

TOWN OF ASHLAND, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended December 31, 2018

Town of Ashland, New Hampshire

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Ashland, New Hampshire

Additional Offices:

Nashua, NH
Andover, MA
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ashland, New Hampshire, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ashland, New Hampshire, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Pension and OPEB schedules appearing on pages 54 to 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information appearing on pages 58 through 59 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Melanson Heath

June 7, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Ashland, New Hampshire, we offer readers this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2018.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains 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 our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

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 governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water, sewer, and electric activities.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental

fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 and internal service 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 water, sewer, and electric operations, which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$16,287,592 (i.e., net position), a change of \$(259,238) in comparison to the prior year.
- As of the close of the current year, governmental funds reported combined ending fund balances of \$1,707,088, a change of \$118,398 in comparison to the prior year.
- At the end of the current year, unassigned fund balance for the general fund was \$500,055, a change of \$67,131 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 5,188,122	\$ 4,143,773	\$ 2,280,963	\$ 2,365,693	\$ 7,469,085	\$ 6,509,466
Capital assets	<u>9,562,739</u>	<u>9,858,665</u>	<u>7,222,907</u>	<u>7,059,748</u>	<u>16,785,646</u>	<u>16,918,413</u>
Total assets	14,750,861	14,002,438	9,503,870	9,425,441	24,254,731	23,427,879
Deferred outflows of resources	212,949	241,126	51,176	69,152	264,125	310,278
Current liabilities	3,186,071	2,216,773	1,067,716	740,601	4,253,787	2,957,374
Noncurrent liabilities	<u>3,420,415</u>	<u>3,958,969</u>	<u>430,575</u>	<u>612,943</u>	<u>3,850,990</u>	<u>4,571,912</u>
Total liabilities	6,606,486	6,175,742	1,498,291	1,353,544	8,104,777	7,529,286
Deferred inflows of resources	81,288	59,152	45,199	26,526	126,487	85,678
Net position:						
Net investment in capital assets	9,067,369	9,450,067	7,022,915	6,721,824	16,090,284	16,171,891
Restricted	268,828	288,553	-	-	268,828	288,553
Unrestricted	<u>(1,060,161)</u>	<u>(1,729,950)</u>	<u>988,641</u>	<u>1,392,699</u>	<u>(71,520)</u>	<u>(337,251)</u>
Total net position	<u>\$ 8,276,036</u>	<u>\$ 8,008,670</u>	<u>\$ 8,011,556</u>	<u>\$ 8,114,523</u>	<u>\$ 16,287,592</u>	<u>\$ 16,123,193</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent year, total net position was \$16,287,592, a change of \$(259,238) from the prior year.

The largest portion of net position \$16,090,284 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$268,828 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(71,520), primarily resulting from the Town's unfunded net pension liability.

<u>CHANGES IN NET POSITION</u>						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 546,383	\$ 518,836	\$ 4,325,703	\$ 3,965,314	\$ 4,872,086	\$ 4,484,150
Operating grants and contributions	226,857	271,411	-	-	226,857	271,411
General revenues:						
Property taxes	2,278,346	1,861,808	-	-	2,278,346	1,861,808
Penalties and interest on taxes	121,488	121,005	-	-	121,488	121,005
Grants and contributions not restricted to specific programs	22,357	16,157	-	-	22,357	16,157
Investment income	8,153	17,215	8,128	4,282	16,281	21,497
Other	7,987	42,841	11,797	55,096	19,784	97,937
Total revenues	<u>3,211,571</u>	<u>2,849,273</u>	<u>4,345,628</u>	<u>4,024,692</u>	<u>7,557,199</u>	<u>6,873,965</u>
Expenses:						
General government	652,861	595,809	-	-	652,861	595,809
Public safety	1,046,265	971,420	-	-	1,046,265	971,420
Highways and streets	1,209,599	1,202,667	-	-	1,209,599	1,202,667
Sanitation	153,564	147,650	-	-	153,564	147,650
Health and human services	19,899	35,751	-	-	19,899	35,751
Welfare	9,682	7,466	-	-	9,682	7,466
Culture and recreation	267,801	220,676	-	-	267,801	220,676
Conservation	723	647	-	-	723	647
Interest on long-term debt	7,448	81,930	-	-	7,448	81,930
Water	-	-	358,006	347,691	358,006	347,691
Sewer	-	-	594,742	570,339	594,742	570,339
Electric	-	-	3,495,847	3,553,023	3,495,847	3,553,023
Total expenses	<u>3,367,842</u>	<u>3,264,016</u>	<u>4,448,595</u>	<u>4,471,053</u>	<u>7,816,437</u>	<u>7,735,069</u>
Change in net position	(156,271)	(414,743)	(102,967)	(446,361)	(259,238)	(861,104)
Net position - beginning of year, as restated	<u>8,432,307</u>	<u>8,423,413</u>	<u>8,114,523</u>	<u>8,560,884</u>	<u>16,546,830</u>	<u>16,984,297</u>
Net position - end of year	<u>\$ 8,276,036</u>	<u>\$ 8,008,670</u>	<u>\$ 8,011,556</u>	<u>\$ 8,114,523</u>	<u>\$ 16,287,592</u>	<u>\$ 16,123,193</u>

The 2017 amounts were not restated as the Town applied GASB 75 prospectively.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$(156,271). Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 137,848
Other governmental funds operations	(19,450)
Depreciation expense in excess of principal debt service	(518,188)
Capital asset additions	348,593
Capital lease issuance	(193,193)
Net pension liability and related deferred outflows and inflows of resources	(12,836)
Net OPEB liability and related deferred outflows and inflows of resources	6,258
Other	<u>94,697</u>
Total	<u>\$ (156,271)</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$(102,967). Key elements of this change are as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Total</u>
Revenues compared to budget	\$ 41,996	\$ 319,918	\$ 164,757	\$ 526,671
Expenditures compared to budget	(29,058)	(56,804)	(401,764)	(487,626)
Depreciation expense	(150,757)	(115,537)	-	(266,294)
Principal debt service in excess of depreciation expense	-	-	34,451	34,451
Net pension liability and related deferred outflows and inflows of resources	-	-	40,251	40,251
Other	-	-	<u>49,580</u>	<u>49,580</u>
Total	<u>\$ (137,819)</u>	<u>\$ 147,577</u>	<u>\$ (112,725)</u>	<u>\$ (102,967)</u>

D. FINANCIAL ANALYSIS OF FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$1,707,088, a change of \$118,398 in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$ 137,848
Nonmajor funds operating results	<u>(19,450)</u>
Total	<u>\$ 118,398</u>

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$500,055, while total fund balance was \$1,438,260. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 500,055	\$ 432,924	\$ 67,131	15.2%
Total fund balance	\$ 1,438,260	\$ 1,300,412	\$ 137,848	43.6%

The total fund balance of the general fund changed by \$137,848 during the current year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (39,300)
Revenues in excess of budget	23,080
Expenditures less than budget	60,379
Expenditures of prior year encumbrances	(49,145)
Change in capital reserve funds	159,726
Other	<u>(16,892)</u>
Total	<u>\$ 137,848</u>

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

	<u>12/31/18</u>	<u>12/31/17</u>	<u>Change</u>
Capital reserves	\$ <u>921,823</u>	\$ <u>762,097</u>	\$ <u>159,726</u>
Total	<u>\$ 921,823</u>	<u>\$ 762,097</u>	<u>\$ 159,726</u>

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$988,641, a change of \$(404,058) in comparison to the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

There were no differences between the original budget and final amended budget.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$16,785,646 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events during the current year included the following:

Fixed Asset Additions:

Governmental	
2018 John Deere Loader 544K 4WD	\$ 193,193
2001 Caterpillar Excavator	46,000

Fixed Asset Disposals:

Governmental	
1980 Int'l Loader 515	\$ 30,000

New Construction in Progress:

Governmental	
Sidewalk Engineering	\$ 31,800
Enterprise	
Sewer	
New Septage Receiving Station	\$ 532,935

CIP Relcassed to Fixed Assets:

Governmental	
Town Offices Department Fire Alarm System Project	\$ 14,625
Enterprise	
Electric	
Excavating for the New Garage Building	\$ 98,933
Decontamination Services related to the New Garage Building	\$ 62,500

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt. At the end of the current year, total bonded debt outstanding was \$1,524,709, all of which was backed by the full faith and credit of the Town.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Ashland, New Hampshire's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Town Administrator
Town of Ashland
20 Highland Street
P.O. Box 517
Ashland, New Hampshire 03217

TOWN OF ASHLAND, NEW HAMPSHIRE

STATEMENT OF NET POSITION

DECEMBER 31, 2018

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term investments	\$ 1,267,629	\$ 1,650,859	\$ 2,918,488
Restricted cash	931,823	-	931,823
Investments	178,045	-	178,045
Receivables, net of allowance for uncollectibles:			
Property taxes	2,544,779	-	2,544,779
User fees	-	612,104	612,104
Intergovernmental	137,460	-	137,460
Internal balances	19,523	(19,523)	-
Inventory	-	32,615	32,615
Other assets	18,662	14,615	33,277
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	90,201	-	90,201
Capital assets:			
Land and construction in progress	1,479,456	629,970	2,109,426
Other capital assets, net of accumulated depreciation	8,083,283	6,592,937	14,676,220
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	189,659	51,176	240,835
Related to OPEB	23,290	-	23,290
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	14,963,810	9,564,753	24,528,563
LIABILITIES			
Current:			
Accounts payable	70,726	911,796	982,522
Accrued payroll	22,191	-	22,191
Accrued liabilities	31,644	8,058	39,702
Due to school district	1,750,469	-	1,750,469
Due to other governments	435	-	435
Taxes paid in advance	10,708	-	10,708
Notes payable	1,000,000	-	1,000,000
Other current liabilities	25,643	16,147	41,790
Current portion of long-term liabilities:			
Bonds payable	129,330	141,422	270,752
Other	144,925	-	144,925
Noncurrent:			
Bonds payable, net of current portion	1,195,387	58,570	1,253,957
Net pension liability	1,335,324	372,005	1,707,329
Net OPEB liability	306,699	-	306,699
Other, net of current portion	583,005	-	583,005
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	80,866	45,199	126,065
Related to OPEB	422	-	422
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,687,774	1,553,197	8,240,971
NET POSITION			
Net investment in capital assets	9,067,369	7,022,915	16,090,284
Restricted for:			
Grants and other statutory restrictions	86,693	-	86,693
Permanent funds:			
Nonexpendable	54,985	-	54,985
Expendable	127,150	-	127,150
Unrestricted	(1,060,161)	988,641	(71,520)
TOTAL NET POSITION	\$ 8,276,036	\$ 8,011,556	\$ 16,287,592

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General government	\$ 652,861	\$ 397,419	\$ 107,625	\$ -	\$ (147,817)	\$ -	\$ (147,817)
Public safety	1,046,265	3,187	-	-	(1,043,078)	-	(1,043,078)
Highways and streets	1,209,599	31,756	93,656	-	(1,084,187)	-	(1,084,187)
Sanitation	153,564	-	-	-	(153,564)	-	(153,564)
Health and human services	19,899	-	-	-	(19,899)	-	(19,899)
Welfare	9,682	-	-	-	(9,682)	-	(9,682)
Culture and recreation	267,801	114,021	25,576	-	(128,204)	-	(128,204)
Conservation	723	-	-	-	(723)	-	(723)
Interest expense	7,448	-	-	-	(7,448)	-	(7,448)
Total Governmental Activities	3,367,842	546,383	226,857	-	(2,594,602)	-	(2,594,602)
Business-Type Activities:							
Water	358,006	212,616	-	-	-	(145,390)	(145,390)
Sewer	594,742	729,965	-	-	-	135,223	135,223
Electric	3,489,320	3,256,550	-	-	-	(232,770)	(232,770)
Total Business-Type Activities	4,442,068	4,199,131	-	-	-	(242,937)	(242,937)
Total	\$ 7,809,910	\$ 4,745,514	\$ 226,857	\$ -	(2,594,602)	(242,937)	(2,837,539)
General Revenues:							
Property taxes					2,278,346	-	2,278,346
Penalties, interest and other taxes					121,488	-	121,488
Grants and contributions not restricted to specific programs					22,357	-	22,357
Investment income					8,153	8,477	16,630
Miscellaneous					7,987	131,493	139,480
Total general revenues					2,438,331	139,970	2,578,301
Change in Net Position					(156,271)	(102,967)	(259,238)
Net Position:							
Beginning of year, as restated					8,432,307	8,114,523	16,546,830
End of year					\$ 8,276,036	\$ 8,011,556	\$ 16,287,592

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 1,176,846	\$ 90,783	\$ 1,267,629
Restricted cash	931,823	-	931,823
Investments	-	178,045	178,045
Receivables:			
Property taxes	2,714,406	-	2,714,406
Due from other funds	19,523	-	19,523
Other assets	<u>3,101</u>	<u>-</u>	<u>3,101</u>
TOTAL ASSETS	<u>\$ 4,845,699</u>	<u>\$ 268,828</u>	<u>\$ 5,114,527</u>
LIABILITIES			
Accounts payable	\$ 70,726	\$ -	\$ 70,726
Accrued payroll	22,191	-	22,191
Due to school district	1,750,469	-	1,750,469
Due to other governments	435	-	435
Taxes paid in advance	10,708	-	10,708
Notes payable	1,000,000	-	1,000,000
Other liabilities	<u>28,072</u>	<u>-</u>	<u>28,072</u>
TOTAL LIABILITIES	2,882,601	-	2,882,601
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	524,838	-	524,838
FUND BALANCES			
Nonspendable	4,048	54,985	59,033
Restricted	-	213,843	213,843
Committed	921,823	-	921,823
Assigned	12,334	-	12,334
Unassigned	<u>500,055</u>	<u>-</u>	<u>500,055</u>
TOTAL FUND BALANCES	<u>1,438,260</u>	<u>268,828</u>	<u>1,707,088</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,845,699</u>	<u>\$ 268,828</u>	<u>\$ 5,114,527</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

DECEMBER 31, 2018

Total governmental fund balances	\$ 1,707,088
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,562,739
• Long-term receivable not reported in governmental funds.	137,460
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	445,412
• Long-term liabilities, including bonds payable, net pension liability, net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(3,694,670)
• Other	<u>118,007</u>
Net position of governmental activities	<u><u>\$ 8,276,036</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Property taxes	\$ 2,295,708	\$ -	\$ 2,295,708
Penalties, interest and other taxes	121,488	-	121,488
Charges for services	147,822	1,851	149,673
Intergovernmental	229,242	-	229,242
Licenses and permits	396,710	-	396,710
Investment income	8,153	-	8,153
Contributions	-	28,301	28,301
Miscellaneous	<u>41,827</u>	<u>215</u>	<u>42,042</u>
Total Revenues	3,240,950	30,367	3,271,317
Expenditures:			
Current:			
General government	635,943	-	635,943
Public safety	940,274	-	940,274
Highways and streets	1,002,065	-	1,002,065
Sanitation	148,944	-	148,944
Health and human services	19,899	-	19,899
Welfare	9,682	-	9,682
Culture and recreation	194,164	49,817	243,981
Conservation	723	-	723
Debt service	281,318	-	281,318
Capital outlay	<u>63,283</u>	<u>-</u>	<u>63,283</u>
Total Expenditures	<u>3,296,295</u>	<u>49,817</u>	<u>3,346,112</u>
Excess (deficiency) of revenues over expenditures	(55,345)	(19,450)	(74,795)
Other Financing Sources (Uses):			
Issuance of capital lease	<u>193,193</u>	<u>-</u>	<u>193,193</u>
Total Other Financing Sources (Uses)	<u>193,193</u>	<u>-</u>	<u>193,193</u>
Change in fund balance	137,848	(19,450)	118,398
Fund Balance, at Beginning of Year	<u>1,300,412</u>	<u>288,278</u>	<u>1,588,690</u>
Fund Balance, at End of Year	<u>\$ 1,438,260</u>	<u>\$ 268,828</u>	<u>\$ 1,707,088</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

Net changes in fund balances - total governmental funds	\$ 118,398																		
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="text-align: right;">348,593</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(644,519)</td> </tr> </table> • The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Repayments of debt</td> <td style="text-align: right;">126,331</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">(58,709)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate) differ between the two statements. This amount represents the net change in deferred revenue. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">(17,362)</td> </tr> </table> • 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 the governmental funds: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Net pension liability and related deferred outflows and inflows of resources</td> <td style="text-align: right;">(12,836)</td> </tr> <tr> <td>Net OPEB liability and related deferred outflows and inflows of resources</td> <td style="text-align: right;">6,258</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">(15,096)</td> </tr> </table> • Other differences. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;"><u>(7,329)</u></td> </tr> </table> 		Capital outlay	348,593	Depreciation	(644,519)	Repayments of debt	126,331	Other	(58,709)		(17,362)	Net pension liability and related deferred outflows and inflows of resources	(12,836)	Net OPEB liability and related deferred outflows and inflows of resources	6,258	Other	(15,096)		<u>(7,329)</u>
Capital outlay	348,593																		
Depreciation	(644,519)																		
Repayments of debt	126,331																		
Other	(58,709)																		
	(17,362)																		
Net pension liability and related deferred outflows and inflows of resources	(12,836)																		
Net OPEB liability and related deferred outflows and inflows of resources	6,258																		
Other	(15,096)																		
	<u>(7,329)</u>																		
Change in net position of governmental activities	\$ <u>(156,271)</u>																		

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES -
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues and Other Sources:				
Property taxes	\$ 2,306,427	\$ 2,306,427	\$ 2,306,427	\$ -
Penalties, interest and other taxes	126,248	126,248	121,488	(4,760)
Charges for services	150,000	150,000	147,822	(2,178)
Intergovernmental	227,899	227,899	229,242	1,343
Licenses and permits	382,850	382,850	396,710	13,860
Investment income	4,000	4,000	4,519	519
Miscellaneous	30,000	30,000	41,827	11,827
Transfers in	10,000	10,000	12,469	2,469
Use of fund balance	39,300	39,300	39,300	-
Total Revenues and Other Sources	<u>3,276,724</u>	<u>3,276,724</u>	<u>3,299,804</u>	<u>23,080</u>
Expenditures and Other Uses:				
General government	642,828	642,828	623,179	19,649
Public safety	946,646	946,646	920,914	25,732
Highways and streets	636,145	636,145	652,868	(16,723)
Sanitation	142,540	142,540	149,654	(7,114)
Health and human services	20,161	20,161	19,899	262
Welfare	26,710	26,710	9,813	16,897
Culture and recreation	213,550	213,550	195,194	18,356
Conservation	1,400	1,400	723	677
Capital outlay	36,500	36,500	31,483	5,017
Debt service	278,944	278,944	281,318	(2,374)
Transfers out	331,300	331,300	331,300	-
Total Expenditures and Other Uses	<u>3,276,724</u>	<u>3,276,724</u>	<u>3,216,345</u>	<u>60,379</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>83,459</u>	\$ <u>83,459</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2018

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Electric Fund	
ASSETS				
Current:				
Cash and short-term investments	\$ 92,080	\$ 1,431,522	\$ 127,257	\$ 1,650,859
User fees, net of allowance for uncollectibles	14,819	77,096	520,189	612,104
Inventory	-	-	32,615	32,615
Other assets	14,615	-	-	14,615
Total current assets	121,514	1,508,618	680,061	2,310,193
Noncurrent:				
Capital assets:				
Land and construction in progress	4,011	546,164	79,795	629,970
Other capital assets, net of accumulated depreciation	2,889,779	1,577,992	2,125,166	6,592,937
Total noncurrent assets	2,893,790	2,124,156	2,204,961	7,222,907
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	-	-	51,176	51,176
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	3,015,304	3,632,774	2,936,198	9,584,276
LIABILITIES				
Current:				
Accounts payable	7,753	248,994	655,049	911,796
Accrued liabilities	-	-	8,058	8,058
Due to other governments	5,588	13,117	818	19,523
Other current liabilities	-	-	16,147	16,147
Current portion of bonds payable	-	-	141,422	141,422
Total current liabilities	13,341	262,111	821,494	1,096,946
Noncurrent:				
Bonds payable, net of current portion	-	-	58,570	58,570
Net pension liability	-	-	372,005	372,005
Total noncurrent liabilities	-	-	430,575	430,575
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	-	-	45,199	45,199
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	13,341	262,111	1,297,268	1,572,720
NET POSITION				
Net investment in capital assets	2,893,790	2,124,156	2,004,969	7,022,915
Unrestricted	108,173	1,246,507	(366,039)	988,641
TOTAL NET POSITION	<u>\$ 3,001,963</u>	<u>\$ 3,370,663</u>	<u>\$ 1,638,930</u>	<u>\$ 8,011,556</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Electric Fund	
Operating Revenues:				
Charges for services	\$ 212,616	\$ 221,660	\$ 3,256,550	\$ 3,690,826
Septage fees	-	508,305	-	508,305
Other	6,639	5,158	126,572	138,369
Total Operating Revenues	219,255	735,123	3,383,122	4,337,500
Operating Expenses:				
Operating expenses	207,249	479,205	3,385,839	4,072,293
Depreciation	150,757	115,537	103,481	369,775
Total Operating Expenses	358,006	594,742	3,489,320	4,442,068
Operating Income (Loss)	(138,751)	140,381	(106,198)	(104,568)
Nonoperating Revenues (Expenses):				
Investment income	932	7,196	349	8,477
Interest expense	-	-	(6,876)	(6,876)
Total Nonoperating Revenues (Expenses), Net	932	7,196	(6,527)	1,601
Income (Loss) Before Transfers	(137,819)	147,577	(112,725)	(102,967)
Change in Net Position	(137,819)	147,577	(112,725)	(102,967)
Net Position at Beginning of Year	3,139,782	3,223,086	1,751,655	8,114,523
Net Position at End of Year	\$ 3,001,963	\$ 3,370,663	\$ 1,638,930	\$ 8,011,556

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Electric Fund	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 218,449	\$ 732,027	\$ 3,299,251	\$ 4,249,727
Payments to vendors and employees	(201,335)	(273,859)	(3,307,503)	(3,782,697)
Net Cash Provided By (Used For) Operating Activities	17,114	458,168	(8,252)	467,030
Cash Flows From Noncapital Financing Activities:				
Interfund lending	(22,934)	29,172	283	6,521
Net Cash Provided By (Used For) Noncapital Financing Activities	(22,934)	29,172	283	6,521
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(532,934)	-	(532,934)
Principal payments on bonds	-	-	(137,932)	(137,932)
Interest expense	-	-	(6,876)	(6,876)
Net Cash Used For Capital and Related Financing Activities	-	(532,934)	(144,808)	(677,742)
Cash Flows From Investing Activities:				
Investment income	932	7,196	349	8,477
Net Cash Provided By Investing Activities	932	7,196	349	8,477
Net Change in Cash and Short-Term Investments	(4,888)	(38,398)	(152,428)	(195,714)
Cash and Short-Term Investments, Beginning of Year	96,968	1,469,920	279,685	1,846,573
Cash and Short-Term Investments, End of Year	\$ 92,080	\$ 1,431,522	\$ 127,257	\$ 1,650,859
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating income (loss)	\$ (138,751)	\$ 140,381	\$ (106,198)	\$ (104,568)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	150,757	115,537	103,481	369,775
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees	(806)	(3,096)	(86,242)	(90,144)
Inventory	-	-	(27,397)	(27,397)
Deferred outflows - related to pensions	-	-	17,976	17,976
Accounts payable	5,914	205,346	109,809	321,069
Accrued liabilities	-	-	223	223
Other liabilities	-	-	2,371	2,371
Net pension liability	-	-	(40,948)	(40,948)
Deferred inflows - related to pensions	-	-	18,673	18,673
Net Cash Provided By (Used For) Operating Activities	\$ 17,114	\$ 458,168	\$ (8,252)	\$ 467,030

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 DECEMBER 31, 2018

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and short-term investments	\$ -	\$ 234,505
Investments	<u>15,376</u>	<u>58,851</u>
Total Assets	15,376	293,356
 LIABILITIES AND NET POSITION		
Intergovernmental liabilities	<u>-</u>	<u>293,356</u>
Total Liabilities	<u>-</u>	<u>293,356</u>
 NET POSITION		
Total net position restricted for other purposes	\$ <u><u>15,376</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHLAND, NEW HAMPSHIRE
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Private Purpose Trust Funds</u>
Deductions:	
Other	<u>1,731</u>
Total deductions	<u>1,731</u>
Net increase (decrease)	(1,731)
 Net position restricted for other purposes:	
Beginning of year	<u>17,107</u>
End of year	<u>\$ 15,376</u>

The accompanying notes are an integral part of these financial statements.

Town of Ashland, New Hampshire

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Ashland, New Hampshire (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The Town is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In year 2018, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However certain expenditures such as debt service expenditures, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental fund:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *water* fund accounts for water services provided to the Town's residents.
- The *sewer* fund accounts for sewerage treatment services provided to the Town's residents.
- The *electric* fund accounts for electric utility services provided to the Town's residents.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *agency funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment 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 short-term investments”. The interest earnings attributable to each fund type are included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the trust funds consist of marketable securities, bonds, and short-term money market investments. Investments are carried at fair value, except certificates of deposit which are reported at cost.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

G. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	10-40
Building improvements	10-40
Infrastructure	50
Vehicles	5-15
Office equipment	7-15
Business-type activities	5-33

I. Compensated Absences

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

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance - Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/ expenses during the year. Actual results could vary from estimates that were used.

2. **Stewardship, Compliance, and Accountability**

A. Budgetary Information

The Town’s budget is originally prepared by the Selectmen’s Office with the cooperation of the various department heads. It is then submitted to the Budget Committee, in accordance with the Municipal Budget Law. After reviewing the budget, the Committee holds a public hearing for discussion.

The final version of the budget is then submitted for approval at the annual Town Meeting. The approved budget is subsequently reported to the State of New Hampshire on the statement of appropriation form in order to establish the current property tax rate.

The Selectmen cannot increase the total of the approved budget; however, they have the power to reclassify its components when necessary.

B. Budgetary Basis

The general fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 3,240,950	\$ 3,296,295
Other financing sources/uses (GAAP Basis)	<u>193,193</u>	<u>-</u>
Subtotal (GAAP Basis)	3,434,143	3,296,295
Adjust tax revenue to accrual basis	10,719	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(61,479)
Add end-of-year appropriation carryforwards from expenditures	-	12,334
Other timing differences	(355,932)	(362,105)
To eliminate capital reserve activity	171,574	331,300
Recognize use of fund balance as funding source	<u>39,300</u>	<u>-</u>
Budgetary Basis	<u>\$ 3,299,804</u>	<u>\$ 3,216,345</u>

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. RSA 48:16 limits "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a Town with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank." The Town does not have a deposit policy for custodial credit risk.

As of December 31, 2018, none of the Town's bank balance of \$4,035,288 was exposed to custodial credit risk as uninsured or uncollateralized.

4. Restricted Cash

Restricted cash represents capital reserve funds held by the Trustees of Trust funds as of December 31, 2018.

5. Investments

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year-end for each investment of the Town. (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Amount</u>	Minimum Legal <u>Rating</u>	Exempt From <u>Disclosure</u>
Corporate equities	\$ 125,836	N/A	\$ 125,836
Mutual funds	<u>126,436</u>	N/A	<u>126,436</u>
Total investments	<u>\$ 252,272</u>		<u>\$ 252,272</u>

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have policies for custodial credit risk.

The Town's investments are subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the Town's brokerage firm, which is also the Counterparty to these securities.

C. Concentration of Credit Risk

The Town does not have an investment in one issuer greater than 5% of total investments.

D. Interest Rate Risk

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

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have policies for foreign currency risk.

F. Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following fair value measurements as of December 31, 2018:

<u>Description</u>	Fair Value Measurements Using:	
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	
Investments by fair value level:		
Mutual funds	\$ 126,436	\$ 126,436
Corporate equities	<u>125,836</u>	125,836
Total	<u>\$ 252,272</u>	

6. Property Taxes Receivable

The Town bills property taxes semiannually, in May and November. Property tax revenues are recognized in the year for which taxes have been levied to the extent that they become available, i.e., due or receivable, within the current year and collected within the current period or within 60 days of year-end. Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a prepaid tax liability as they are intended to finance the subsequent year's budget. At the time of the tax lien, which the Town usually places within 60 to 90 days after the due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes (redemptions) are not paid within two years and one day of the tax lien date, the property could be conveyed to the Town by deed and subsequently sold at public sale held in November of each year. The Town annually raises through tax levy an amount (overlay for abatements) for property tax abatements and interest refunds. All abatements and interest refunds are charged to overlay.

Property taxes are due on July 1 and December 1. Delinquent accounts are charged 12% interest. In March of the next year, a lien is recorded on delinquent property at the Registry of Deeds. The Town purchases all the delinquent accounts by paying the delinquent balance, recording costs, and accrued interest. The accounts that are liened by the Town will be reclassified from property taxes receivable to unredeemed tax liens receivable. After this date, delinquent accounts will be charged interest at a rate of 18%. If the unredeemed tax liens are not paid within two years and one day of the tax lien date, the property could be conveyed to the Town by deed and subsequently sold at public sale.

Taxes receivables at December 31, 2018 consist of the following:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Real estate taxes	\$ 2,544,779	\$ -	\$ 2,544,779
Tax liens	158,354	(68,153)	90,201
Elderly liens	11,273	(11,273)	-
Grand total	<u>\$ 2,714,406</u>	<u>\$ (79,426)</u>	<u>\$ 2,634,980</u>

Taxes Collected for Others

The Town collects taxes for the State of New Hampshire, the Ashland School District, the Pemi-Baker Regional School District, and the County of Grafton. Payments to the other taxing units are normally made throughout the year. The ultimate responsibility for the collection of taxes rests with the Town.

7. User Fee Receivables

Receivables for user charges and betterments at December 31, 2018 consist of the following:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Water	\$ 14,819	\$ -	\$ 14,819
Sewer	77,096	-	77,096
Electric	<u>530,189</u>	<u>(10,000)</u>	<u>520,189</u>
Total	<u>\$ 622,104</u>	<u>\$ (10,000)</u>	<u>\$ 612,104</u>

8. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2018.

9. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 19,523	\$ -
Enterprise Funds:		
Water	-	5,588
Sewer	-	13,117
Electric	<u>-</u>	<u>818</u>
Total	<u>\$ 19,523</u>	<u>\$ 19,523</u>

10. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,925,398	\$ -	\$ -	\$ 1,925,398
Equipment	432,068	277,918	-	709,986
Vehicles	1,857,682	53,500	(60,000)	1,851,182
Infrastructure	<u>23,695,664</u>	<u>-</u>	<u>-</u>	<u>23,695,664</u>
Total capital assets, being depreciated	27,910,812	331,418	(60,000)	28,182,230
Less accumulated depreciation for:				
Buildings and improvements	(1,309,854)	(54,674)	-	(1,364,528)
Equipment	(284,655)	(7,891)	-	(292,546)
Vehicles	(1,185,190)	(144,592)	60,000	(1,269,782)
Infrastructure	<u>(16,734,729)</u>	<u>(437,362)</u>	<u>-</u>	<u>(17,172,091)</u>
Total accumulated depreciation	<u>(19,514,428)</u>	<u>(644,519)</u>	<u>60,000</u>	<u>(20,098,947)</u>
Total capital assets, being depreciated, net	8,396,384	(313,101)	-	8,083,283
Capital assets, not being depreciated:				
Land	1,447,656	-	-	1,447,656
Construction in progress	<u>14,625</u>	<u>31,800</u>	<u>(14,625)</u>	<u>31,800</u>
Total capital assets, not being depreciated	<u>1,462,281</u>	<u>31,800</u>	<u>(14,625)</u>	<u>1,479,456</u>
Governmental activities capital assets, net	<u>\$ 9,858,665</u>	<u>\$ (281,301)</u>	<u>\$ (14,625)</u>	<u>\$ 9,562,739</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Distribution mains	\$ 1,185,846	\$ -	\$ -	\$ 1,185,846
Services	781,986	-	-	781,986
Structures and equipment	5,786,734	161,433	(133,662)	5,814,505
Systems improvements	5,324,234	-	-	5,324,234
North Ashland road expansion	2,326,340	-	-	2,326,340
Intangible property	<u>967,915</u>	<u>-</u>	<u>-</u>	<u>967,915</u>
Total capital assets, being depreciated	16,373,055	161,433	(133,662)	16,400,826
Less accumulated depreciation for:	<u>(9,571,775)</u>	<u>(369,776)</u>	<u>133,662</u>	<u>(9,807,889)</u>
Total accumulated depreciation	<u>(9,571,775)</u>	<u>(369,776)</u>	<u>133,662</u>	<u>(9,807,889)</u>
Total capital assets, being depreciated, net	6,801,280	(208,343)	-	6,592,937
Capital assets, not being depreciated:				
Land	21,440	-	-	21,440
Construction in progress	<u>237,028</u>	<u>532,935</u>	<u>(161,433)</u>	<u>608,530</u>
Total capital assets, not being depreciated	<u>258,468</u>	<u>532,935</u>	<u>(161,433)</u>	<u>629,970</u>
Business-type activities capital assets, net	<u>\$ 7,059,748</u>	<u>\$ 324,592</u>	<u>\$ (161,433)</u>	<u>\$ 7,222,907</u>

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

Governmental Activities:	
General government	\$ 6,924
Public safety	124,367
Highways and streets	486,142
Sanitation	4,160
Culture and recreation	<u>22,926</u>
Total depreciation expense - governmental activities	<u>\$ 644,519</u>
Business-Type Activities:	
Water	\$ 150,757
Sewer	115,538
Electric	<u>103,481</u>
Total depreciation expense - business-type activities	<u>\$ 369,776</u>

11. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent 2018 expenditures paid in 2019.

13. Notes Payable

The Town had the following note outstanding as of December 31, 2018:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 12/31/18</u>
Town Tax Anticipation Note	3.41%	11/05/18	01/31/19	\$ <u>1,000,000</u>
Total				\$ <u>1,000,000</u>

The following summarizes activity in notes payable during 2018:

<u>Purpose</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Town Tax Anticipation Note	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Total	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000

14. Capital Lease Obligations

The Town is the lessee of certain equipment under capital and operating leases expiring in various years through 2022. Future minimum lease payments under the capital and operating leases consisted of the following as of December 31, 2018:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2019	\$ 139,243
2020	134,931
2021	231,371
2022	<u>27,141</u>
Total payments	532,686
Less amounts representing interest	<u>37,316</u>
Present Value of Minimum Lease Payments	\$ <u>495,370</u>

15. Long-Term Debt

A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities and municipal revenue bonds have been issued for business-type activities. General obligation bonds and municipal revenue bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 12/31/18</u>
Water System	09/10/27	4.50%	\$ 108,745
Water	07/16/26	4.50%	513,972
River St Improvement R1/R2	08/15/29	2.0-5.0%	<u>702,000</u>
Total Governmental Activities:			\$ <u>1,324,717</u>

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 12/31/18</u>
Electric:			
North Ashland Road Expansion	05/15/20	2.50%	\$ <u>199,992</u>
Total Business-Type Activities:			\$ <u><u>199,992</u></u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of December 31, 2018 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 129,330	\$ 54,486	\$ 183,816
2020	129,330	50,380	179,710
2021	131,330	45,213	176,543
2022	133,330	39,969	173,299
2023	136,330	34,643	170,973
2024 - 2028	587,067	84,790	671,857
2029	<u>78,000</u>	<u>3,900</u>	<u>81,900</u>
Total	<u>\$ 1,324,717</u>	<u>\$ 313,381</u>	<u>\$ 1,638,098</u>

The general fund has been designated as the sources to repay the governmental-type general obligation long-term debt outstanding as of December 31, 2018.

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 141,422	\$ 3,386	\$ 144,808
2020	<u>58,570</u>	<u>338</u>	<u>58,908</u>
Total	<u>\$ 199,992</u>	<u>\$ 3,724</u>	<u>\$ 203,716</u>

C. Changes in General Long-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in long-term liabilities:

	Total Balance 1/1/18	Additions	Reductions	Total Balance 12/31/18	Less Current Portion	Equals Long-Term Portion 12/31/18
<u>Governmental Activities</u>						
Bonds payable	\$ 1,451,048	\$ -	\$ (126,331)	\$ 1,324,717	\$ (129,330)	\$ 1,195,387
Net pension liability	1,395,669	-	(60,345)	1,335,324	-	1,335,324
Net OPEB liability	302,160	-	4,539	306,699	-	306,699
Other:						
Landfill liability	129,000	-	(11,000)	118,000	(11,000)	107,000
Compensated absences	43,771	4,096	-	47,867	(4,787)	43,080
Capital leases	448,716	193,193	(146,539)	495,370	(123,075)	372,295
Unamortized premium	72,756	-	(6,063)	66,693	(6,063)	60,630
Subtotal - other	694,243	197,289	(163,602)	727,930	(144,925)	583,005
Totals	\$ <u>3,843,120</u>	\$ <u>197,289</u>	\$ <u>(345,739)</u>	\$ <u>3,694,670</u>	\$ <u>(274,255)</u>	\$ <u>3,420,415</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 337,924	\$ -	\$ (137,932)	\$ 199,992	\$ (141,422)	\$ 58,570
Net pension liability	412,953	-	(40,948)	372,005	-	372,005
Totals	\$ <u>750,877</u>	\$ <u>-</u>	\$ <u>(178,880)</u>	\$ <u>571,997</u>	\$ <u>(141,422)</u>	\$ <u>430,575</u>

16. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$118,000 reported as landfill postclosure care liability at December 31, 2018 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in 2018. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

17. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

18. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The Town has implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at December 31, 2018:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved at Town Meeting, capital reserve funds, and various special revenue funds.

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, and surplus set aside to be used in the subsequent year's budget.

Unassigned - Represents amounts that are available to be spent in future periods and general stabilization fund and deficit funds.

Following is a breakdown of the Town's fund balances at December 31, 2018:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Prepaid expenditures	\$ 4,048	\$ -	\$ 4,048
Nonexpendable permanent funds	<u>-</u>	<u>54,985</u>	<u>54,985</u>
Total Nonexpendable	4,048	54,985	59,033
Restricted			
Special revenue funds	-	86,693	86,693
Expendable permanent funds	<u>-</u>	<u>127,150</u>	<u>127,150</u>
Total Restricted	-	213,843	213,843
Committed			
Capital reserve funds	<u>921,823</u>	<u>-</u>	<u>921,823</u>
Total Committed	921,823	-	921,823
Assigned			
Encumbrances	<u>12,334</u>	<u>-</u>	<u>12,334</u>
Total Assigned	12,334	-	12,334
Unassigned			
Unassigned	<u>500,055</u>	<u>-</u>	<u>500,055</u>
Total Unassigned	<u>500,055</u>	<u>-</u>	<u>500,055</u>
Total Fund Balance	<u>\$ 1,438,260</u>	<u>\$ 268,828</u>	<u>\$ 1,707,088</u>

19. General Fund Unassigned Fund Balance

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how undesignated fund balance is reported in accordance with the budgetary basis for reporting for the State of New Hampshire for tax rate setting purposes. The major difference is the State of New Hampshire considers revenues in connection with property tax receivables to be available to liquidate liabilities when billed rather than received.

The following summarizes the specific differences between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 500,055
Unavailable revenue	524,838
Allowance for doubtful accounts	(79,426)
Other	<u>15,561</u>
Tax Rate Setting Balance	<u>\$ 961,028</u>

20. Retirement System

The Town follows the provisions of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost-sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The 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 of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

B. Benefits Provided

Group 1 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 a 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:

<u>Years of creditable service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 3 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	12	2.2%
Less than 4 years	49	24	2.1%

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers 11.55% for police and 11.80% for fire. The Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.08% to 27.79% of covered compensation. The Town's and Electric's contributions to NHRS for the year ended December 31, 2018 were \$124,250, and \$33,840, respectively, which were equal to its annual required contribution.

D. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Town and Electric reported a liability of \$1,335,324 and \$372,005, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The Town's and Electric's proportion of the net pension liability was based on a projection of the Town's and Electric's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Town's and Electric's proportion were .02773142 and .00772564 percent, respectively.

For the year ended December 31, 2018, the Town and Electric recognized pension expense of \$137,023 and \$26,365, respectively. In addition, the Town and Electric reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,627	\$ 13,824
Changes of assumptions	118,156	-
Net difference between projected and actual earnings on pension plan investments	-	39,510
Changes in proportion and differences between contributions and proportionate share of contributions	28,391	72,731
Contributions subsequent to the measurement date	<u>80,661</u>	<u>-</u>
Total	<u>\$ 240,835</u>	<u>\$ 126,065</u>

The \$80,661 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 59,022
2020	34,496
2021	(43,242)
2022	<u>(16,167)</u>
Total	<u>\$ 34,109</u>

F. Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent per year
Salary increases	5.6 percent average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments 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 rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage	Weighted Average Average Long-Term Expected Real Rate of Return
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	7.50	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.50%
Emerging Int'l Equities	7.00	6.00%
Total international equities	20.00	
Core Bonds	4.50	0.50%
Short Duration	2.50	-0.25%
Global Multi-Sector Fixed Income	11.00	1.80%
Absolute Return Fixed Income	7.00	1.14%
Total fixed income	25.00	
Private equity	5.00	6.25%
Private debt	5.00	4.25%
Opportunistic	5.00	2.15%
Real estate	10.00	3.25%
Total alternative investments	25.00	
Total	100.00 %	

G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the 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 and 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's and Electric's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Town's and Electric's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
\$ 2,271,616	\$ 1,707,329	\$ 1,234,440

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

21. Other Post-Employment Benefits (GASB 75)

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

A. Town OPEB Plan

All the following OPEB disclosures are based on a measurement date of December 31, 2018.

General Information about the OPEB Plan

Plan Description

The Town indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the Town who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the Town's healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the Town pays for the retirees.

The Town's OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Plan Membership

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	5
Active employees	<u>11</u>
Total	<u><u>16</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the alternative method as of as of December 31, 2018, in accordance with the parameters of GASB Statement No. 75. Alternative measurement method valuations of an ongoing plan are allowed for a sole employer with fewer than one hundred total plan members and involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future, similar to broad measurement steps as would be used by an actuarial valuation for plans whose members exceed one hundred. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The alternative measurement method used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent per year
Salary increases	5.6 percent average, including inflation
Discount rate	3.71 percent
Healthcare cost trend rates	8.5 percent for 2018, fluctuating 0.5 percent per year to an ultimate rate of 4.5 percent for 2026 and later years
Retirees' share of benefit-related costs	100 percent

The discount rate was based on the Fidelity General Obligation AA 20 Year Bond at December 31, 2018.

Mortality rates were based on the mortality tables at the National Center for Health Statistics. The 2014 United States Life Tables for Males and Females were used.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.71%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The Town's total OPEB liability of \$173,867 was measured as of December 31, 2018, and was determined by the alternative method as of December 31, 2018.

Changes in the Total OPEB Liability

	Total OPEB <u>Liability</u>
Balances, beginning of year	\$ 210,968
Changes for the year:	
Service cost	16,108
Interest	6,450
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(42,989)
Benefit payments	<u>(16,670)</u>
Net Changes	<u>(37,101)</u>
Balances, end of year	\$ <u><u>173,867</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.31 percent in 2017 to 3.71 percent in 2018. All other assumptions were the same as those used in the previous measurement.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease (2.71%)	Current Discount Rate (3.71%)	1% Increase (4.71%)
\$ 207,276	\$ 173,867	\$ 147,558

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease <u>(7.5%)</u>	Current Healthcare Cost Trend Rates (8.5%)	1% Increase <u>(9.5%)</u>
\$ 164,063	\$ 173,867	\$ 184,412

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Town recognized an OPEB expense of \$29,458. At December 31, 2018, the Town did not have any deferred outflows or inflows of resources related to the Total OPEB liability.

B. New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed above, the Town participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

1 Person - \$375.56
 2 Person - \$751.12
 1 Person Medicare Supplement - \$236.84
 2 person Medicare Supplement - \$473.68

Actuarial Assumptions and Other Inputs

The Town's proportionate share of the NHRS Medical Subsidy as of December 31, 2018 is based upon an actuarial valuation performed as of June 30, 2017 (rolled forward to June 30, 2018) using a measurement date of June 30, 2018. The actuarial valuation used the following actuarial assumptions:

Price inflation	2.50%
Wage inflation	3.25%
Salary increases	5.60%
Investment rate of return	7.25%
Discount rate	7.25%

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study.

Net OPEB Liability, Expense, and Deferred Outflows and Inflows

The Town's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2018 was \$132,832.

For the year ended December 31, 2018, the Town recognized OPEB expense related to the NHRS Medical Subsidy of \$45,100. At December 31, 2018, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 780	\$ -
Changes in proportion	8,825	-
Net difference between projected and actual OPEB investment earnings	-	422
Contributions subsequent to the measurement date	<u>13,685</u>	<u>-</u>
Total	<u>\$ 23,290</u>	<u>\$ 422</u>

The \$13,685 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the year will be included as a reduction of the net OPEB liability in the year ending December 31, 2019.

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

<u>Year Ended June 30:</u>	
2019	\$ 9,473
2020	(132)
2021	(132)
2022	<u>(26)</u>
Total	\$ <u>9,183</u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
\$ 138,252	\$ 132,832	\$ 117,649

C. Consolidation of Total/Net OPEB Liabilities and Related Deferred Outflows and Inflows

The following consolidates the Town's total OPEB liability and related deferred outflows/inflows, and the Town's proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at December 31, 2018:

	<u>Total/Net OPEB Liability</u>	<u>Total Deferred Outflows of Resources</u>	<u>Total Deferred Inflows of Resources</u>
Town OPEB Plan	\$ 173,867	\$ -	\$ -
Proportionate share of NHRS Medical Subsidy Plan	<u>132,832</u>	<u>23,290</u>	<u>422</u>
Total	\$ <u>306,699</u>	\$ <u>23,290</u>	\$ <u>422</u>

22. Commitments and Contingencies

Outstanding Legal Issues - On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

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

23. Beginning Net Position Restatement

The beginning (January 1, 2018) net position of the Town has been restated as follows:

Government-Wide Financial Statements:

	<u>Governmental Activities</u>
As previously reported	\$ 8,008,670
Implementation of GASB 75 OPEB	<u>423,637</u>
As restated	<u><u>\$ 8,432,307</u></u>

TOWN OF ASHLAND, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (GASB 68)
DECEMBER 31, 2018
(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
December 31, 2018	June 30, 2018	0.03545706%	\$ 1,707,329	\$ 1,017,642	167.77%	64.73%
December 31, 2017	June 30, 2017	0.03677561%	\$ 1,808,622	\$ 936,569	193.11%	62.66%
December 31, 2016	June 30, 2016	0.03627607%	\$ 1,929,014	\$ 913,258	211.22%	58.30%
December 31, 2015	June 30, 2015	0.03729449%	\$ 1,477,435	\$ 899,469	164.26%	65.50%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

**TOWN OF ASHLAND, NEW HAMPSHIRE
SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)**

**DECEMBER 31, 2018
(Unaudited)**

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	Contributions in Relation to the <u>Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2018	June 30, 2018	\$ 158,090	\$ 158,090	\$ -	\$ 1,038,045	15.23%
December 31, 2017	June 30, 2017	\$ 142,481	\$ 142,481	\$ -	\$ 938,671	15.18%
December 31, 2016	June 30, 2016	\$ 130,052	\$ 130,052	\$ -	\$ 908,428	14.32%
December 31, 2015	June 30, 2015	\$ 120,376	\$ 120,376	\$ -	\$ 881,078	13.66%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

TOWN OF ASHLAND, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (GASB 75)
DECEMBER 31, 2018
(Unaudited)

New Hampshire Retirement System Medical Subsidy

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Net OPEB Liability</u>
December 31, 2018	June 30, 2018	0.02901229%	\$ 132,832	\$ 1,017,642	13.05%	7.53%
December 31, 2017	June 30, 2017	0.01994429%	\$ 91,192	\$ 936,569	9.74%	7.91%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

**TOWN OF ASHLAND, NEW HAMPSHIRE
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Schedules of Changes in the Total OPEB Liability and Contributions (GASB 75)

(Unaudited)

Changes in Total OPEB Liability

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 16,108
Interest on unfunded liability - time value of money	6,450
Changes of assumptions	(42,989)
Benefit payments, including refunds of member contributions	<u>(16,670)</u>
Net change in total OPEB liability	(37,101)
Total OPEB liability - beginning	<u>210,968</u>
Total OPEB liability - ending	<u><u>\$ 173,867</u></u>

Does not include New Hampshire Retirement System Medical Subsidy.

Schedule of Contributions

	<u>2018</u>
Actuarially determined contribution	\$ 16,670 *
Contributions in relation to the actuarially determined contribution	<u>16,670</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>

*Includes only the implicit subsidy and not an amount required to fully fund the plan overtime.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions and Independent Auditors' Report.

TOWN OF ASHLAND, NEW HAMPSHIRE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2018

	<u>Scribner Library</u>	<u>Ashland Community Day</u>	<u>Playground</u>	<u>DARE</u>	<u>Conservation Commission</u>	<u>Fourth of July</u>	<u>Fire Apparatus</u>	<u>Permanent Fund</u>	<u>Total</u>
ASSETS									
Cash and short-term investments	\$ 24,212	\$ 148	\$ 746	\$ 220	\$ 7,322	\$ 29,838	\$ 24,207	\$ 4,090	\$ 90,783
Investments	-	-	-	-	-	-	-	178,045	178,045
Total Assets	<u>\$ 24,212</u>	<u>\$ 148</u>	<u>\$ 746</u>	<u>\$ 220</u>	<u>\$ 7,322</u>	<u>\$ 29,838</u>	<u>\$ 24,207</u>	<u>\$ 182,135</u>	<u>\$ 268,828</u>
Fund Balances:									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,985	\$ 54,985
Restricted	<u>24,212</u>	<u>148</u>	<u>746</u>	<u>220</u>	<u>7,322</u>	<u>29,838</u>	<u>24,207</u>	<u>127,150</u>	<u>213,843</u>
Total Fund Balances	<u>24,212</u>	<u>148</u>	<u>746</u>	<u>220</u>	<u>7,322</u>	<u>29,838</u>	<u>24,207</u>	<u>182,135</u>	<u>268,828</u>
Total Liabilities and Fund Balances	<u>\$ 24,212</u>	<u>\$ 148</u>	<u>\$ 746</u>	<u>\$ 220</u>	<u>\$ 7,322</u>	<u>\$ 29,838</u>	<u>\$ 24,207</u>	<u>\$ 182,135</u>	<u>\$ 268,828</u>

See Independent Auditors' Report

TOWN OF ASHLAND, NEW HAMPSHIRE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Scribner Library</u>	<u>Ashland Community Day</u>	<u>Playground</u>	<u>DARE</u>	<u>Conservation Commission</u>	<u>Fourth of July</u>	<u>Fire Apparatus</u>	<u>Permanent Fund</u>	<u>Total</u>
Revenues:									
Charges for services	\$ 1,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,851
Contributions	1,882	-	-	-	-	23,694	-	2,725	28,301
Miscellaneous	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215</u>
Total Revenues	3,948	-	-	-	-	23,694	-	2,725	30,367
Expenditures:									
Current:									
Culture and recreation	<u>171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,631</u>	<u>-</u>	<u>28,015</u>	<u>49,817</u>
Total Expenditures	<u>171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,631</u>	<u>-</u>	<u>28,015</u>	<u>49,817</u>
Net change in fund balances	3,777	-	-	-	-	2,063	-	(25,290)	(19,450)
Fund Balances, beginning of year	<u>20,435</u>	<u>148</u>	<u>746</u>	<u>220</u>	<u>7,322</u>	<u>27,775</u>	<u>24,207</u>	<u>207,425</u>	<u>288,278</u>
Fund Balances, end of year	<u>\$ 24,212</u>	<u>\$ 148</u>	<u>\$ 746</u>	<u>\$ 220</u>	<u>\$ 7,322</u>	<u>\$ 29,838</u>	<u>\$ 24,207</u>	<u>\$ 182,135</u>	<u>\$ 268,828</u>

See Independent Auditors' Report