

**VILLAGE DISTRICT OF EIDELWEISS**  
**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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# PLODZIK & SANDERSON

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## *INDEPENDENT AUDITOR'S REPORT*

To the Members of the Board of Commissioners  
Village District of Eidelweiss  
Madison, New Hampshire

We have audited the accompanying financial statements of the governmental activities and each major fund of the Village District of Eidelweiss as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Water Fund	Unmodified
Capital Project Fund	Unmodified

### *Basis for Adverse Opinion on Governmental Activities*

As discussed in Note 12-B to the financial statements, management has not recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits for the single employer plan in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

*Village District of Eidelweiss  
Independent Auditor's Report*

***Adverse Opinion***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the government-wide financial statements of the Village District of Eidelweiss as of December 31, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Village District of Eidelweiss as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the major general and water funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

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

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

- Schedule of the District's Proportionate Share of Net Pension Liability,
- Schedule of District Contributions – Pensions,
- Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of District Contributions – Other Postemployment Benefits,
- Notes to the Required Supplementary Information

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

**Other Information** - Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village District of Eidelweiss's basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

April 25, 2022

*Plodzik & Sanderson  
Professional Association*

***BASIC FINANCIAL STATEMENTS***

**EXHIBIT A**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Statement of Net Position*  
*December 31, 2020*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 175,684
Account receivables, net	15,768
Intergovernmental receivable	580,076
Prepaid items	25,551
Capital assets:	
Land	289,527
Other capital assets, net of depreciation	3,270,510
Total assets	4,357,116
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	170,641
Amounts related to other postemployment benefits	180
Total deferred outflows of resources	170,821
<b>LIABILITIES</b>	
Accounts payable	12,561
Accrued salaries and benefits	8,025
Retainage payable	41,365
Accrued interest payable	15,866
Long-term liabilities:	
Due within one year	132,448
Due in more than one year	1,563,604
Total liabilities	1,773,869
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Amounts related to pensions	6,050
Amounts related to other postemployment benefits	107
Total deferred inflows of resources	6,157
<b>NET POSITION</b>	
Net investment in capital assets	2,492,990
Restricted	73,855
Unrestricted	181,066
Total net position	\$ 2,747,911

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

**EXHIBIT B**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Statement of Activities*  
For the Fiscal Year Ended December 31, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Capital Grants and Contributions	
General government	\$ 255,745	\$ -	\$ -	\$ (255,745)
Public safety	1,288	-	-	(1,288)
Highways and streets	335,100	-	-	(335,100)
Water distribution and treatment	173,983	197,635	262,276	285,928
Culture and recreation	4,723	-	-	(4,723)
Interest on long-term debt	25,286	-	-	(25,286)
Total governmental activities	<u>\$ 796,125</u>	<u>\$ 197,635</u>	<u>\$ 262,276</u>	<u>(336,214)</u>
General revenues:				
Taxes:				
Property				608,011
Licenses and other fees				50,450
Unrestricted investment earnings				932
Miscellaneous				17,649
Total general revenues				<u>677,042</u>
Change in net position				340,828
Net position, beginning, as restated (see Note 16)				2,407,083
Net position, ending				<u>\$ 2,747,911</u>

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

**EXHIBIT C-1**  
**VILLAGE DISTRICT OF EIDELWEISS**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2020**

	General	Water	Reinach Tank Capital Project	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 92,887	\$ 39,513	\$ 43,284	\$ 175,684
Receivables, net of allowance for uncollectible:				
Accounts receivable	-	15,768	-	15,768
Intergovernmental receivable	320,148	172,992	86,936	580,076
Interfund receivable	15,000	1,779	-	16,779
Prepaid items	25,551	-	-	25,551
Total assets	<u>\$ 453,586</u>	<u>\$ 230,052</u>	<u>\$ 130,220</u>	<u>\$ 813,858</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 12,561	\$ -	\$ -	\$ 12,561
Accrued salaries and benefits	8,025	-	-	8,025
Retainage payable	-	-	41,365	41,365
Interfund payable	1,779	-	15,000	16,779
Total liabilities	<u>22,365</u>	<u>-</u>	<u>56,365</u>	<u>78,730</u>
<b>FUND BALANCES</b>				
Nonspendable	25,551	-	-	25,551
Restricted	-	-	73,855	73,855
Committed	91,962	230,052	-	322,014
Unassigned	313,708	-	-	313,708
Total fund balances	<u>431,221</u>	<u>230,052</u>	<u>73,855</u>	<u>735,128</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 453,586</u>	<u>\$ 230,052</u>	<u>\$ 130,220</u>	<u>\$ 813,858</u>

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



**EXHIBIT C-2**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position*  
*December 31, 2020*

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

Total fund balances of governmental funds (Exhibit C-1)		\$ 735,128
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 4,458,220	
Less accumulated depreciation	<u>(898,183)</u>	
		3,560,037
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 170,641	
Deferred inflows of resources related to pensions	(6,050)	
Deferred outflows of resources related to OPEB	180	
Deferred inflows of resources related to OPEB	<u>(107)</u>	
		164,664
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (16,779)	
Payables	<u>16,779</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(15,866)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds/notes	\$ 1,094,854	
Unamortized bond premium	134,800	
Capital lease	82,686	
Net pension liability	380,148	
Other postemployment benefits	<u>3,564</u>	
		<u>(1,696,052)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 2,747,911</u></u>

**EXHIBIT C-3**  
**VILLAGE DISTRICT OF EIDELWEISS**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2020**

	General	Water Fund	Reinach Tank Capital Project	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 608,011	\$ -	\$ -	\$ 608,011
Intergovernmental	-	-	262,276	262,276
Charges for services	2,450	245,635	-	248,085
Miscellaneous	17,816	747	18	18,581
Total revenues	<u>628,277</u>	<u>246,382</u>	<u>262,294</u>	<u>1,136,953</u>
<b>EXPENDITURES</b>				
Current:				
General government	178,709	-	-	178,709
Highways and streets	232,277	-	-	232,277
Water distribution and treatment	-	145,388	-	145,388
Culture and recreation	4,723	-	-	4,723
Debt service:				
Principal	60,741	3,946	-	64,687
Interest	6,143	5,123	1,629	12,895
Capital outlay	144,606	64,446	1,056,210	1,265,262
Total expenditures	<u>627,199</u>	<u>218,903</u>	<u>1,057,839</u>	<u>1,903,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,078</u>	<u>27,479</u>	<u>(795,545)</u>	<u>(766,988)</u>
<b>OTHER FINANCING SOURCES</b>				
Bond/note proceeds	108,000	21,642	869,400	999,042
Net change in fund balances	109,078	49,121	73,855	232,054
Fund balances, beginning, as restated (see Note 16)	322,143	180,931	-	503,074
Fund balances, ending	<u>\$ 431,221</u>	<u>\$ 230,052</u>	<u>\$ 73,855</u>	<u>\$ 735,128</u>

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

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

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances of governmental funds (Exhibit C-3)		\$ 232,054
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capitalized capital outlay	\$ 1,289,304	
Depreciation expense	<u>(159,538)</u>	
		1,129,766
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Proceeds of debt	\$ (864,242)	
Bond premium on new issuance	(134,800)	
Repayment of bond principal	38,710	
Repayment of capital lease	<u>25,977</u>	
		(934,355)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	\$ (12,391)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(75,142)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>896</u>	
		(86,637)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 340,828</u>

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

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 637,433	\$ 608,011	\$ (29,422)
Licenses and permits	465	-	(465)
Charges for services	-	2,450	2,450
Miscellaneous	-	17,676	17,676
Total revenues	<u>637,898</u>	<u>628,137</u>	<u>(9,761)</u>
<b>EXPENDITURES</b>			
Current:			
General government	185,133	178,709	6,424
Highways and streets	280,650	237,277	43,373
Culture and recreation	5,000	4,723	277
Debt service:			
Principal	87,000	60,741	26,259
Interest	32,962	6,143	26,819
Capital outlay	125,153	142,464	(17,311)
Total expenditures	<u>715,898</u>	<u>630,057</u>	<u>85,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,000)</u>	<u>(1,920)</u>	<u>76,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(30,000)	-	30,000
Bond/note proceeds	108,000	108,000	-
Total other financing sources (uses)	<u>78,000</u>	<u>108,000</u>	<u>30,000</u>
Net change in fund balances	<u>\$ -</u>	106,080	<u>\$ 106,080</u>
Decrease in nonspendable fund balance		1,828	
Unassigned fund balance, beginning, as restated (see Note 16)		205,800	
Unassigned fund balance, ending		<u>\$ 313,708</u>	

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

**EXHIBIT D-2**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual (Non-GAAP Budgetary Basis)*  
**Water Fund**  
*For the Fiscal Year Ended December 31, 2020*

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 170,915	\$ 197,635	\$ 26,720
<b>EXPENDITURES</b>			
Current:			
Water distribution and treatment	170,915	145,388	25,527
Debt service:			
Principal	-	3,946	(3,946)
Interest	-	5,123	(5,123)
Capital outlay	-	64,446	(64,446)
Total expenditures	<u>170,915</u>	<u>218,903</u>	<u>(47,988)</u>
Deficiency of revenues under expenditures	-	(21,268)	(47,988)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	48,000	48,000
Note proceeds	-	21,642	21,642
Total other financing sources (uses)	<u>-</u>	<u>69,642</u>	<u>69,642</u>
Net change in fund balances	<u>\$ -</u>	<u>48,374</u>	<u>\$ 21,654</u>
Committed fund balance, beginning, as restated (see Note 16)		<u>23,369</u>	
Committed fund balance, ending		<u>\$ 71,743</u>	

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

**VILLAGE DISTRICT OF EIDELWEISS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

	<u>NOTE</u>
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**VILLAGE DISTRICT OF EIDELWEISS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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

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

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

***1-A Reporting Entity***

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

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

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

***Government-wide Financial Statements*** – The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position, with the exception of the long-term costs of retirement healthcare and obligations for other postemployment benefits of the District's single employer plan have also been omitted because the liability and expense have not been determined. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. As in the Statement of Net Position the District has not recorded depreciation expense nor other postemployment benefit expense of the District's single employer plan in this statement. The types of transactions reported as program revenues for the District are reported in two categories: 1) charges for services and 2) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

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

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

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

**Water Fund** – accounts for the activities related to the operation of the water treatment plant, wells, and water system. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the water expendable trust funds are consolidated in the water fund.

Additionally, the District reports the following fund type:

**Capital Projects Funds** – are used to account for the financial resources and activities relating to the Reinach Tank construction project.

***1-C Cash and Cash Equivalents***

The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts.

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

***1-D Receivables***

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

***1-E Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

***1-F Capital Assets***

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (i.e., easements) which are reported in the government-wide financial statements. The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund’s measurement focus. General capital assets are assets of the District as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

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



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

<b>Capital Asset Classes:</b>	<u>Years</u>
Buildings and building improvements	10 - 100
Machinery, vehicles, and equipment	5 - 30
Infrastructure	10 - 100

***1-G Interfund Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

***1-H Accounts Payable***

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

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

*Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then.

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

***1-J Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

***1-K Defined Benefit Pension Plan***

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

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

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

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

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

***Single Employer Plan*** – The District maintains a single employer plan but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with Government Accounting Standards Board Statement No. 75.

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

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

**Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

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

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

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

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

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

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

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

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

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

**1-N Use of Estimates**

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

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

**2-A Budgetary Information**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the District's operations. At its annual meeting, the District adopts a budget for the current year for the major general and water funds. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

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

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2020, none of the beginning general fund unassigned fund balance was applied for this purpose.

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

While the District reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for each major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund and water fund are as follows:

<b>General Fund:</b>	
Revenues and other financing sources:	
Per Exhibit D-1 (budgetary basis)	\$ 736,137
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record revenue of the blended funds	140
Per Exhibit C-3 (GAAP basis)	<u>\$ 736,277</u>
	<i>(continued)</i>

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*Budgetary reconciliation to GAAP Basis continued:*

Expenditures:	
Per Exhibit D-1 (budgetary basis)	\$ 630,057
Adjustment:	
Basis difference:	
Encumbrances, beginning	61,284
Encumbrances, ending	(64,142)
Per Exhibit C-3 (GAAP basis)	<u>\$ 627,199</u>
<b>Water Fund:</b>	
Revenues and other financing sources:	
Per Exhibit D-2 (budgetary basis)	\$ 267,277
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record revenue of the blended funds	48,747
To eliminate transfers between blended funds	(48,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 268,024</u>

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the District's agent in the District's name. The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the District's deposits was \$175,684 and the bank balances totaled \$235,403.

**NOTE 4 – OTHER RECEIVABLES**

Receivables at December 31, 2020, consisted of accounts (water and other user charges) and intergovernmental amounts arising from grants and expendable trust funds in the custody of the Town of Madison Trustees of Trust Funds. Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

	General Fund	Water Fund	Capital Project Fund	Total
Receivables:				
Accounts	\$ -	\$ 19,768	\$ -	\$ 19,768
Intergovernmental	320,148	172,992	86,936	580,076
Gross receivables	320,148	192,760	86,936	599,844
Less: allowance for uncollectibles	-	(4,000)	-	(4,000)
Net total receivables	<u>\$ 320,148</u>	<u>\$ 188,760</u>	<u>\$ 86,936</u>	<u>\$ 595,844</u>

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**NOTE 5 – PREPAID ITEMS**

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

	Governmental Activities (Exhibit A)	Governmental Funds (Exhibit C-1)
Insurance	\$ 25,349	\$ 25,349
Dues	110	110
Other	92	92
Total	<u>\$ 25,551</u>	<u>\$ 25,551</u>

**NOTE 6 – CAPITAL ASSETS**

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

	Balance, beginning (as restated)	Additions	Balance, ending
At cost:			
Not being depreciated:			
Land	\$ 289,527	\$ -	\$ 289,527
Being depreciated:			
Buildings and building improvements	378,000	17,648	395,648
Machinery, vehicles, and equipment	667,704	101,000	768,704
Infrastructure	1,833,685	1,170,656	3,004,341
Total capital assets being depreciated	<u>2,879,389</u>	<u>1,289,304</u>	<u>4,168,693</u>
Total all capital assets	<u>3,168,916</u>	<u>1,289,304</u>	<u>4,458,220</u>
Less accumulated depreciation:			
Buildings and building improvements	(83,770)	(8,298)	(92,068)
Machinery, vehicles, and equipment	(115,625)	(40,241)	(155,866)
Infrastructure	(539,250)	(110,999)	(650,249)
Total accumulated depreciation	<u>(738,645)</u>	<u>(159,538)</u>	<u>(898,183)</u>
Net book value, capital assets being depreciated	<u>2,140,744</u>	<u>1,129,766</u>	<u>3,270,510</u>
Net book value, all governmental activities capital assets	<u>\$2,430,271</u>	<u>\$1,129,766</u>	<u>\$3,560,037</u>

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

General government	\$ 2,790
Public safety	1,288
Highways and streets	126,865
Water treatment and distribution	28,595
Total depreciation expense	<u>\$ 159,538</u>

**NOTE 7 – INTERFUND BALANCES**

The composition of interfund balances as of December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General	Reinach Tank Capital Project	\$ 15,000
Water	General	1,779
		<u>\$ 16,779</u>

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

**NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources are as follows:

	Government- wide
Amounts related to pensions, see Note 11	\$ 170,641
Amounts related to OPEB, see Note 12	180
Total deferred inflows of resources	\$ 170,821

Deferred inflows of resources are as follows:

	Government- wide
Amounts related to pensions, see Note 11	\$ 6,050
Amounts related to OPEB, see Note 12	107
Total deferred inflows of resources	\$ 6,157

**NOTE 9 – CAPITAL LEASE**

The District has entered into a capital lease agreement under which the related equipment will become the property of the District when all the terms of the lease agreement is met.

	Standard Interest Rate	Present Value of Remaining Payments as of December 31, 2020
Capital lease obligations:		
2014 Grader	2.99%	\$ 82,686

Leased equipment under the capital lease, included in capital assets, is as follows:

	Governmental Activities
Equipment:	
Grader	\$ 281,890
Less: accumulated depreciation	65,774
Total capital lease equipment	\$ 216,116

The annual requirements to amortize the capital lease payable as of December 31, 2020, including interest payments, are as follows:

Fiscal Year Ending December 31,	Governmental Activities
2021	\$ 29,226
2022	29,226
2023	29,226
Total requirements	87,678
Less: interest	4,992
Present value of remaining payments	\$ 82,686

Amortization of lease equipment under capital assets is included with depreciation expense.

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**NOTE 10 – LONG-TERM LIABILITIES**

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

	Balance January 1, 2020 (as restated)	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Bonds/notes payable:					
General obligation bonds and notes payable	\$ 269,322	\$ 864,242	\$ (38,710)	\$ 1,094,854	\$ 96,707
Premium	-	134,800	-	134,800	8,987
Total bonds/notes payable	269,322	999,042	(38,710)	1,229,654	105,694
Capital leases	108,663	-	(25,977)	82,686	26,754
Net pension liability	185,155	194,993	-	380,148	-
Net other postemployment benefits	4,352	-	(788)	3,564	-
Total long-term liabilities	<u>\$ 567,492</u>	<u>\$ 1,194,035</u>	<u>\$ (65,475)</u>	<u>\$ 1,696,052</u>	<u>\$ 132,448</u>

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2020	Current Portion
General obligation bonds/notes payable:						
Oak Ridge	\$ 213,750	2016	2023	3.35	\$ 80,816	\$ 31,664
2019 Dodge Ram	\$ 108,000	2020	2025	2.22	108,000	20,443
Reinach Tank	\$ 734,600	2020	2035	1.35	734,600	44,600
Water tanks maintenance	\$ 171,438	2018	-	-	171,438	-
					<u>1,094,854</u>	<u>96,707</u>
Bond premium					134,800	8,987
Total					<u>\$ 1,229,654</u>	<u>\$ 105,694</u>

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

Fiscal Year Ending December 31,	Principal	Interest	Total
2021	\$ 96,707	\$ 36,600	\$ 133,307
2022	103,729	32,439	136,168
2023	88,269	28,510	116,779
2024	72,147	25,243	97,390
2025	72,564	22,278	94,842
2026-2030	250,000	70,950	320,950
2031-2035	240,000	16,805	256,805
	<u>923,416</u>	<u>\$ 232,825</u>	<u>\$ 1,156,241</u>
Plus Unamortized Debt	171,438		
Totals	<u>\$ 1,094,854</u>		

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

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**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

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

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

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

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

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

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

**Contributions** - The System is financed by contributions from both the employees and the District. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I (employee and teacher) members are required to contribute 7% of earnable compensation. For fiscal year 2020, the District contributed 10.88% for other employees. The contribution requirement for the fiscal year 2020 was \$12,406, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2020 the District reported a liability of \$380,148 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the District’s proportion was .00594338% which was an increase of .00214338% from its proportion measured as of June 30, 2019.



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For the year ended December 31, 2020, the District recognized pension expense of \$99,050. At December 31, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 93,847	\$ 1,968
Changes in assumptions	37,604	-
Net difference between projected and actual investment earnings on pension plan investments	23,513	-
Differences between expected and actual experience	10,266	4,082
Contributions subsequent to the measurement date	5,411	-
Total	\$ 170,641	\$ 6,050

The \$5,411 reported as deferred outflows of resources related to pensions results from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2021	\$ 46,737
2022	37,101
2023	38,867
2024	36,475
2025	-
Thereafter	-
Totals	\$ 159,180

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

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

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

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

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

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

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 492,136	\$ 380,148	\$ 288,638

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

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**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

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

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

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

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

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

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

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2018, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2020, the District contributed 3.66% for police and fire, and 0.29% for other employees. The contribution requirement for the fiscal year 2020 was \$331, which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – At December 31, 2020, the District reported a liability of \$3,564 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2020, the District’s proportion was .00081435% which was a decrease of .00017829% from its proportion measured as of June 30, 2019.

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For the year ended December 31, 2020, the District recognized OPEB benefit of \$373. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 97
Changes in assumptions	23	-
Differences between expected and actual experience	13	10
Contributions subsequent to the measurement date	144	-
Total	\$ 180	\$ 107

The \$144 reported as deferred outflows of resources related to OPEB results from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2021	\$ (83)
2022	4
2023	5
2024	3
2025	-
Thereafter	-
Totals	\$ (71)

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

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

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

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

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

**VILLAGE DISTRICT OF EIDELWEISS**  
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Following is a table presenting target allocations and geometric real rates of return for each asset class:

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2020	\$ 3,871	\$ 3,564	\$ 3,299

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

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

**12-B Village District of Eidelweiss Retiree Health Benefit Program**

The District provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the District’s contractual agreements.

**VILLAGE DISTRICT OF EIDELWEISS**  
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The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The District has not fully implemented GASB Statement No. 75 at December 31, 2020 or contracted with an actuarial firm to assist in evaluating the impact of this standard on the District's single employer plan. The amounts that should be recorded as the net OPEB liability and the OPEB expense for the District's single employer plan are unknown.

**NOTE 13 – ENCUMBRANCES**

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

General fund:	
Highways and streets	\$ 5,000
Debt service	59,142
Total encumbrances	<u>\$ 64,142</u>

**NOTE 14 – GOVERNMENTAL ACTIVITIES NET POSITION**

Net position reported on the government-wide Statement of Net Position at December 31, 2020 include the following:

	<u>Governmental Activities</u>
Net investment in capital assets:	
Net book value, all governmental activities capital assets	\$ 3,560,037
Less:	
General obligation bonds/notes payable (spent)	(849,561)
Unamortized bond premium	(134,800)
Capital lease payable	<u>(82,686)</u>
Total net investment in capital assets	2,492,990
Restricted net position:	
Unspent bond proceeds	<u>73,855</u>
Unrestricted	<u>181,066</u>
Total net position	<u>\$ 2,747,911</u>

**NOTE 15 – GOVERNMENTAL FUND BALANCES**

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

	<u>General Fund</u>	<u>Water Fund</u>	<u>Reinach Tank Capital Project</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>				
Prepaid items	\$ 25,551	\$ -	\$ -	\$ 25,551
<b>Restricted:</b>				
Bond proceeds	<u>-</u>	<u>-</u>	<u>73,855</u>	<u>73,855</u>

*(Continued)*

**VILLAGE DISTRICT OF EIDELWEISS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Governmental fund balances continued:

	General Fund	Water Fund	Reinach Tank Capital Project	Total Governmental Funds
<b>Committed:</b>				
Non-lapsing appropriation	64,142	-	-	64,142
Expendable trusts	27,820	158,309	-	186,129
Water department	-	71,743	-	71,743
Total committed fund balance	91,962	230,052	-	322,014
<b>Unassigned</b>	313,708	-	-	313,708
Total governmental fund balances	\$ 431,221	\$ 230,052	\$ 73,855	\$ 735,128

**NOTE 16 – PRIOR PERIOD ADJUSTMENTS**

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

	Government-wide Statements	General Fund (Exhibit C-3)	Water Fund (Exhibit C-3)	General Fund (Exhibit D-1)	Water Fund (Exhibit D-2)	Other Governmental Funds
To restate for Water funds and Expendable Trust Funds incorrectly reported as part of the general fund *	\$ -	\$ (180,931)	\$ 180,931	\$ (33,683)	\$ 23,369	\$ -
To restate for capital assets, not previously reported	18,072	-	-	-	-	-
To restate for the implementation of GASB Statement No. 75	(4,352)	-	-	-	-	-
To restate duplication of funds reported in error	(10,315)	-	-	-	-	10,315
To restate for deferred inflow, not previously reported	(8,243)	-	-	-	-	-
Net position/fund balance, as previously reported	2,411,921	503,074	-	239,483	-	(10,315)
Net position/fund balance, as restated	\$ 2,407,083	\$ 322,143	\$ 180,931	\$ 205,800	\$ 23,369	\$ -

\*A reclassification has been made to separate the fund from the District's general fund, as required by RSA 38:29, *Water Funds*.

**NOTE 17 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2020, the District was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2020 to December 31, 2020 by Primex<sup>3</sup>, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex<sup>3</sup> to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2020 the District paid \$45,105 and \$5,167 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex<sup>3</sup> foresees no likelihood of any additional assessment for this or any prior year.

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

**NOTE 18 – CONTINGENT LIABILITIES**

The District participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

**VILLAGE DISTRICT OF EIDELWEISS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 19 – COVID-19**

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

**NOTE 20 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through April 25, 2022, the date the December 31, 2020 financial statements were available to be issued, and nothing occurred that requires recognition or disclosure.



***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT E**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Schedule of the District's Proportionate Share of Net Pension Liability*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,						
	2014	2015	2016	2017	2018	2019	2020
District's:							
Proportion of the net pension liability	0.00130000%	0.00120000%	0.00240000%	0.00390000%	0.00390000%	0.00380000%	0.00594338%
Proportionate share of the net pension liability	\$ 47,515	\$ 48,142	\$ 125,352	\$ 193,636	\$ 187,546	\$ 185,155	\$ 380,148
Covered payroll	\$ 37,614	\$ 39,079	\$ 117,255	\$ 141,139	\$ 150,417	\$ 156,002	\$ 100,527
Proportionate share of the net pension liability as a percentage of its covered payroll	126.32%	123.19%	106.91%	137.20%	124.68%	118.69%	378.16%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%

**EXHIBIT F**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Schedule of District Contributions - Pensions*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 4,107	\$ 4,077	\$ 13,273	\$ 15,950	\$ 17,114	\$ 17,193	\$ 26,403
Contributions in relation to the contractually required contributions	4,107	4,077	13,273	15,950	17,114	17,193	26,403
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 37,614	\$ 39,079	\$ 117,255	\$ 141,139	\$ 150,417	\$ 156,002	\$ 100,527
Contributions as a percentage of covered payroll	10.92%	10.43%	11.32%	11.30%	11.38%	11.02%	26.26%

**VILLAGE DISTRICT OF EIDELWEISS**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
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***Schedule of the District’s Proportionate Share of Net Pension Liability and  
Schedule of District Contributions - Pensions***

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

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

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

**Other Information:**

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

	December 31,				
	2016	2017	2018	2019	2020
District's proportion of the net OPEB liability	0.00041476%	0.00069512%	0.00103769%	0.00099264%	0.00081435%
District's proportionate share of the net OPEB liability (asset)	\$ 2,008	\$ 3,178	\$ 4,753	\$ 4,352	\$ 3,564
District's covered payroll	\$ 117,255	\$ 141,139	\$ 150,417	\$ 156,002	\$ 100,527
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	1.71%	2.25%	3.16%	2.79%	3.55%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%

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

**EXHIBIT H**  
**VILLAGE DISTRICT OF EIDELWEISS**  
*Schedule of District Contributions - Other Postemployment Benefits*  
*New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan*  
*For the Fiscal Year Ended December 31, 2020*

	December 31,				
	2016	2017	2018	2019	2020
Contractually required contribution	\$ 241	\$ 412	\$ 459	\$ 453	\$ 378
Contributions in relation to the contractually required contribution	241	412	459	453	378
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 117,255	\$ 141,139	\$ 150,417	\$ 156,002	\$ 100,527
Contributions as a percentage of covered payroll	0.21%	0.29%	0.31%	0.29%	0.38%

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

**VILLAGE DISTRICT OF EIDELWEISS**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFIT LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**

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

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

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated economic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables).

**Methods and Assumptions:**

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

***INDIVIDUAL FUND SCHEDULES***



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

	<u>Estimated</u>	<u>Actual</u>	Variance Positive (Negative)
Taxes:			
Property	\$ 637,433	\$ 608,011	\$ (29,422)
Licenses, permits, and fees:			
Other	465	-	(465)
Charges for services:			
Income from departments	-	2,450	2,450
Miscellaneous:			
Interest on investments	-	27	27
Other	-	17,649	17,649
Total from miscellaneous	-	17,676	17,676
Other financing sources:			
Bond proceeds	108,000	108,000	-
Total revenues and other financing sources	<u>\$ 745,898</u>	<u>\$ 736,137</u>	<u>\$ (9,761)</u>

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

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 12,200	\$ 12,089	\$ -	\$ 111
Financial administration	-	44,603	38,000	-	6,603
Legal	-	4,250	9,008	-	(4,758)
Personnel administration	-	62,580	49,107	-	13,473
General government buildings	-	21,210	18,060	-	3,150
Insurance, not otherwise allocated	-	38,250	49,862	-	(11,612)
Advertising and regional associations	-	1,020	1,877	-	(857)
Other	-	1,020	706	-	314
Total general government	-	185,133	178,709	-	6,424
Highways and streets:					
Administration	-	132,100	128,482	-	3,618
Highways and streets	-	146,550	102,077	5,000	39,473
Street lighting	-	2,000	1,718	-	282
Total highways and streets	-	280,650	232,277	5,000	43,373
Culture and recreation:					
Parks and recreation	-	5,000	4,723	-	277
Debt service:					
Principal of long-term debt	59,142	87,000	60,741	59,142	26,259
Interest on long-term debt	-	32,612	6,143	-	26,469
Interest on tax anticipation notes	-	350	-	-	350
Total debt service	59,142	119,962	66,884	59,142	53,078
Capital outlay	2,142	125,153	144,606	-	(17,311)
Other financing uses:					
Transfers out	-	30,000	-	-	30,000
<b>Total appropriations, expenditures, other financing uses, and encumbrances</b>	<b>\$ 61,284</b>	<b>\$ 745,898</b>	<b>\$ 627,199</b>	<b>\$ 64,142</b>	<b>\$ 115,841</b>

**SCHEDULE 3**  
**VILLAGE DISTRICT OF EIDELWEISS**  
**Major General Fund**  
*Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended December 31, 2020*

Unassigned fund balance, beginning, as restated (see Note 16)		\$ 205,800
2020 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (9,761)	
Unexpended balance of appropriations (Schedule 2)	<u>115,841</u>	
2020 Budget surplus		106,080
Decrease in nonspendable fund balance		<u>1,828</u>
Unassigned fund balance, ending		<u><u>\$ 313,708</u></u>