCES (USES)			
Transfers in	503,899	423,966	(79,933)
Transfers out	(1,261,500)	(1,261,500)	-
Total other financing sources (uses)	(757,601)	(837,534)	(79,933)
Net change in fund balances	\$ (435,000)	260,165	\$ 695,165
Decrease in nonspendable fund balance		16,692	
Decrease in committed fund balance		14,802	
Unassigned fund balance, beginning		2,442,102	
Unassigned fund balance, ending		\$ 2,733,761	

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, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 328,254	\$ 331,351	\$ 3,097
Charges for services	1,491,068	1,665,505	174,437
Miscellaneous	-	413	413
Total revenues	1,819,322	1,997,269	177,947
EXPENDITURES			
Current:			
Sanitation	1,107,333	1,101,825	5,508
Debt service:			
Principal	429,282	429,282	-
Interest	181,287	181,287	-
Capital outlay	70,353	54,001	16,352
Total expenditures	1,788,255	1,766,395	21,860
Excess of revenues over expenditures	31,067	230,874	199,807
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,767	2,767
Transfers out	(31,067)	(31,067)	-
Total other financing sources (uses)	(31,067)	(28,300)	2,767
Net change in fund balances	\$ -	202,574	\$202,574
Restricted fund balance, beginning		414,860	
Restricted fund balance, ending		\$ 617,434	

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, 2021

	Water
ASSETS	
Cash and cash equivalents	\$ 2,713,130
Investments	218,837
Accounts receivable	324,447
Intergovernmental receivable	84,075
Prepaid items	8,078
Capital assets:	
Land and construction in progress	1,798,576
Other capital assets, net of depreciation	12,023,377
Total assets	<u>17,170,520</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	51,270
Amounts related to other postemployment benefits	4,363
Total deferred outflows of resources	<u>55,633</u>
LIABILITIES	
Current liabilities:	
Accounts payable	6,098
Accrued interest payable	24,689
Internal balances	203,319
Long term liabilities:	
Due within one year	1,187,661
Due in more than one year	2,522,424
Total liabilities	<u>3,944,191</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - prepayments	5,759
Amounts related to pensions	109,380
Amounts related to other postemployment benefits	7,587
Total deferred inflows of resources	<u>122,726</u>
NET POSITION	
Net investment in capital assets	10,463,010
Unrestricted	2,696,226
Total net position	<u>\$ 13,159,236</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, 2021

	Water
Operating revenues:	
User charges	\$ 1,418,983
Fees and interest	3,381
Total operating revenues	<u>1,422,364</u>
Operating expenses:	
Salaries and wages	400,741
Operation and maintenance	539,971
Contractual services	15,275
Materials and supplies	65,985
Depreciation	521,313
Total operating expenses	<u>1,543,285</u>
Operating loss	<u>(120,921)</u>
Nonoperating revenues (expense):	
Intergovernmental revenues	16,045
Interest income	7,093
Interest expense	(61,820)
Other	133,565
Total nonoperating revenues (expense)	<u>94,883</u>
Other financing sources:	
Loan forgiveness	<u>519,105</u>
Change in net position	493,067
Net position, beginning, as restated (see Note 20)	12,666,169
Net position, ending	<u><u>\$ 13,159,236</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, 2021

	Water
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,569,575
Payments to employees	(374,256)
Payments to suppliers	(636,000)
Net cash provided by operating activities	<u>559,319</u>
Cash flows from capital and related financing activities:	
Proceeds from state filtration grant	29,774
Proceeds from state revolving loans	6,486
Principal paid on debt	(149,408)
Acquisition and construction of capital assets	(269,410)
Interest paid on debt	(61,820)
Net cash used for capital and related financing activities	<u>(444,378)</u>
Cash flows from non-capital financing activities:	
Interfund borrowings	<u>133,565</u>
Cash flows from investing activities:	
Purchase of investments	8,578
Interest received	7,093
Net cash used for investing activities	<u>15,671</u>
Net increase in cash	264,177
Cash, beginning	<u>2,448,953</u>
Cash, ending	<u><u>\$ 2,713,130</u></u>

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities

Operating loss	<u>\$ (120,921)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	521,313
Change in other receivables	147,211
Change in prepaid items	(43,235)
Change in accrued salaries and benefits	2,734
Change in accounts payable	(6,098)
Change in retainage payable	50,622
Change in other liabilities	(16,058)
Change in compensated absences	(8,830)
Change in net pension liability and deferred outflows/inflows of resources	26,572
Change in net OPEB liability and deferred outflows/inflows of resources	6,009
Total adjustments	<u>680,240</u>
Net cash provided by operating activities	<u><u>\$ 559,319</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, 2021

	Private Purpose Trust Funds	Other Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 265,408	\$ 111,980	\$ 377,388
Investments	5,563,142	1,202,843	6,765,985
Intergovernmental receivable	-	3,415,707	3,415,707
Total assets	5,828,550	4,730,530	10,559,080
LIABILITIES			
Intergovernmental payable	17,896	3,415,707	3,433,603
NET POSITION			
Restricted	\$ 5,810,654	\$ 1,314,823	\$ 7,125,477

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, 2021

	Private Purpose Trust Funds	Other Custodial Funds	Total Custodial Funds
ADDITIONS			
Contributions	\$ -	\$ 525,000	\$ 525,000
Investment earnings	91,726	20,136	111,862
Change in fair market value	744,627	99,214	843,841
Tax collections for other governments	-	9,319,235	9,319,235
Collection of motor vehicle fees for State	-	384,849	384,849
Other	-	21,486	21,486
Total additions	<u>836,353</u>	<u>10,369,920</u>	<u>11,206,273</u>
DEDUCTIONS			
Benefits paid	46,853	770,466	817,319
Administrative expenses	43,087	19,920	63,007
Payments of taxes to other governments	-	9,319,235	9,319,235
Payments of motor vehicle fees to State	-	384,849	384,849
Payments for escrow purposes	-	12,835	12,835
Total deductions	<u>89,940</u>	<u>10,507,305</u>	<u>10,597,245</u>
Net increase (decrease) in fiduciary net position	746,413	(137,385)	609,028
Net position, beginning, as restated (see Note 20)	<u>5,064,241</u>	<u>1,452,208</u>	<u>6,516,449</u>
Net position, ending	<u>\$ 5,810,654</u>	<u>\$ 1,314,823</u>	<u>\$ 7,125,477</u>

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

TOWN OF JAFFREY, NEW HAMPSHIRE
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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. The Town has no component units to include in its reporting entity.

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. 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.

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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 EPA/Brownfield, ARPA, FEMA, and 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. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the sewer expendable trust funds are consolidated in the sewer fund.

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.

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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.

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 (including restricted assets) 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.

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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, it 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. 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.

1-H Capital Assets

Capital assets include property, plant, and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund. 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>
Capital Asset Classes:	
Buildings	40
Building improvements	20
Infrastructure	50 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

TOWN OF JAFFREY, NEW HAMPSHIRE
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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.

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, 2021 and November 2, 2021, and were due on July 1, 2021 and December 1, 2021, respectively. 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 2020 on April 23, 2021.

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 School District, and Cheshire County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2021 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$515,944,959
For all other taxes	\$526,733,014

The tax rates and amounts assessed for the year ended December 31, 2021 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$10.15	\$ 5,351,175
School portion:		
State of New Hampshire	\$1.87	963,499
Local	\$12.18	6,413,258
County portion	\$3.69	1,942,478
Total	<u>\$27.89</u>	<u>\$14,670,410</u>

1-K Accounts Payable

Accounts payable represent the gross number 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, 2021.

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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 (expense/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 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, grants or donations received in advance of eligible expenditures, and American Rescue Plan Act (ARPA) funds received in advance of eligible expenditures, among others.

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 governmental activities, business-type activities, or proprietary fund Statement of Net Position.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classifications to categorize the financial transactions:

Direct Borrowings – financial transactions for a note or a loan where the Town negotiates certain terms with a single lender and are not offered for public sale.

Direct Placements – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

1-N Compensated Absences

General leave for the Town includes vacation, sick and retirement stipend pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the Town's personnel policy or collective bargaining agreements.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

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.

TOWN OF JAFFREY, NEW HAMPSHIRE
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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.

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); 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.

TOWN OF JAFFREY, NEW HAMPSHIRE
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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.

The Town shall maintain a minimum unassigned fund balance of 10% of the Town's annual budget. The Town shall strive to achieve and maintain an unassigned fund balance of at least 12% of the Town's annual budget.

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 and taxes receivables, and the useful lives and impairment of tangible and intangible 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.

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 capital project funds. Except as reconciled below, the budgets were 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 2021, \$435,000 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.

TOWN OF JAFFREY, NEW HAMPSHIRE
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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)	\$7,711,549
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	60,768
To record intergovernmental revenue of the blended funds	131,062
To eliminate transfers between blended funds	(8,531)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(10,615)
Per Exhibit C-3 (GAAP basis)	<u>\$7,884,233</u>
Expenditures and other financing uses:	
Per Exhibit D-1 (budgetary basis)	\$7,451,384
Adjustment:	
Basis differences:	
Encumbrances, beginning	249,007
Encumbrances, ending	(134,400)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	259,784
To eliminate transfers between general and blended funds	(1,330,031)
To recognize transfer between blended expendable trust and other funds	149,394
Per Exhibit C-3 (GAAP basis)	<u>\$6,645,138</u>

Differences between the budgetary basis and GAAP basis of accounting for the *sewer fund* are as follows:

Revenues and other financing sources:	
Per Exhibit D-2 (budgetary basis)	\$ 2,000,036
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended fund	1,081
To eliminate transfers between blended fund	(2,767)
Per Exhibit C-3 (GAAP basis)	<u>\$ 1,998,350</u>
Expenditures and other financing uses:	
Per Exhibit D-2 (budgetary basis)	\$ 1,797,462
Adjustment:	
Basis differences:	
GASB Statement No. 54:	
To record expenditures of the blended fund during the year	3,303
To eliminate transfers between blended fund	(31,067)
Per Exhibit C-3 (GAAP basis)	<u>\$ 1,769,698</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 \$11,327,765 and the bank balances totaled \$12,128,588. Petty cash totaled \$525.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 10,950,377
Cash per Statement of Fiduciary Net Position (Exhibit F-1)	377,388
Total cash and cash equivalents	<u>\$ 11,327,765</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, 2021:

	Valuation Measurement Method	Reported Balance	Exempt from Disclosure
Investments type:			
Common stock	Level 1	\$ 5,921,902	\$ 5,921,902
Corporate bonds	Level 2	1,918,541	1,918,541
Equity exchange traded funds	Level 1	1,114,489	1,114,489
Equity mutual funds	Level 1	497,778	497,778
Fixed income exchange traded f	Level 1	746,935	746,935
Fixed income mutual funds	Level 2	693,129	693,129
U.S. Treasury bonds	Level 2	2,118,072	2,118,072
Total fair value		<u>\$ 13,010,846</u>	<u>\$ 13,010,846</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 Trustees of Trust Funds investment policy states bond maturities shall be generally laddered with a minimum maturity or average life of 12 years or less, and an average life for the entire bond portfolio of six years or less as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Individual bonds will be restricted to investments rated investment grade by one nationally recognized statistical ratings organization at the time of purchase. At least 80% of the bond portfolio must be "A" rated or better at the time of purchase. Any non-rated bond must carry a statement of equivalent rating.

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The Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure
Common stock	\$ 5,921,902	\$ 5,921,902
Corporate bonds	1,918,541	1,918,541
Equity exchange traded funds	1,114,489	1,114,489
Equity mutual funds	497,778	497,778
Fixed income exchange traded funds	746,935	746,935
Fixed income mutual funds	693,129	693,129
U.S. Treasury bonds	2,118,072	2,118,072
Total	<u>\$ 13,010,846</u>	<u>\$ 13,010,846</u>

Concentration of Credit Risk – The Trustees of Trust Funds investment policy limits total holdings (equity and fixed income) in any single company to 10% of the entire portfolio.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 6,244,861
Investments per Statement of Fiduciary Net Position (Exhibit F-1)	6,765,985
Total investments	<u>\$ 13,010,846</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, 2021. The amount has been reduced by an allowance for an estimated uncollectible amount of \$200,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2021	\$ 609,134	\$ 609,134
Unredeemed (under tax lien):		
Levy of 2020	76,359	76,359
Levy of 2019	16,023	16,023
Levies of 2018 and prior	147,044	147,044
TIF districts	73,809	73,809
Less: allowance for estimated uncollectible taxes	(200,000) *	-
Net taxes receivable	<u>\$ 722,369</u>	<u>\$ 922,369</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 accrual basis of accounting (Exhibits A and B).

NOTE 6 – OTHER RECEIVABLES

Receivables at December 31, 2021, consisted of accounts (billings for police details, water, sewer, and other user charges) and intergovernmental amounts arising from grants. 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.

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Receivables as of December 31, 2021 for the Town's individual major funds and nonmajor funds in the aggregate including are as follows:

	Government-wide		Governmental Funds				Fiduciary Funds
	Governmental Activities	Business-type Activities	General Fund	Sewer Fund	Nonmajor Funds	Total	
Receivables:							
Accounts	\$ 258,254	\$ 324,447	\$ 5,869	\$ 210,018	\$ 42,367	\$ 258,254	\$ -
Intergovernmental	3,589,959	84,075	148,958	-	3,400	152,358	3,415,707 ¹
Total receivables	<u>\$ 3,848,213</u>	<u>\$ 408,522</u>	<u>\$ 154,827</u>	<u>\$ 210,018</u>	<u>\$ 45,767</u>	<u>\$ 410,612</u>	<u>\$ 3,415,707</u>

1. Fiduciary Funds -- Intergovernmental receivables represent property taxes collected on behalf of the Jaffrey-Rindge Cooperative School District. These amounts are collected and are part of the Town's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 10.

NOTE 7 – PREPAID ITEMS

Prepaid items at December 31, 2021 consisted of the following:

	Government-wide		Governmental Funds			Proprietary Fund
	Governmental Activities	Business-type Activities	General Fund	Sewer Fund	Nonmajor Governmental Funds	Water
Insurance	\$ 51,480	\$ -	\$ 51,480	\$ -	\$ -	\$ -
Software licensing and support	14,543	-	14,543	-	-	-
Prepaid debt and interest	6,547	-	83,047	149,811	11,323	-
Other miscellaneous	3,050	8,078	902	1,991	157	8,078
Total	<u>\$ 75,620</u>	<u>\$ 8,078</u>	<u>\$ 149,972</u>	<u>\$ 151,802</u>	<u>\$ 11,480</u>	<u>\$ 8,078</u>

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 is as follows:

	Balance, beginning (as restated)	Additions	Balance, ending
Governmental activities:			
At cost:			
Not being depreciated:			
Land	\$ 2,825,253	\$ -	\$ 2,825,253
Construction in progress	222,555	776,381	998,936
Total capital assets not being depreciated	<u>3,047,808</u>	<u>776,381</u>	<u>3,824,189</u>
Being depreciated:			
Buildings and building improvements	10,487,407	-	10,487,407
Machinery, equipment, and furnishings	6,498,695	48,940	6,547,635
Infrastructure	32,631,753	-	32,631,753
Total capital assets being depreciated	<u>49,617,855</u>	<u>48,940</u>	<u>49,666,795</u>
Total all capital assets	<u>52,665,663</u>	<u>825,321</u>	<u>53,490,984</u>
Less accumulated depreciation:			
Buildings and building improvements	(7,490,327)	(354,461)	(7,844,788)
Machinery, equipment, and furnishings	(2,733,028)	(534,134)	(3,267,162)
Infrastructure	(16,093,100)	(766,345)	(16,859,445)
Total accumulated depreciation	<u>(26,316,455)</u>	<u>(1,654,940)</u>	<u>(27,971,395)</u>
Net book value, capital assets being depreciated	<u>23,301,400</u>	<u>(1,606,000)</u>	<u>21,695,400</u>
Net book value, all governmental activities capital assets	<u>\$26,349,208</u>	<u>\$ (829,619)</u>	<u>\$25,519,589</u>

(continued)

TOWN OF JAFFREY, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Capital assets continued:

	Balance, beginning (as restated)	Additions	Balance, ending
Business-type activities:			
At cost:			
Not being depreciated:			
Land	\$ 1,537,134	\$ -	\$ 1,537,134
Construction in progress	29,247	232,195	261,442
Total capital assets not being depreciated	<u>1,566,381</u>	<u>232,195</u>	<u>1,798,576</u>
Being depreciated:			
Buildings and building improvements	8,182,646	-	8,182,646
Machinery, equipment, and furnishings	547,979	37,215	585,194
Infrastructure	13,292,873	-	13,292,873
Total capital assets being depreciated	<u>22,023,498</u>	<u>37,215</u>	<u>22,060,713</u>
Total all capital assets	<u>23,589,879</u>	<u>269,410</u>	<u>23,859,289</u>
Less accumulated depreciation:			
Buildings and building improvements	(3,678,082)	(202,452)	(3,880,534)
Machinery, equipment, and furnishings	(167,547)	(36,705)	(204,252)
Infrastructure	(5,670,394)	(282,156)	(5,952,550)
Total accumulated depreciation	<u>(9,516,023)</u>	<u>(521,313)</u>	<u>(10,037,336)</u>
Net book value, capital assets being depreciated	<u>12,507,475</u>	<u>(484,098)</u>	<u>12,023,377</u>
Net book value, all business-type activities capital assets	<u>\$ 14,073,856</u>	<u>\$ (251,903)</u>	<u>\$ 13,821,953</u>

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:

Governmental activities:	
General government	\$ 35,637
Public safety	95,971
Highways and streets	1,460,764
Culture and recreation	62,568
Total depreciation expense	<u>\$ 1,654,940</u>
Business-type activities:	
Water	<u>\$ 521,313</u>

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 70,433
General	Proprietary (Water)	203,319
General	Permanent	11,028
		<u>\$ 284,780</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.

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Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2021 is as follows:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
General fund	\$ -	\$ 80,863	\$ 80,863
Permanent fund	13,077	9,737	22,814
Nonmajor funds	402,358	-	402,358
Total	<u>\$ 415,435</u>	<u>\$ 90,600</u>	<u>\$ 506,035</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 at December 31, 2021 consist of the following:

	Governmental Activities	Governmental Fund	Fiduciary Funds	
		General	Private Purpose Trust Funds	Other Custodial Funds
Balance due to the New Hampshire Retirement System	\$ 99,660	\$ 99,660	\$ -	\$ -
Other miscellaneous intergovernmental	1,242	1,242	-	-
Property taxes due to the other custodial funds	3,415,707	3,415,707	-	-
Balance due to the Town of Jaffrey	-	-	17,896	-
Property taxes due to the Jaffrey-Rindge Coop. School District	-	-	-	3,415,707
Total intergovernmental payables due	<u>\$ 3,516,609</u>	<u>\$ 3,516,609</u>	<u>\$ 17,896</u>	<u>\$ 3,415,707</u>

2. Property taxes due to the custodial fund represent amounts collected by the Town on behalf of the Jaffrey-Rindge Cooperative School District and are reported as a component of general fund and governmental activities cash at year-end.

3. Property taxes due to the Jaffrey-Rindge Cooperative School District represents amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at December 31, 2021 consist of amounts related to pensions totaling \$770,624 (\$719,354 for the governmental activities and \$51,270 for the business-type activities) and amounts related to OPEB totaling \$65,576 (\$61,213 for the governmental activities and \$4,363 for the business-type activities). For further discussion on these amounts, see Notes 13 and 15, respectively.

Deferred inflows of resources are as follows:

	Government-wide		Governmental Funds			Proprietary Fund
	Governmental Activities	Business-type Activities	General	Sewer	Nonmajor Governmental	Fund Water
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ -	\$ 213,154	\$ -	\$ -	\$ -
Other miscellaneous deferred revenue, including grants and donations	89,982	5,759	58,930	42,646	25,000	5,759
Prepaid property taxes	12,529	-	8,583	-	3,946	-
American Rescue Plan Act (ARPA) funds received in advance of eligible expenditures	343,158	-	343,158	-	-	-
Amounts related to pensions, see Note 13	1,534,668	109,380	-	-	-	109,380
Amounts related to OPEB, see Note 15	106,453	7,587	-	-	-	7,587
Total deferred inflows of resources	<u>\$ 2,086,790</u>	<u>\$ 122,726</u>	<u>\$ 623,825</u>	<u>\$ 42,646</u>	<u>\$ 28,946</u>	<u>\$ 122,726</u>

TOWN OF JAFFREY, NEW HAMPSHIRE
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NOTE 12 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2021:

	Balance January 1, 2021 (as restated)	Additions	Reductions	Balance December 31, 2021	Due Within One Year	Due In More Than One Year
Governmental activities:						
Bonds payable:						
Direct placements	\$ 6,612,143	\$ 1,208,545	\$ (532,857)	\$ 7,287,831	\$ 586,402	\$ 6,701,429
Premium	307,045	20,475	(21,538)	305,982	23,585	282,397
Total bonds payable	6,919,188	1,229,020	(554,395)	7,593,813	609,987	6,983,826
Notes payable - direct borrowings	5,024,881	-	(636,622) *	4,388,259	263,454	4,124,805
Compensated absences	108,159	71,059	-	179,218	-	179,218
Accrued landfill postclosure care costs	1,200,000	150,000	-	1,350,000	45,000	1,305,000
Net pension liability	6,096,361	-	(2,349,070)	3,747,291	-	3,747,291
Net other postemployment benefits	943,998	-	(45,310)	898,688	-	898,688
Total long-term liabilities	<u>\$ 20,292,587</u>	<u>\$ 1,450,079</u>	<u>\$ (3,585,397)</u>	<u>\$ 18,157,269</u>	<u>\$ 918,441</u>	<u>\$ 17,238,828</u>
Business-type activities:						
Notes payable - direct borrowings	\$ 4,020,970	\$ 6,486	\$ (668,513) *	\$ 3,358,943	\$ 1,187,661	\$ 2,171,282
Compensated absences	11,180	8,830	-	20,010	-	20,010
Net pension liability	372,600	-	(105,520)	267,080	-	267,080
Net other postemployment benefits	57,696	6,356	-	64,052	-	64,052
Total long-term liabilities	<u>\$ 4,462,446</u>	<u>\$ 21,672</u>	<u>\$ (774,033)</u>	<u>\$ 3,710,085</u>	<u>\$ 1,187,661</u>	<u>\$ 2,522,424</u>

* Reductions to notes payable include \$259,553 and \$519,105 of loan forgiveness in the governmental activities and business-type activities/proprietary fund, respectively.

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

Governmental activities:	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2021	Current Portion
Bonds payable:						
Direct placements:						
Broadband bond	\$ 1,208,545	2021	2031	1.85%	\$ 1,208,545	\$ 108,545
Road bond	\$ 1,000,000	2020	2027	2.00%	714,286	142,857
Wastewater improvements -						
USDA 2012 refinanced NHMBB 2016	\$ 6,170,000	2016	2035	2.14%	4,910,000	285,000
Community field bond 2004	\$ 287,500	2004	2024	4.38%	35,000	15,000
Stone Bridge bond - water main extension	\$ 739,500	2013	2033	3.55%	420,000	35,000
Total direct placements					<u>7,287,831</u>	<u>586,402</u>

(continued)

TOWN OF JAFFREY, NEW HAMPSHIRE
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Long-term liabilities continued:

Governmental activities continued:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2021	Current Portion
Notes/loans payable - direct borrowings:						
Mountain Rd & Main St water main replacement (1/3 governmental activities)	\$ 613,232	2018	2037	2.42%	519,589	26,970
Stratton, Squantum, School PH 2 (1/3 governmental activities)	\$ 905,035	2020	2040	1.70%	622,110	29,087
Sewer facility upgrades 2002	\$ 933,681	2004	2023	1.70%	46,684	-
Sewer facility upgrades 2005	\$ 1,506,246	2006	2025	1.69%	225,936	-
Wastewater wood pellet boiler	\$ 1,394,523	2013	2032	2.72%	877,977	69,543
Wastewater CWSRF	\$ 1,743,561	2012	2032	2.72%	1,073,056	84,995
Wastewater River St Nelson Circle	\$ 262,500	2017	2026	0.00%	91,875	18,375
Septage facility USRD (DES)	\$ 500,000	2020	2048	2.75%	465,516	17,242
Septage facility USRD (Sewer)	\$ 500,000	2020	2048	2.75%	465,516	17,242
Total direct borrowings					<u>4,388,259</u>	<u>263,454</u>
Bond premiums					305,982	23,585
Total					<u>\$ 11,982,072</u>	<u>\$ 873,441</u>

Business-type activities:

Notes/loans payable - direct borrowings:

Mountain Rd & Main St water main replacement (2/3 business-type activities)	\$ 1,226,464	2018	2037	2.42%	\$ 1,039,178	\$ 53,940
Stratton, Squantum, School PH 2 (2/3 business-type activities)	\$ 1,810,068	2020	2040	1.70%	1,244,219	58,175
Cold Springs Drinking Water SRL #1221010-07	\$ 1,069,060	2020	-	-	1,075,546	1,075,546
					<u>\$ 3,358,943</u>	<u>\$ 1,187,661</u>

4. Debt payments of \$133,459 due in 2022 were paid prior to year-end which will be reported as a prepayment in the governmental funds (general and sewer funds) 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.

5. *State Revolving Loan Fund Program* – Drawdowns received under a State Revolving Loan Fund Program will be consolidated by promissory notes upon substantial completion of the related project. As of December 31, 2021, drawdowns received to date totaling \$1,075,546 are recorded on the Town's financial statements, exclusive of any anticipated forgiveness on the loans. The note, plus interest, will be repaid from the proprietary water fund.

The annual requirements to amortize all bonds/notes outstanding as of December 31, 2021, including interest payments, are as follows:

Governmental activities:

Fiscal Year Ending December 31,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 586,402	\$ 109,721	\$ 696,123	\$ 263,454	\$ 41,617	\$ 305,071
2023	592,857	186,298	779,155	390,685	44,051	434,736
2024	612,857	167,034	779,891	349,370	39,775	389,145
2025	612,857	147,654	760,511	354,878	36,262	391,140
2026	632,858	126,997	759,855	285,215	32,714	317,929
2027-2031	2,600,000	400,840	3,000,840	1,424,201	128,125	1,552,326
2032-2036	1,650,000	118,309	1,768,309	724,150	74,532	798,682
2037-2041	-	-	-	354,955	46,389	401,344
2042-2046	-	-	-	172,420	22,517	194,937
2047-2048	-	-	-	68,931	2,370	71,301
Totals	<u>\$ 7,287,831</u>	<u>\$ 1,256,853</u>	<u>\$ 8,544,684</u>	<u>\$ 4,388,259</u>	<u>\$ 468,352</u>	<u>\$ 4,856,611</u>

(continued)

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Bond/notes continued:

Business-type activities:

Fiscal Year Ending December 31.	Notes/Loans - Direct Borrowings		
	Principal	Interest	Total
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	120,613	3,457	124,070
2027-2031	637,475	13,388	650,863
2032-2036	699,244	6,286	705,530
2037-2040	365,071	328	365,399
Totals	\$ 2,283,397	\$ 39,688	\$ 2,323,085
Plus notes not yet in repayment	1,075,546		
Total notes/loans payable	\$ 3,358,943		

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 estimated liability for landfill postclosure care costs has a balance of \$1,350,000 as of December 31, 2021. The estimated total current cost of the landfill postclosure care (\$1,350,000) is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of December 31, 2021. 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, 2021 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 13, 2018	Squantam Project	\$ 124,897
March 10, 2020	Cold Spring Project	1,924,454
		<u>\$2,049,351</u>

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.

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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 January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (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 January 1, 2012, 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 January 1, 2012	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 the period of January 1, 2021 to June 30, 2021, the Town contributed 24.77% for police, 26.43% for fire, and 10.88% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 30.67% for police, 29.78% for fire, and 13.75% for other employees. The contribution requirement for the fiscal year 2021 was \$416,142 which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At December 31, 2021 the Town reported a liability of \$4,014,371 (\$3,747,291 for the governmental activities and \$267,080 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, 2021, 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, 2021, the Town's proportion was 0.09% which was a decrease of 0.01% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$506,621. At December 31, 2021 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	\$ 13,353	\$ 479,292
Changes in assumptions	419,278	-
Net difference between projected and actual investment earnings on pension plan investments	-	1,122,728
Differences between expected and actual experience	112,408	42,028
Contributions subsequent to the measurement date	225,585	-
Total	<u>\$ 770,624</u>	<u>\$ 1,644,048</u>

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The \$225,585 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, 2022. 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,	
2022	\$ (229,021)
2023	(189,515)
2024	(216,688)
2025	(463,785)
2026	-
Thereafter	-
Totals	<u>\$ (1,099,009)</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 Healthy 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. 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
		2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

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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, 2021	\$ 5,741,010	\$ 4,014,371	\$ 2,574,072

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.

NOTE 14 – SUPPLEMENTAL RETIREMENT PLAN

All employees employed by the Town can elect to participate in a deferred compensation plan administered by ICMA Retirement Corporation. Participation begins after the completion of at least one-month continuous employment with the Town. The Town has no requirement or obligation under State Statutes to contribute to this plan, however the Town has adopted the deferred compensation plan 457 for its employees. The Board of Selectmen has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The Town does not make any contributions to this plan; however, employees may make voluntary contributions to the plan. Contributions for the year ended December 31, 2021 were \$18,160.

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

15-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 2021 Annual Comprehensive Financial Report, which can be found on the system's website at www.nhrs.org.

Benefits Provide - 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.

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Maximum medical subsidy rates paid during fiscal year 2021 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 the period of January 1, 2021 to June 30, 2021, the Town contributed 3.66% for police and fire, and 0.29% for other employees. For the period of July 1, 2021 to December 31, 2021, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2021 was \$39,603, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At December 31, 2021, the Town reported a liability of \$330,023 (\$308,066 for the governmental activities and \$21,957 for the 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. 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, 2021, the Town's proportion was 0.08% which was a decrease of 0.02% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized OPEB expense of \$45,662. At December 31, 2021, 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	\$ -	\$ 484
Net difference between projected and actual investment earnings on OPEB plan investments	-	4,123
Differences between expected and actual experience	-	69
Contributions subsequent to the measurement date	19,525	-
Total	<u>\$ 19,525</u>	<u>\$ 4,676</u>

The \$19,525 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, 2022. 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,	
2022	\$ (1,496)
2023	(866)
2024	(971)
2025	(1,343)
2026	-
Thereafter	-
Totals	<u>\$ (4,676)</u>

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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 Healthy 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 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. 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 2021
Large Cap Equities	22.50%	6.46%
Small/Mid Cap Equities	7.50%	1.14%
Total domestic equity	30.00%	
Int'l Equities (unhedged)	14.00%	5.53%
Emerging Int'l Equities	6.00%	2.37%
Total international equity	20.00%	
Core US Fixed Income	25.00%	3.60%
Total fixed income	25.00%	
Private equity	10.00%	8.85%
Private debt	5.00%	7.25%
Total alternative investments	15.00%	
Real estate	10.00%	6.60%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2021 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, 2021	\$ 358,761	\$ 330,023	\$ 305,019

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Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption – GASB Statement 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.

15-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.

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

Employees Covered by Benefit Terms – At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	37
Total participants covered by OPEB plan	<u>39</u>

Total OPEB Liability – The Town's total OPEB liability of \$632,717 (\$590,622 for the governmental activities and \$42,095 for the business-type activities and proprietary fund) was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability of \$632,717 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:	2.06%
Healthcare Cost Trend Rates:	
Current Year Trend	6.55%
Second Year Trend	6.10%
Decrement	0.45%
Ultimate Trend	4.00%
Year Ultimate Trend is Reached	2075
Salary Increases:	2.20%

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, 2021.

Mortality rates were based on the following:

Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post-Retirement: 101% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019.

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Surviving spouses: PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Disabled Retirees: PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Changes in the Total OPEB Liability

	December 31,	
	2020	2021
OPEB liability beginning of year	\$ 627,195	\$ 583,120
Changes for the year:		
Service cost	72,684	42,258
Interest	18,892	13,092
Differences between expected and actual experience	(163,106)	-
Changes of assumptions	48,203	9,912
Benefit payments	(20,748)	(15,665)
OPEB liability end of year	\$ 583,120	\$ 632,717

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 2.06%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$563,506. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$712,030.

	Discount Rate		
	1% Decrease	Baseline 2.06%	1% Increase
Total OPEB Liability	\$ 712,030	\$ 632,717	\$ 563,506

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 6.55%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$751,230. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$535,470.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 6.55%	1% Increase
Total OPEB Liability	\$ 535,470	\$ 632,717	\$ 751,230

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2021, the Town recognized OPEB expense of \$47,084. At December 31, 2021, 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	\$ 46,051	\$ -
Differences between expected and actual experience	-	109,364
Total	\$ 46,051	\$ 109,364

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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,	
2022	\$ (11,846)
2023	(17,297)
2024	(17,297)
2025	(17,297)
2026	310
Thereafter	114
Totals	<u><u>\$ (63,313)</u></u>

NOTE 16 – ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2021 and are as follows:

General fund:	
General government	\$ 19,353
Public safety	35,095
Highways and streets	78,000
Culture and recreation	1,952
Total encumbrances	<u><u>\$ 134,400</u></u>

NOTE 17 – 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	\$ 14,005
Hadley Rd pump station upgrade	State Aid Grant C-714	67,767
Wastewater treatment facility upgrade	State Aid Grant C-824	3,199,099
River St and Nelson Cir. pump station replacements	State Aid Grant C-910	156,730
	Total	<u><u>\$ 3,437,601</u></u>

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, 2021 the Town is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending December 31,	Amount
2022	\$ 217,568
2023	257,696
2024	247,340
2025	213,567
2026	194,870
2027-2031	1,026,298
2032-2036	1,016,897
2037-2038	263,365
Total	<u><u>\$ 3,437,601</u></u>

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NOTE 18 – GOVERNMENTAL ACTIVITIES, BUSINESS-TYPE ACTIVITIES, AND FIDUCIARY FUNDS NET POSITION

Net position reported on the governmental and business-type activities and fiduciary funds Statements of Net Position at December 31, 2021 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	\$ 25,519,589	\$ 13,821,953	\$ 39,341,542	\$ -
Less:				
Bonds payable (less bond not attributable to capital asset)	(6,079,286)	-	(6,079,286)	-
Unamortized bond premiums	(305,982)	-	(305,982)	-
Notes payable	(4,388,259)	(3,358,943)	(7,747,202)	-
Total net investment in capital assets	14,746,062	10,463,010	25,209,072	-
Restricted net position:				
Sewer	566,196	-	566,196	-
Perpetual care - nonexpendable	2,085,875	-	2,085,875	-
Perpetual care - expendable	555,285	-	555,285	-
Asset forfeiture	8,060	-	8,060	-
Reclamation trust	103,326	-	103,326	-
Library	1,208,361	-	1,208,361	-
Town impact fees	9,339	-	9,339	-
Capital project funds	768,605	-	768,605	-
Individuals, organizations, and other governments	-	-	-	7,125,477
Total restricted net position	5,305,047	-	5,305,047	7,125,477
Unrestricted	1,213,974	2,696,226	3,910,200	-
Total net position	\$ 21,265,083	\$ 13,159,236	\$ 34,424,319	\$ 7,125,477

NOTE 19 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General Fund	Sewer Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 149,972	\$ 151,802	\$ -	\$ 11,480	\$ 313,254
Permanent fund - principal balance	-	-	2,085,875	-	2,085,875
Total nonspendable fund balance	149,972	151,802	2,085,875	11,480	2,399,129
Restricted:					
Sewer	-	566,196	-	-	566,196
Permanent fund - income balance	-	-	555,285	-	555,285
Asset forfeiture	-	-	-	8,060	8,060
Reclamation trust	-	-	-	103,326	103,326
Library	-	-	-	1,208,361	1,208,361
Town impact fees	-	-	-	9,339	9,339
Capital project funds	-	-	-	768,605	768,605
Total restricted fund balance	-	566,196	555,285	2,097,691	3,219,172

(continued)

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Governmental fund balances continued:

	General Fund	Sewer Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Committed:					
Expendable trusts	2,819,698	-	-	-	2,819,698
Special revenue funds	-	-	-	289,449	289,449
Total committed fund balance	2,819,698	-	-	289,449	3,109,147
Assigned:					
Encumbrances	134,400	-	-	-	134,400
Unassigned	2,720,607	-	-	-	2,720,607
Total governmental fund balances	\$ 5,824,677	\$ 717,998	\$ 2,641,160	\$ 2,398,620	\$ 11,582,455

NOTE 20 – PRIOR PERIOD ADJUSTMENTS

Net position/fund balance at January 1, 2021 was restated to give retroactive effect to the following prior period adjustments:

	Government-wide	
	Governmental Activities	Business-type Activities
To restate for client corrections to capital asset listing	\$ 4,874,832	\$ 1,179,205
To restate for bond principal which should have been posted to the income statement in 2020	-	-
To restate for bond premium which was not recorded in prior year	(307,045)	-
To restate for miscellaneous variance resulting from prepaid debt	507	-
To restate for library investments previously recorded in the permanent fund that should be reported in the library fund	-	-
To restate for Town impact fees to be reported in the governmental funds as opposed to the fiduciary funds	9,328	-
To restate for landfill postclosure care costs liability	(1,128,400)	-
Net position/fund balance, as previously reported	17,062,599	11,486,964
Net position/fund balance, as restated	\$ 20,511,821	\$ 12,666,169

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Prior period adjustments continued:

	Governmental Funds			Fiduciary Fund
	General	Permanent	Other Governmental	Other Custodial
To restate for client corrections to capital asset listing	\$ -	\$ -	\$ -	\$ -
To restate for bond principal which should have been posted to the income statement in 2020	(142,350)		-	-
To restate for bond premium which was not recorded in prior year	-	-	-	-
To restate for miscellaneous variance resulting from prepaid debt	-	-	-	-
To restate for library investments previously recorded in the permanent fund that should be reported in the library fund	-	(42,654)	42,654	-
To restate for Town impact fees to be reported in the governmental funds as opposed to the fiduciary funds	-	-	9,328	(9,328)
To restate for landfill postclosure care costs liability	-	-	-	-
Net position/fund balance, as previously reported	4,727,932	2,263,637	2,504,768	1,461,536
Net position/fund balance, as restated	<u>\$ 4,585,582</u>	<u>\$ 2,220,983</u>	<u>\$ 2,556,750</u>	<u>\$ 1,452,208</u>

NOTE 21 – 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 2021, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2021 to December 31, 2021 by Primex³, 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 Primex³ 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 2021, the Town paid \$85,111 and \$74,502 respectively, to Primex³ for Property/Liability and Workers' Compensation. At this time, Primex³ 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 22 – CAFETERIA BENEFIT PLAN

Effective 1/1/2021 (with an original effective date of 1/1/1994), the Town implemented a cafeteria benefit plan pursuant to Section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the Town, into any combination of the following benefit categories:

1. Premium Conversion Account;
2. General Purpose Health Flexible Spending Account; or
3. Dependent Care Assistance Plan Account

TOWN OF JAFFREY, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

In addition to directing the Town's contribution to the above categories, eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Care Assistance Plan Account, and \$2,750 into the General Purpose Health Flexible Spending Account. This cap applies to both Town contributions and employee pre-tax contributions.

All regular full-time and part-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the Town begins on January 1, 2021 and ends on December 31, 2021. To obtain reimbursement of expenses incurred within a plan year within the Dependent Care Assistance Plan (item 2 above), employees must submit claims within 90 days of the end of the plan year or separation of service from the Town, whichever occurs first. Funds unclaimed after 90 days of the close of the plan year are then remitted to the Town. The General Purpose Health Flexible Spending Account allows a maximum carryover of \$500.

NOTE 23 – COVID-19

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

The Town was allotted a total of \$552,447 in federal funding from the American Rescue Plan Act (ARPA) in 2021. A total of \$276,224 or 50% of the funding was received in 2021. The remainder is expected to be received in 2022. In addition, Cheshire County allocated a portion of their ARPA funds to the Town, totaling \$66,891. Eligible uses of these funds include pandemic response or its negative impacts, workforce/personnel, including payroll and hazard/premium pay, provision of government services to the extent of reduced revenue and necessary water, sewer, and broadband investment. For the year ended December 31, 2021, the Town spent none of the funds received. The remaining funds are included in deferred inflows of resources until eligible expenditures have been made.

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

NOTE 24 – 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.

The Town had no such tax abatement programs as of December 31, 2021.

NOTE 25 – 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 22, 2022, the date the December 31, 2021 financial statements were available to be issued, and the following occurred that requires recognition or disclosure:

The following warrant articles were approved by the voters at the March 8, 2022, annual Town meeting:

Warrant Article #2 – To raise and appropriate \$1,500,000 for the replacement of sewer lines. \$910,000 to come from bonds or notes and \$590,000 to come from grants and donations.

Warrant Article #3 – To raise and appropriate \$750,000 for the replacement of Fire Engine One. \$400,000 to come from bonds, notes, or leases and \$350,000 to come from the Fire Department Capital Reserve Fund.

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, 2021
Unaudited

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net pension liability	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.09%
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	\$ 4,014,371
Town's covered payroll (as of the measurement date)	\$ 1,212,471	\$ 2,793,907	\$ 2,767,383	\$ 2,779,378	\$ 2,875,856	\$ 2,443,755	\$ 2,594,916
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%	154.70%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.70%	64.73%	65.59%	58.72%	72.22%

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, 2021
Unaudited

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 364,277	\$ 384,550	\$ 380,045	\$ 426,826	\$ 442,845	\$ 449,299	\$ 416,142
Contributions in relation to the contractually required contributions	(364,277)	(384,550)	(380,045)	(426,826)	(442,845)	(449,299)	(416,142)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year-end)	\$ 1,212,471	\$ 2,793,907	\$ 2,767,383	\$ 2,779,378	\$ 2,875,856	\$ 2,443,755	\$ 2,640,581
Contributions as a percentage of covered payroll	30.04%	13.76%	13.73%	15.36%	15.40%	18.39%	15.76%

TOWN OF JAFFREY, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

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

Changes in Benefit Terms - There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates– A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

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, 2021. 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.

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, 2021
Unaudited

Fiscal year-end	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Town's proportion of the net OPEB liability	0.10%	0.10%	0.10%	0.08%
Town's proportionate share of the net OPEB liability (asset)	\$ 467,110	\$ 454,868	\$ 418,574	\$ 330,023
Town's covered payroll (as of the measurement date)	\$ 2,807,925	\$ 2,931,049	\$ 2,443,755	\$ 2,594,916
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	16.64%	15.52%	17.13%	12.72%
Plan fiduciary net position as a percentage of the total OPEB liability	7.53%	7.75%	7.74%	11.06%

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, 2021
Unaudited

Fiscal year-end	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Measurement date	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Contractually required contribution	\$ 45,128	\$ 47,349	\$ 44,388	\$ 39,603
Contributions in relation to the contractually required contribution	(45,128)	(47,349)	(44,388)	(39,603)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year-end)	\$ 2,807,925	\$ 2,931,049	\$ 2,443,755	\$ 2,640,581
Contributions as a percentage of covered payroll	1.61%	1.62%	1.82%	1.50%

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, 2021
Unaudited

	December 31,			
	2018	2019	2020	2021
OPEB liability, beginning of year	\$ 589,291	\$ 550,493	\$ 627,195	\$ 583,120
Changes for the year:				
Service cost	74,665	64,297	72,684	42,258
Interest	20,423	21,665	18,892	13,092
Assumption changes and difference between actual and expected experience	(63,576)	52,389	(114,903)	9,912
Benefit payments	(70,310)	(61,649)	(20,748)	(15,665)
OPEB liability, end of year	<u>\$ 550,493</u>	<u>\$ 627,195</u>	<u>\$ 583,120</u>	<u>\$ 632,717</u>
Covered payroll	<u>\$ 2,807,925</u>	<u>\$ 2,931,049</u>	<u>\$ 2,577,661</u>	<u>\$ 2,720,098</u>
Total OPEB liability as a percentage of covered payroll	19.60%	21.40%	22.62%	23.26%

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, 2021

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

Changes in Benefit Terms - There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates– A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

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, 2021. 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.

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

Changes in Benefit Terms - There were no changes in benefit terms for the current period.

Changes in Assumptions – The discount rate changed from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. In addition, the inflation rate was updated in this valuation. A summary of the impact on the Total OPEB Liability (TOL) of each assumption change is provided below:

- Increase due to change in Inflation Assumption - \$5,000
- Increase due to change in Discount Rate - \$4,000

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, 2021. 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, 2021

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 5,162,124	\$ 5,142,631	\$ (19,493)
Land use change	25,805	29,300	3,495
Yield	11,500	10,419	(1,081)
Excavation	1,000	743	(257)
Interest and penalties on taxes	65,000	63,821	(1,179)
Total from taxes	<u>5,265,429</u>	<u>5,246,914</u>	<u>(18,515)</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	2,000	1,995	(5)
Motor vehicle permit fees	1,170,000	1,247,728	77,728
Building permits	24,000	35,879	11,879
Other	74,950	91,677	16,727
Total from licenses, permits, and fees	<u>1,270,950</u>	<u>1,377,279</u>	<u>106,329</u>
Intergovernmental:			
State:			
Meals and rooms distribution	397,295	397,295	-
Highway block grant	158,505	158,464	(41)
State and federal forest land reimbursement	140	140	-
Other	2,600	6,912	4,312
Federal:			
Other	-	1,290	1,290
Total from intergovernmental	<u>558,540</u>	<u>564,101</u>	<u>5,561</u>
Charges for services:			
Income from departments	<u>33,525</u>	<u>61,609</u>	<u>28,084</u>
Miscellaneous:			
Interest on investments	1,693	3,027	1,334
Other	<u>11,323</u>	<u>34,653</u>	<u>23,330</u>
Total from miscellaneous	<u>13,016</u>	<u>37,680</u>	<u>24,664</u>
Other financing sources:			
Transfers in	<u>503,899</u>	<u>423,966</u>	<u>(79,933)</u>
Total revenues and other financing sources	<u>7,645,359</u>	<u>\$ 7,711,549</u>	<u>\$ 66,190</u>
Unassigned fund balance used to reduce tax rate	<u>435,000</u>		
Total revenues, other financing sources, and use of fund balance	<u>\$ 8,080,359</u>		

See Independent Auditor's Report.

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, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 235,359	\$ 232,816	\$ 15,975	\$ (13,432)
Election and registration	-	89,314	81,959	-	7,355
Financial administration	5,060	258,035	249,452	-	13,643
Revaluation of property	-	82,985	82,772	-	213
Legal	9,396	20,000	10,222	-	19,174
Personnel administration	-	611,864	578,360	-	33,504
Planning and zoning	-	81,546	76,349	3,000	2,197
General government buildings	-	35,980	40,047	378	(4,445)
Cemeteries	-	30,311	33,963	-	(3,652)
Insurance, not otherwise allocated	-	51,918	40,314	-	11,604
Total general government	14,456	1,497,312	1,426,254	19,353	66,161
Public safety:					
Police	16,763	1,530,437	1,441,478	12,413	93,309
Ambulance	-	41,000	41,000	-	-
Fire	16,185	380,200	324,478	22,682	49,225
Building inspection	-	82,264	79,438	-	2,826
Emergency management	-	63,764	63,641	-	123
Other	-	117,111	116,580	-	531
Total public safety	32,948	2,214,776	2,066,615	35,095	146,014
Highways and streets:					
Administration	-	687,646	697,086	-	(9,440)
Highways and streets	184,000	369,500	423,537	78,000	51,963
Bridges	-	7,001	2,300	-	4,701
Street lighting	-	15,000	9,443	-	5,557
Other	-	33,602	20,304	-	13,298
Total highways and streets	184,000	1,112,749	1,152,670	78,000	66,079
Sanitation:					
Administration	-	171,828	150,542	-	21,286
Solid waste disposal	-	157,000	155,926	-	1,074
Solid waste clean-up	-	45,000	48,792	-	(3,792)
Total sanitation	-	373,828	355,260	-	18,568
Health:					
Administration	-	2,162	1,697	-	465
Pest control	-	625	75	-	550
Health agencies	-	28,873	28,873	-	-
Total health	-	31,660	30,645	-	1,015
Welfare:					
Administration and direct assistance	-	117,260	71,380	-	45,880
Vendor payments and other	-	34,234	34,234	-	-
Total welfare	-	151,494	105,614	-	45,880

(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, 2021

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	870	281,394	183,537	1,952	96,775
Library	16,733	329,117	343,290	-	2,560
Patriotic purposes	-	4,000	4,065	-	(65)
Other	-	6,000	6,000	-	-
Total culture and recreation	17,603	620,511	536,892	1,952	99,270
Conservation	-	475	-	-	475
Economic development	-	40,574	36,841	-	3,733
Debt service:					
Principal of long-term debt	-	400,042	400,042	-	-
Interest on long-term debt	-	130,437	122,096	-	8,341
Total debt service	-	530,479	522,138	-	8,341
Capital outlay	-	245,001	71,562	-	173,439
Other financing uses:					
Transfers out	-	1,261,500	1,261,500	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$249,007	\$ 8,080,359	\$ 7,565,991	\$ 134,400	\$ 628,975

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF JAFFREY, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2021

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 2,442,102
Changes:		
Unassigned fund balance used to reduce 2021 tax rate		(435,000)
2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 66,190	
Unexpended balance of appropriations (Schedule 2)	628,975	
2021 Budget surplus		695,165
Decrease in nonspendable fund balance		16,692
Decrease in committed fund balance		14,802
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,733,761
<i>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</i>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(213,154)
Elimination of the allowance for uncollectible taxes		200,000
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		\$ 2,720,607

SCHEDULE 4
TOWN OF JAFFREY, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2021

	Special Revenue Funds						
	Recreation	Downtown TIF	DARE	Stone Bridge TIF	Conservation	Police Department Special Details	Cash Revolving Loan
ASSETS							
Cash and cash equivalents	\$35,283	\$ -	\$ 4,973	\$ -	\$131,000	\$48,431	\$ 4,370
Investments	-	-	-	-	-	-	-
Taxes receivable	-	66,352	-	7,457	-	-	-
Accounts receivable	-	-	-	-	-	3,971	38,396
Intergovernmental receivables	-	-	-	-	-	-	-
Prepaid items	-	954	-	10,526	-	-	-
Total assets	<u>\$35,283</u>	<u>\$67,306</u>	<u>\$ 4,973</u>	<u>\$ 17,983</u>	<u>\$131,000</u>	<u>\$52,402</u>	<u>\$ 42,766</u>
LIABILITIES							
Accrued salaries and benefits	\$ 277	\$ 192	\$ -	\$ 192	\$ -	\$ -	\$ -
Interfund payable	386	62,214	-	7,265	-	-	-
Total liabilities	<u>663</u>	<u>62,406</u>	<u>-</u>	<u>7,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue -							
Property taxes	-	3,946	-	-	-	-	-
Other miscellaneous	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>3,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	954	-	10,526	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	34,620	-	4,973	-	131,000	52,402	42,766
Total fund balances	<u>34,620</u>	<u>954</u>	<u>4,973</u>	<u>10,526</u>	<u>131,000</u>	<u>52,402</u>	<u>42,766</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$35,283</u>	<u>\$67,306</u>	<u>\$ 4,973</u>	<u>\$ 17,983</u>	<u>\$131,000</u>	<u>\$52,402</u>	<u>\$ 42,766</u>

Special Revenue Funds									
Fire Department Special Details	Police and Fire Grants	250th Celebration	Miscellaneous Donations	Asset Forfeiture	Reclamation Trust	Library	Town Impact Fees	Capital Project Funds Consolidated	Total
\$ 15	\$ 97	\$ 8,947	\$ 11,797	\$ 8,060	\$ 103,326	\$ 61,684	\$ 9,339	\$ 773,605	\$ 1,200,927
-	-	-	-	-	-	1,166,677	-	-	1,166,677
-	-	-	-	-	-	-	-	-	73,809
-	-	-	-	-	-	-	-	-	42,367
-	3,400	-	-	-	-	-	-	-	3,400
-	-	-	-	-	-	-	-	-	11,480
<u>\$ 15</u>	<u>\$ 3,497</u>	<u>\$ 8,947</u>	<u>\$ 11,797</u>	<u>\$ 8,060</u>	<u>\$ 103,326</u>	<u>\$ 1,228,361</u>	<u>\$ 9,339</u>	<u>\$ 773,605</u>	<u>\$ 2,498,660</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661
-	538	-	30	-	-	-	-	-	70,433
-	538	-	30	-	-	-	-	-	71,094
-	-	-	-	-	-	-	-	-	3,946
-	-	-	-	-	-	20,000	-	5,000	25,000
-	-	-	-	-	-	20,000	-	5,000	28,946
-	-	-	-	-	-	-	-	-	11,480
-	-	-	-	8,060	103,326	1,208,361	9,339	768,605	2,097,691
15	2,959	8,947	11,767	-	-	-	-	-	289,449
15	2,959	8,947	11,767	8,060	103,326	1,208,361	9,339	768,605	2,398,620
<u>\$ 15</u>	<u>\$ 3,497</u>	<u>\$ 8,947</u>	<u>\$ 11,797</u>	<u>\$ 8,060</u>	<u>\$ 103,326</u>	<u>\$ 1,228,361</u>	<u>\$ 9,339</u>	<u>\$ 773,605</u>	<u>\$ 2,498,660</u>

See Independent Auditor's Report.

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, 2021

	Special Revenue Funds						
	Recreation	Downtown TIF	DARE	Stone Bridge TIF	Conservation	Police Department Special Details	Cash Revolving Loan
Revenues:							
Taxes	\$ -	\$ 421,943	\$ -	\$ 236,550	\$ 29,300	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	40,674	-	-	-	-	89,917	-
Miscellaneous	50	272	1	206	225	41	28
Total revenues	40,724	422,215	1	236,756	29,525	89,958	28
Expenditures:							
Current:							
General government	-	117,292	-	10,917	-	-	-
Public safety	-	-	-	-	-	82,692	-
Water distribution and treatment	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	26,337	-	-	-	-	-	-
Conservation	-	-	-	-	7,262	-	-
Debt service:							
Principal	-	15,000	-	75,000	-	-	-
Interest	-	2,197	-	24,785	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	26,337	134,489	-	110,702	7,262	82,692	-
Excess (deficiency) of revenues over (under) expenditures	14,387	287,726	1	126,054	22,263	7,266	28
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(286,830)	-	(115,528)	-	-	-
Bond proceeds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(286,830)	-	(115,528)	-	-	-
Net change in fund balances	14,387	896	1	10,526	22,263	7,266	28
Fund balances, beginning, as restated (see Note 20)	20,233	58	4,972	-	108,737	45,136	42,738
Fund balances, ending	\$ 34,620	\$ 954	\$ 4,973	\$ 10,526	\$ 131,000	\$ 52,402	\$ 42,766

Special Revenue Funds									
Fire Department	Police and Fire	250th	Miscellaneous	Asset	Reclamation		Town	Capital Project Funds	
Special Details	Grants	Celebration	Donations	Forfeiture	Trust	Library	Impact Fees	Consolidated	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 687,793
-	-	-	-	-	16,316	-	-	-	16,316
-	7,000	-	-	-	-	39,823	-	38,644	85,467
-	-	-	-	-	-	1,644	-	-	132,235
-	6,000	6,307	968	174	109	167,144	11	14,067	195,603
-	13,000	6,307	968	174	16,425	208,611	11	52,711	1,117,414
-	-	54	-	-	-	-	-	-	128,263
-	6,538	-	-	-	-	-	-	-	89,230
-	3,600	-	-	-	-	-	-	-	3,600
-	-	-	-	-	4,042	-	-	-	4,042
-	-	-	100	-	-	132,723	-	-	159,160
-	-	-	-	-	-	-	-	-	7,262
-	-	-	-	-	-	-	-	-	90,000
-	-	-	-	-	-	-	-	-	26,982
-	-	-	-	-	-	-	-	1,684,267	1,684,267
-	10,138	54	100	-	4,042	132,723	-	1,684,267	2,192,806
-	2,862	6,253	868	174	12,383	75,888	11	(1,631,556)	(1,075,392)
-	-	-	-	-	-	9,737	-	80,863	90,600
-	-	-	-	-	-	-	-	-	(402,358)
-	-	-	-	-	-	-	-	1,229,020	1,229,020
-	-	-	-	-	-	9,737	-	1,309,883	917,262
-	2,862	6,253	868	174	12,383	85,625	11	(321,673)	(158,130)
15	97	2,694	10,899	7,886	90,943	1,122,736	9,328	1,090,278	2,556,750
\$ 15	\$ 2,959	\$ 8,947	\$ 11,767	\$ 8,060	\$ 103,326	\$ 1,208,361	\$ 9,339	\$ 768,605	\$ 2,398,620

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SCHEDULE 6
TOWN OF JAFFREY, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
December 31, 2021

	Custodial Funds							Total
	Taxes	School Trust	Alice Poole Trust	School Impact Fees	Bonds and Security Deposits	Other Escrow Funds	Town Clerk Fees State Portion	
ASSETS								
Cash and cash equivalents	\$ -	\$ 27,001	\$ 35,234	\$ -	\$ 32,786	\$ 16,959	\$ -	\$ 111,980
Investments	-	464,320	738,523	-	-	-	-	1,202,843
Intergovernmental receivables	3,415,707	-	-	-	-	-	-	3,415,707
Total assets	3,415,707	491,321	773,757	-	32,786	16,959	-	4,730,530
LIABILITIES								
Due to school	3,415,707	-	-	-	-	-	-	3,415,707
NET POSITION								
Restricted	\$ -	\$ 491,321	\$ 773,757	\$ -	\$ 32,786	\$ 16,959	\$ -	\$1,314,823

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF JAFFREY, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2021

	Custodial Funds							
	Taxes	School Trust	Alice Poole Trust	School Impact Fees	Bonds and Security Deposits	Other Escrow Funds	Town Clerk Fees State Portion	Total
Additions:								
Contributions	\$ -	\$ 525,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525,000
Investment earnings	-	7,979	12,152	-	-	5	-	20,136
Change in fair market value	-	-	99,214	-	-	-	-	99,214
Tax collections for other governments	9,319,235	-	-	-	-	-	-	9,319,235
Collection of motor vehicle fees for State	-	-	-	-	-	-	384,849	384,849
Other	-	-	-	-	21,486	-	-	21,486
Total additions	9,319,235	532,979	111,366	-	21,486	5	384,849	10,369,920
Deductions:								
Benefits paid	-	761,170	9,296	-	-	-	-	770,466
Administrative expenses	-	18,830	1,090	-	-	-	-	19,920
Payments of taxes to other governments	9,319,235	-	-	-	-	-	-	9,319,235
Payments of motor vehicle fees to State	-	-	-	-	-	-	384,849	384,849
Payments for escrow purposes	-	-	-	293	12,542	-	-	12,835
Total deductions	9,319,235	780,000	10,386	293	12,542	-	384,849	10,507,305
Net increase (decrease) in fiduciary net position	-	(247,021)	100,980	(293)	8,944	5	-	(137,385)
Net position, beginning, as restated (see Note 20)	-	738,342	672,777	293	23,842	16,954	-	1,452,208
Net position, ending	\$ -	\$ 491,321	\$ 773,757	\$ -	\$ 32,786	\$ 16,959	\$ -	\$ 1,314,823

See Independent Auditor's Report.