

TOWN OF SANBORNTON
MEETING OF THE BOARD OF SELECTMEN
Teleconference Dial-In Number 1.425.436.6394
Access Code: 554608#
May 13, 2020– 5pm.

- 1. Pledge of Allegiance**
- 2. Public Comment**
- 3. New Business**
 - 2019 Audit
 - Rep. Tim Lang Update
 - Mask Order
 - First Responder Stipend
 - Highway Updates
 - RFP
 - Truck Lease
 - Class VI Roads
- 4. Old Business**
- 5. Town Administrator’s Report**
- 6. Selectboard Reports**
- 7. Selectboard Signatures**
 - Authorize Payroll, Accounts Payable Registers, Assessing Forms and or PAF’s
- 8. Approve Meeting Minutes**
 - Approval of the 4.29.2020 Regular Meeting Minutes
- 9. Next Board Meeting: May 27, 2020 – 5pm**
- 10. Adjournment**

Non-public sessions may be called and held as needed in accordance with RSA 91- A:3, II.
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Teleconference Instructions
Dial-In Number: 1.425.436.6394
Access Code: 554608#

May 5, 2020

To the Board of Selectmen
Town of Sanbornton, New Hampshire

We have audited the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Town of Sanbornton, New Hampshire, for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Sanbornton, New Hampshire are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by the Town of Sanbornton, New Hampshire during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for uncollectible taxes receivable in the General Fund is based on taxpayer bankruptcies, abatements subsequently issued, historical collection levels, and an analysis of the collectability of individual accounts. Also, management's estimate for the allowance for uncollectible accounts receivable in the Ambulance Fund, a Nonmajor Governmental Fund, is based on historical collection levels and an analysis of the collectability of certain accounts. We evaluated the key factors and assumptions used to develop the allowances in determining that they are reasonable in relation to the financial statements taken as a whole. Management's estimates of the useful lives of capital assets are based on historical utilization, necessary improvements and replacements. We evaluated the key factors and assumptions used to develop the useful lives of depreciable capital assets, in determining that they are reasonable in relation to the financial statements taken as a whole.

Additionally, management's estimate for the liability for landfill postclosure care costs is based on anticipated future monitoring and maintenance costs provided by the Town's engineering firm. We evaluated the key factors and assumptions used to develop the liability for postclosure care costs in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant estimates also include actuarial assumptions in determining cost-sharing OPEB and pension costs which are based on plan audited financial statements. We evaluated the assumptions used in the plan audited financial statements to determine that they are reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Please see the attached schedule of material misstatements detected and corrected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 5, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Sanbornton, New Hampshire's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Sanbornton, New Hampshire's

auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit, we noted a deficiency in the Town of Sanbornton's internal control which we considered to be a material weakness. See the separately issued 'Report on Internal Controls' dated May 5, 2020 for further information regarding the identified deficiency.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor governmental fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Board of Selectmen and management of the Town of Sanbornton, New Hampshire and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Vashon Clukay & Company PC

Town of Sanbornton, New Hampshire
For the year ended June 30, 2019
Significant Audit Adjustments

The following is a listing of the material audit adjustments made for the year ended June 30, 2019 and have been corrected by management:

General Fund:

- To adjust bond activity for error in postings in the amount of \$1,903,283.
- To record a payable for June 2019 construction in the amount of \$207,787.
- To remove prior year cash on hand for tax collector deposits in the amount of \$1,526,822.
- To record current year cash on hand for tax collector deposits in the amount of \$655,584.
- To record taxes on the modified accrual basis for a net impact on fund balance of \$55,082.
- To record a receivable from the State of New Hampshire in the amount of \$762,396.

Aggregate Remaining Funds:

- To record year end receivables in the Ambulance Billing Fund in the amount of \$20,258.
- To restore prior year fund balance in the Town Hall Restoration Fund and remove the prior year interfund in the amount of \$25,000.
- To restore prior year fund balance in the Recreation Fund in the amount of \$55,449.

Sewer Fund:

- To restore prior year net position in the amount of \$32,662.
- To adjust for the impact of the interfund paid in the amount of \$16,738.
- To remove prior year unearned revenue of \$21,713 and record the current year unearned revenue in the amount of \$14,412.
- To adjust for activity recorded in the General Fund in the amount of \$60,271.

**REPORT ON INTERNAL CONTROL BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Selectmen
Town of Sanbornton, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sanbornton, New Hampshire (the Town), as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiency in the Town's internal control to be a material weakness:

GENERAL LEDGER REPORTING

Observation

During our audit of the financial records for the year ended June 30, 2019, we identified and proposed 22 adjustments with a total net effect of \$1,602,934 to the Town's General Fund in order to report the activity and balances in conformity with accounting principles generally accepted in the United States of America. We were also required to make a number of adjustments to the Town's Special Revenue Funds.

Implication

Controls over the financial activities of the Town are weakened as the accounting system is not being properly utilized to record the financial activity of the Town. Financial decisions may be made based on incomplete or incorrect data.

Recommendation

It is essential that the Town's financial office personnel review the quantity and nature of the audit adjustments proposed by the auditors for the purpose of eliminating the need for such audit adjustments in the future. We also recommend that the Town perform monthly reconciliations of all balance sheet accounts, which will allow errors or omissions to be detected and corrected in a timely basis.

This communication is intended solely for the information and use of management, the Board of Selectmen, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Vashon Clukay & Company PC

Manchester, New Hampshire
May 5, 2020

May 5, 2020

To the Board of Selectmen
Town of Sanbornton, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sanbornton, New Hampshire, for the year ended June 30, 2019, we considered the Town's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. A separate report dated May 5, 2020 contains our report on internal accounting controls. This report does not affect our report dated May 5, 2020 on the financial statements of the Town of Sanbornton, New Hampshire for the year ended June 30, 2019.

Sincerely,

Vachon Clukay & Company PC

Vachon Clukay & Company PC

TIMELINESS OF DEPOSITS

Observation

During our audit fieldwork, we noted an instance where monies were received by the Town and not deposited in a timely manner (in excess of 7 days).

Implication

The Town is not in compliance with State law. Per RSA 41:9 VIII, the Selectmen shall be responsible for establishing procedures to ensure that all funds paid to the Town from any department shall be remitted to the Treasurer at least on a weekly basis or daily, whenever such funds total \$500 or more. Furthermore, per RSA 41:29 VII, the Treasurer shall then ensure that all monies remitted are deposited at least on a weekly basis or daily, whenever funds remitted from all departments collectively total \$1,500 or more.

Recommendation

We recommend the Town make deposits at least weekly, in compliance with State law.

TAX LIEN PROCESS

Observation

During our audit, we noted that the tax lien was not formally executed in a timely manner with the Registry of Deeds. It was noted that the tax lien was executed on 06/19/18 and the Registrar office was notified on 09/28/18.

Implication

The Town is not in compliance with State of New Hampshire RSA 80. State law requires that upon execution of the tax lien, the Tax Collector must deliver said information to the Registry of Deeds within 30 days.

Recommendation

We recommend the Town review the provisions of State of New Hampshire RSA 80 regarding the tax lien process. We recommend that upon execution of the tax lien, the information is appropriately filed with the Registry of Deeds.

TIMECARDS

Observation

During our review of payroll transactions, we noted an instance where the timecard was not filled out correctly by the employee. It was noted that the timecard does not include distinction if a lunch is taken or if hours should be paid.

Implication

There is an increased risk that timecard hours will be calculated incorrectly, and errors not detected, thus an inappropriate amount could be paid by the Town.

Recommendation

We recommend that hourly timecards be completed consistently and specify time in and time out for work, including the lunch period.

TRANSFER STATION FEES

Observation

During audit procedures related to the transfer station, we noted that the Town does not have a scale to accurately weigh disposal, and therefore the fees are being charged inconsistently.

Implication

There is risk that the Town is over or under collecting revenue due to there not being a formal fee schedule for the disposal of goods at the Transfer Station.

Recommendation

We recommend that the Town adopt a formal fee schedule for disposal costs, thereby reducing the need for judgement of fees being assessed.

TOWN OF SANBORNTON, NEW HAMPSHIRE

Financial Statements

June 30, 2019

and

Independent Auditor's Report

**TOWN OF SANBORNTON, NEW HAMPSHIRE
FINANCIAL STATEMENTS
June 30, 2019**

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**TOWN OF SANBORNTON, NEW HAMPSHIRE
FINANCIAL STATEMENTS
June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Sanbornton, New Hampshire

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 Sanbornton, New Hampshire, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sanbornton, New Hampshire, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions on pages i-vii and 35-41 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 sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Sanbornton, New Hampshire's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Vachon Clukay & Company PC

Manchester, New Hampshire
May 5, 2020

Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019

The Town of Sanbornton provides this Management Discussion & Analysis as part of the format prescribed by the provisions of the Government Standards Board Statement 34 (GASB 34). This overview and analysis of the Town of Sanbornton's financial activities covers the twelve months Financial Statements ending June 30, 2019. This report and its content have been designed to fairly present the Town's financial position, including the result of operations of all the funds of the Town. All the disclosures necessary to enable and to assist the reader to acquiring an accurate understanding of the Town's financial activities have been included.

Overview of the Financial Statement

This discussion and analysis is intended to serve as an introduction to the Town of Sanbornton's financial statements. The basic financial statements comprise three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the basic financial statements

This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. The statement of activities presents information illustrating how the Town's net position changed during the most recent fiscal year.

Both of the government-wide financial statements have separate sections for two types of activities:

Governmental activities – represent most of the Town's basic services and includes all Governmental Funds

Business-type activities- account for the Town's sewer operations and receives its revenue from user fees.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain the control over resources that have been segregated for specific activities or objectives. Sanbornton uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. The Town maintains three fund types: governmental, proprietary and fiduciary 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 governmental-wide financial statements, governmental fund financial statements

Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019

focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the governmental-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. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund and the Nonmajor Governmental Funds.

Sanbornton relies on a March Town Meeting and adopts an annual budget for its General Fund. A budgetary comparison has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds provide sewer services to customers and charge a user fee.

Fiduciary Funds are used to account for resources held for the benefit of parties outside of town 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 programs. Fiduciary Funds include Private Purpose Trust Funds (Nonexpendable Trusts) under the stewardship of the Sanbornton Trustees of the Trust Fund.

Notes to the Basic 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.

Comparative Information

The information below reflects activities for the year ended June 30, 2018 and the year ended June 30, 2019.

Government-Wide Financial Analysis

Governmental Activities (See Exhibits A & B)

Statement of Net Position

Net position of the Town of Sanbornton's governmental activities as of June 30, 2019 is as follows:

**Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019**

Current and Other Assets:	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Current Assets	\$6,191,058	\$ 7,155,375
Other Assets	<u>\$12,191,075</u>	<u>\$13,963,306</u>
Total Assets	\$18,382,133	\$21,118,681
 Deferred Outflow of Resources	 <u>\$\$470,615</u>	 <u>\$ 594,577</u>
 Current and Other Liabilities		
Current Liabilities	\$ 325,538	\$ 617,176
Other Liabilities	<u>\$2,939,896</u>	<u>\$3,481,016</u>
Total Liabilities	<u>\$3,265,434</u>	<u>\$4,098,192</u>
 Deferred Inflows of Resources	 <u>\$\$2,960,867</u>	 <u>\$3,354,469</u>
 Net Position		
Invested in Capital Assets	\$11,484,136	\$12,903,014
Restricted	\$ 305,241	\$ 317,787
Unrestricted	<u>\$ 837,070</u>	<u>\$ 1,039,796</u>
Total Net Position	<u>\$12,626,447</u>	<u>\$14,260,597</u>

Sanbornton's net position totaled \$14,260,597 at June 30, 2019 with \$12,903,014 reflecting the investment in capital assets such as land, buildings, infrastructure, and equipment less the outstanding debt used to acquire those assets.

Statement of Activities

Changes in net position of the governmental activities for the year ending June 30, 2019 are as follows:

Program Revenues:	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Charges for Services	\$ 290,829	\$ 305,748
Operating Grants and Contributions	\$ 376,356	\$ 147,408
Capital Grants and Contributions		<u>\$ 1,454,561</u>
Total Program Revenues	<u>\$ 667,185</u>	<u>\$ 1,907,717</u>
 General Revenues:		
Property & Other Taxes	\$3,539,367	\$ 3,900,219
Licenses & Permits	\$ 744,499	\$ 740,556
Intergovernmental Revenues	\$ 153,559	\$ 183,903
Interest & Investment Earnings	\$ 34,584	\$ 73,541
Miscellaneous	<u>\$ 27,897</u>	<u>\$ 33,819</u>
Total General Revenues	<u>\$4,499,906</u>	<u>\$ 4,932,038</u>
Total Revenues	<u>\$ 5,167,091</u>	<u>\$ 6,839,755</u>
 Program Expenses:		
General Government	\$1,266,562	\$ 1,555,364
Public Safety	\$1,011,809	\$ 1,052,372

**Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019**

Highway & Streets	\$ 1,967,620	\$ 2,020,008
Health & Welfare	\$ 117,491	\$ 105,554
Sanitation	\$ 177,627	\$ 218,805
Culture & Recreation	\$ 283,628	\$ 303,041
Interest	<u>\$ 22,105</u>	<u>\$ 46,835</u>
Total Expenses	<u>\$4,846,842</u>	<u>\$ 5,301,979</u>
Change in Net Position:	\$ 320,249	\$ 1,537,776
Net Position –Beginning of Year	<u>\$ 12,306,198</u>	<u>\$ 12,626,447</u>
Restatement for GASB 75		
Net Position-Ending of Year	<u>\$ 12,626,447</u>	<u>\$ 14,164,223</u>

As shown in the above statement the Town of Sanbornton's governmental activities experienced a favorable increase in financial position of \$1,537,776.

Business-Type Activities (See Exhibits E, F & G)

Statement of Net Position

Net position of the business-type activities as of June 30, 2019 is as follows:

Current and Other Assets	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Current Assets	\$ 93,248	\$ 110,786
Other Assets	<u>\$ 0</u>	<u>\$ 0</u>
Total Assets	<u>\$ 93,248</u>	<u>\$ 110,786</u>
Deferred Outflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>
Current and Other Liabilities		
Current Liabilities	\$ 0	\$ 0
Other Liabilities	<u>\$ 21,713</u>	<u>\$ 14,412</u>
Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>
Net Position		
Unrestricted	<u>\$ 71,535</u>	<u>\$ 96,374</u>
Total Net Position	<u>\$ 71,535</u>	<u>\$ 96,374</u>

Statement of Activities

Changes in the net position of the business-type activities for the year ending June 30, 2019 are as follows:

Program Revenues:	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Charges for Services	<u>\$ 58,776</u>	<u>\$ 67,572</u>
Total Program Revenues	<u>\$ 58,776</u>	<u>\$ 67,572</u>

**Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019**

General Revenues		
Interest & Investment Earnings	\$ 1	\$ 2
Total General Revenues	\$ 1	\$ 2
Total Revenues	\$ 58,777	\$ 67,574
Contract Services	\$ 42,864	\$ 42,735
Total Expenses	\$ 42,864	\$ 42,735
Change in Net Position	\$ 15,913	\$ 24,839
Net Position-Beginning of Year	\$ 55,622	\$ 71,535
Net Position – Ending of Year	\$ 71,535	\$ 96,374

The following source for business-type activities is charges for services. Net position increased by \$24,839

Financial Analysis of the Town's Funds

As noted previously, The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town of Sanbornton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's 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.

General Fund

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the general fund had a fund balance of \$2,753,425. There was a use of fund balance to help offset the current year tax rate in the amount of \$176,000.

Other Governmental Funds

For financial statement reporting purposes, the following funds are included as part of the General Fund: Energy Conservation Fund, Library Fund, Town Hall Restoration Fund, Drug Forfeiture Fund, and Capital Reserve Funds. The total fund balance of these funds is \$1,044,014.

Non-Major Governmental Funds

Includes the following separate funds: Ambulance Fund, Conservation Commission Fund, Recreation Fund, Cemetery Sales Fund and the Police Details Revolving Fund. Total fund balance for these funds was \$494,193.

**Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019**

Proprietary Funds

The Town's proprietary fund, the Sewer Fund, had an unrestricted net position of \$96,374 ,at June 30, 2019. Charges for services for sewer operation cover the Winnepesaukee River Basin Program Administration, Operating & Maintenance and Capital charges as allocated to Sanbornton based upon the Town's share of the entire project.

Capital Assets and Long-Term Obligations

Capital Assets

The Town of Sanbornton's Capital Assets of \$22,297,440 covers Land, Construction in progress, Infrastructure, Buildings & Improvements and Vehicles and Equipment. Assets depreciated using the straight-line method over the course of their useful life. The Total Accumulated Depreciation at June 30, 2019 is \$8,334,134 resulting in Net Capital Assets of \$13,963,306. See Note 3 in the Notes to the Basic Financial Statements for additional information.

Long-Term Obligations

All Changes to Long-Term Obligations resulted in a \$362,378 net increase primarily in Bonds Payable and Capital Lease Payments. Additional information regarding the Town's long-term debt obligations can be found in Note 6 of the Notes to the Basic Financial Statements.

Budgetary Highlights

Budgetary information for the General Fund (a major governmental fund) is included in the Required Supplementary Information section. Budgetary information in these financial statements has been presented for only one of the Town's major governmental funds (the General Fund).

Actual revenues and transfers in on the budgetary basis were more than the estimated budgeted amount by \$334,102.

The Town under-expended its budget by \$363,282.

Economic Factors

The Town's Assessed Valuation for setting the municipality tax rate increased from \$393,378,392 to \$529,878,765. The Town's portion of the total property tax rate decreased from \$8.99 to \$7.43 per \$1,000 of valuation. The Town accounted for 39% of the total tax rate of \$19.22 per \$1,000. The remaining municipal tax rate calculation for FY '19 being broken down as: \$1.20 for the County tax rate, \$1.76 for the State Education and \$8.83 Local Education.

The Town of Sanbornton remains in good financial condition. The Town of Sanbornton has a stable cash flow and does not have to utilize any Tax Anticipation Notes. It is the Board of Selectmen's intent to continue this stability during the coming years.

Town of Sanbornton, New Hampshire
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2019

Contacting the Town of Sanbornton's Financial Management

This financial report is to provide our citizens and creditors with a general overview of the Town's finances and to show a measure of accountability for the money it receives. If you have any questions about this report or need to get additional information, contact the Board of Selectmen at, PO Box 124, Sanbornton, NH 03269, telephone number 603-286-8303.

EXHIBIT A
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Net Position
June 30, 2019

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 5,676,669	\$ 18,284	\$ 5,694,953
Investments	359,705		359,705
Taxes receivable, net	294,423		294,423
Accounts receivable, net	37,308		37,308
Due from other governments	768,986		768,986
Internal balances	(92,502)	92,502	-
Total Current Assets	<u>7,044,589</u>	<u>110,786</u>	<u>7,155,375</u>
Noncurrent Assets:			
Non-depreciable capital assets	4,880,712		4,880,712
Depreciable capital assets, net	9,082,594		9,082,594
Total Noncurrent Assets	<u>13,963,306</u>	<u>-</u>	<u>13,963,306</u>
Total Assets	<u>21,007,895</u>	<u>110,786</u>	<u>21,118,681</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	41,612		41,612
Deferred outflows of resources related to pension	552,965		552,965
Total Deferred Outflows of Resources	<u>594,577</u>	<u>-</u>	<u>594,577</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	244,848		244,848
Accrued expenses	59,004		59,004
Due to other governments	5,315		5,315
Unearned revenue	20,255	14,412	34,667
Current portion of bonds payable	209,532		209,532
Current portion of capital leases payable	58,810		58,810
Current portion of estimated liability for landfill postclosure care costs	5,000		5,000
Total Current Liabilities	<u>602,764</u>	<u>14,412</u>	<u>617,176</u>
Noncurrent Liabilities:			
Bonds payable	618,055		618,055
Capital leases payable	173,895		173,895
Compensated absences payable	166,745		166,745
OPEB Liability	214,707		214,707
Net pension liability	2,143,589		2,143,589
Estimated liability for landfill postclosure care costs	164,025		164,025
Total Noncurrent Liabilities	<u>3,481,016</u>	<u>-</u>	<u>3,481,016</u>
Total Liabilities	<u>4,083,780</u>	<u>14,412</u>	<u>4,098,192</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes collected in advance	3,224,762		3,224,762
Deferred inflows of resources related to OPEB	682		682
Deferred inflows of resources related to pension	129,025		129,025
Total Deferred Inflows of Resources	<u>3,354,469</u>	<u>-</u>	<u>3,354,469</u>
NET POSITION			
Net investment in capital assets	12,903,014		12,903,014
Restricted	317,787		317,787
Unrestricted	943,422	96,374	1,039,796
Total Net Position	<u>\$ 14,164,223</u>	<u>\$ 96,374</u>	<u>\$ 14,260,597</u>

See accompanying notes to the basic financial statements

EXHIBIT B
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$1,555,364	\$ 2,336			\$ (1,553,028)		\$ (1,553,028)
Public safety	1,052,372	99,474	\$ 6,590		(946,308)		(946,308)
Highways and streets	2,020,008		140,818	\$1,454,561	(424,629)		(424,629)
Health and welfare	105,554				(105,554)		(105,554)
Sanitation	218,805	118,183			(100,622)		(100,622)
Culture and recreation	303,041	85,755			(217,286)		(217,286)
Interest and fiscal charges	46,835				(46,835)		(46,835)
Total governmental activities	<u>5,301,979</u>	<u>305,748</u>	<u>147,408</u>	<u>1,454,561</u>	<u>(3,394,262)</u>	<u>\$ -</u>	<u>(3,394,262)</u>
Business-type Activities:							
Sewer	42,735	67,572				24,837	24,837
Total business-type activities	<u>42,735</u>	<u>67,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,837</u>	<u>24,837</u>
Total primary government	<u>\$5,344,714</u>	<u>\$ 373,320</u>	<u>\$ 147,408</u>	<u>\$1,454,561</u>	<u>(3,394,262)</u>	<u>24,837</u>	<u>(3,369,425)</u>
General revenues:							
Property and other taxes					3,900,219		3,900,219
Licenses and permits					740,556		740,556
Grants and contributions:							
Rooms and meals tax distribution					152,849		152,849
Flood control reimbursement					31,054		31,054
Interest and investment earnings					73,541	2	73,543
Miscellaneous					33,819		33,819
Total general revenues					<u>4,932,038</u>	<u>2</u>	<u>4,932,040</u>
Change in net position					1,537,776	24,839	1,562,615
Net Position at beginning of year					12,626,447	71,535	12,697,982
Net Position at end of year					<u>\$ 14,164,223</u>	<u>\$ 96,374</u>	<u>\$ 14,260,597</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF SANBORNTON, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,198,140	\$ 478,529	\$ 5,676,669
Investments	224,680	135,025	359,705
Taxes receivable, net	294,423		294,423
Accounts receivable, net		37,308	37,308
Due from other governments	762,396	6,590	768,986
Due from other funds	7,979		7,979
Total Assets	<u>6,487,618</u>	<u>657,452</u>	<u>7,145,070</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6,487,618</u>	<u>\$ 657,452</u>	<u>\$ 7,145,070</u>
LIABILITIES			
Accounts payable	\$ 244,848		\$ 244,848
Accrued expenses	30,593		30,593
Due to other governments	5,315		5,315
Due to other funds	92,502	\$ 7,979	100,481
Unearned recreation revenue		20,255	20,255
Total Liabilities	<u>373,258</u>	<u>28,234</u>	<u>401,492</u>
DEFERRED INFLOWS OF RESOURCES			
Uncollected property taxes	136,173		136,173
Property taxes collected in advance	3,224,762		3,224,762
Total Deferred Inflows of Resources	<u>3,360,935</u>	<u>-</u>	<u>3,360,935</u>
FUND BALANCES			
Nonspendable		53,148	53,148
Restricted	165,650	98,989	264,639
Committed	991,636	477,081	1,468,717
Assigned	89,852		89,852
Unassigned	1,506,287		1,506,287
Total Fund Balances	<u>2,753,425</u>	<u>629,218</u>	<u>3,382,643</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,487,618</u>	<u>\$ 657,452</u>	<u>\$ 7,145,070</u>

See accompanying notes to the basic financial statements

EXHIBIT C-1
TOWN OF SANBORNTON, NEW HAMPSHIRE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2019

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 3,382,643
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	13,963,306
Property taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis	136,173
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB	41,612
Deferred outflows of resources related to pension	552,965
Deferred inflows of resources related to OPEB	(682)
Deferred inflows of resources related to pension	(129,025)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(827,587)
Capital leases payable	(232,705)
Compensated absences payable	(166,745)
Accrued interest on long-term obligations	(28,411)
OPEB liability	(214,707)
Net pension liability	(2,143,589)
Estimated liability for landfill postclosure care costs	<u>(169,025)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 14,164,223</u>

EXHIBIT D
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 3,946,831	\$ 25,070	\$ 3,971,901
Licenses and permits	740,556		740,556
Intergovernmental	1,779,282	6,590	1,785,872
Charges for services	124,620	181,128	305,748
Investment income	62,250	11,291	73,541
Miscellaneous	31,866	1,953	33,819
Total Revenues	<u>6,685,405</u>	<u>226,032</u>	<u>6,911,437</u>
Expenditures:			
Current operations:			
General government	1,314,785	727	1,315,512
Public safety	904,481	10,110	914,591
Highways and streets	903,952		903,952
Health and welfare	105,554		105,554
Sanitation	217,122		217,122
Culture and recreation	255,280	22,420	277,700
Capital outlay	3,174,304	6,965	3,181,269
Debt service:			
Principal retirement	168,523		168,523
Interest and fiscal charges	40,533		40,533
Total Expenditures	<u>7,084,534</u>	<u>40,222</u>	<u>7,124,756</u>
Excess of revenues over (under) expenditures	<u>(399,129)</u>	<u>185,810</u>	<u>(213,319)</u>
Other financing sources (uses):			
Proceeds from bond issuances	335,500		335,500
Bond premium	45,156		45,156
Capital lease proceeds	173,867		173,867
Transfers in	55,238		55,238
Transfers out		(55,238)	(55,238)
Total Other financing sources (uses)	<u>609,761</u>	<u>(55,238)</u>	<u>554,523</u>
Net change in fund balances	210,632	130,572	341,204
Fund balances at beginning of year	<u>2,542,793</u>	<u>498,646</u>	<u>3,041,439</u>
Fund balances at end of year	<u>\$ 2,753,425</u>	<u>\$ 629,218</u>	<u>\$ 3,382,643</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1
TOWN OF SANBORNTON, 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 June 30, 2019

Net Change in Fund Balances - Total Governmental Funds (Exhibit D)	\$ 341,204
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	1,772,231
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(71,682)
Proceeds from bonds are reported as other financing sources in the funds, but bonds payable increase long-term liabilities in the statement of net position.	(335,500)
Proceeds from capital leases are reported as other financing sources in the funds, but capital leases increase long-term liabilities in the statement of net position.	(173,867)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.	192,536
Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities over the life of the related debt.	(45,156)
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditures is reported when due.	(11,569)
Some expenses reported in the statement of activities, such as compensated absences and the estimated liability for landfill postclosure care costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,025)
Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.	
Net changes in OPEB	(66,464)
Net changes in pension	<u>(59,932)</u>
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 1,537,776</u>

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Net Position
Proprietary Fund
June 30, 2019

	Sewer Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 18,284
Due from other funds	<u>92,502</u>
Total Current Assets	<u>110,786</u>
Noncurrent Assets:	
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>110,786</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Current Liabilities:	
Unearned revenue	<u>14,412</u>
Total Current Liabilities	<u>14,412</u>
Noncurrent Liabilities:	
Total Noncurrent Liabilities	<u>-</u>
Total Liabilities	<u>14,412</u>
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION	
Unrestricted	<u>96,374</u>
Total Net Position	<u>\$ 96,374</u>

See accompanying notes to the basic financial statements

EXHIBIT F
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2019

	Sewer Fund
Operating revenues:	
Charges for services	\$ 67,572
Total operating revenues	<u>67,572</u>
Operating expenses:	
Contractual services	<u>42,735</u>
Total operating expenses	<u>42,735</u>
Operating income	<u>24,837</u>
Non-operating revenues:	
Interest revenue	<u>2</u>
Total non-operating revenues	<u>2</u>
Change in net position	24,839
Net Position at beginning of year	<u>71,535</u>
Net Position at end of year	<u>\$ 96,374</u>

EXHIBIT G
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 60,271
Cash paid to suppliers	<u>(42,735)</u>
Net cash provided by operating activities	<u>17,536</u>
Cash flows from investing activities:	
Interest on investments	<u>2</u>
Net cash provided by investing activities	<u>2</u>
Net increase in cash and cash equivalents	17,538
Cash and cash equivalents at beginning of year	<u>93,248</u>
Cash and cash equivalents at end of year	<u>\$ 110,786</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 24,837
Changes in assets and liabilities:	
(Decrease) in unearned revenue	<u>(7,301)</u>
Net cash provided by operating activities	<u>\$ 17,536</u>

See accompanying notes to the basic financial statements

EXHIBIT H
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	ASSETS	Private- Purpose Trust Funds
Cash		\$ 3,584
Investments		<u>153,341</u>
Total Assets		<u>156,925</u>
	LIABILITIES	
Total Liabilities		<u>-</u>
	NET POSITION	
Held in trust		<u>156,925</u>
Total Net Position		<u>\$ 156,925</u>

See accompanying notes to the basic financial statements

EXHIBIT I
TOWN OF SANBORNTON, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	<u>Private- Purpose Trust Funds</u>
ADDITIONS:	
Investment earnings:	
Interest	\$ 4,721
Realized gains on investments	135
Net increase in the fair value of investments	<u>6,739</u>
Total Investment earnings	<u>11,595</u>
Total Additions	<u>11,595</u>
DEDUCTIONS:	
Benefits	<u>2,650</u>
Total Deductions	<u>2,650</u>
Change in net position	8,945
Net Position at beginning of year	<u>147,980</u>
Net Position at end of year	<u>\$ 156,925</u>

See accompanying notes to the basic financial statements

**TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Sanbornton, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Town of Sanbornton, New Hampshire (the “Town”) was incorporated in 1770. The Town operates under the Town Meeting/Board of Selectmen form of government and performs local governmental functions as authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The Town’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial conditions of the governmental and business-type activities of the Town at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

2. Fund Financial Statements:

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The Town uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following is the Town's major governmental fund:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

2. Proprietary Funds:

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The Town has no internal service funds. The following is the Town's major proprietary fund:

The *Sewer Fund* accounts for all revenues and expenses pertaining to the Town's wastewater services provided by the Winnepesaukee River Basin Program.

The Sewer Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

3. Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The Town maintains one category of fiduciary funds known as private-purpose trust funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town maintains private-purpose trust funds which account for monies designated to benefit individuals within the Town.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

The private-purpose trust fund is reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year end.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 12). Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, charges for services and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, property taxes receivable that will not be collected within the available period, and taxes collected in advance of the period of availability have been reported as deferred inflows of resources.

2. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2019, the Town applied \$334,894 of its unassigned fund balance to reduce taxes.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

**TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019**

	Sewer <u>Fund</u>
Cash and cash equivalents	\$ 18,284
Due from other funds	<u>92,502</u>
	<u>\$ 110,786</u>

Investments

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable

Taxes levied during the current fiscal year and prior and uncollected at June 30, 2019 are recorded as receivables net of reserves for estimated uncollectibles of \$10,000.

Accounts Receivable

Accounts receivable are recorded net of reserves for estimated uncollectibles of \$11,484 in the Ambulance Fund, a Nonmajor Governmental Fund.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets including infrastructure are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Town maintains a capitalization threshold of \$5,000. The Town’s infrastructure consists of roads, bridges and similar items. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
	Infrastructure	40
	Buildings and improvements	40
	Vehicles and equipment	5-10

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Bond Premium

The bond premium is amortized as a component of interest expense over the life of the related bond issuance using the effective interest rate method. Bonds payable are reported in the accompanying financial statements gross of any applicable unamortized bond premium.

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to Town personnel policy and collective bargaining agreements, employees may accumulate up to 60 days of unused sick time earned and, upon retirement, resignation or death will be compensated for half of the total accrued amounts at current rates of pay. Employees may also accumulate up to 25 days of unused vacation pay earned and, upon retirement, resignation or death will be compensated for the total accrued amounts at current rates of pay.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year.

General obligation bonds, capital leases and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net 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 (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

Pensions

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 New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's 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 the benefit terms.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings 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. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Policy

The Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- ***Nonspendable Fund Balance:*** Amounts that are not in a spendable form or are required to be maintained intact.
- ***Restricted Fund Balance:*** Amounts constrained to specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers or by the enabling legislation.
- ***Committed Fund Balance:*** Amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority (Board of Selectmen). Commitments may be changed or lifted only by the Board of Selectmen taking the same formal action that imposed the constraint originally. The Board of Selectmen's actions must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.
- ***Assigned Fund Balance:*** Amounts a Town intends to use for specific purposes. For all governmental funds other than the General Fund, any remaining positive amounts are to be classified as "Assigned".
- ***Unassigned Fund Balance:*** Amounts that are available for any purpose; these amounts are reported only in the General Fund, except for any deficit fund balance of another governmental fund.

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned amounts then unassigned amounts.

As of June 30, 2019 the Town has not established a formal Fund Balance Policy.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Sewer Fund, these revenues are charges to customers for sales and services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2—DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 5,694,953
Investments	359,705
Statement of Fiduciary Net Position:	
Cash and cash equivalents	3,584
Investments	153,341
Total deposits and investments	<u>\$ 6,211,583</u>

Deposits and investments at June 30, 2019 consist of the following:

Cash on hand	\$ 656,034
Deposits with financial institutions	5,267,183
Investments	288,366
Total deposits and investments	<u>\$ 6,211,583</u>

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

The Town does not have a formal investment policy for the investment of public funds in governmental funds. Responsibility for the investments of the Trust Funds is with the Board of Trustees. Investments of the Library Fund are at the discretion of the Library Trustees.

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 policy to address interest rate risk.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Remaining Maturity</u>		
		<u>0-1 Years</u>	<u>1-5 Years</u>	<u>> 5 Years</u>
Bond mutual funds	\$ 141,321	\$ -	\$ -	\$ 141,321

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have a policy to address credit risk. At year end, Town investments subject to credit risk consisted of bond mutual funds and prime money market funds, which are unrated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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 an investment policy for assurance against custodial credit risk.

Of the Town's deposits with financial institutions at year end, \$795,986 was collateralized by securities held by the bank in the bank's name.

As of June 30, 2019, Town investments in the following investment types were held by the same counterparty that was used to buy the securities.

<u>Investment Type</u>	<u>Reported Amount</u>
Equity income funds	\$ 4,014
Bond mutual funds	141,321
Prime money market funds	143,031
	<u>\$ 288,366</u>

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Fair Value Measurement of Investments

The Town categorizes the fair value measurements of its investments within the fair value hierarchy established by accounting principles generally accepted in the United States. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows (in order of priority):

- Level 1 Inputs - Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date.
- Level 2 Inputs - Inputs other than quoted prices that are observable for assets or liabilities either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs - Significant unobservable inputs.

As of June 30, 2019, the Town's investments measured at fair value, by type, were as follows:

<u>Investment Type</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	<u>Total</u>
Equity income funds	\$ 4,014			\$ 4,014
Bond mutual funds	141,321			282,642
	<u>\$ 145,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,656</u>

Equity and bond mutual funds classified as Level 1 are valued using unadjusted quoted prices in active markets for those securities.

NOTE 3—CAPITAL ASSETS

The following is a summary of changes in capital assets of the governmental activities:

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2019</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 3,082,510			\$ 3,082,510
Construction in progress	-	\$ 1,798,202		1,798,202
Total capital assets not being depreciated	<u>3,082,510</u>	<u>1,798,202</u>	<u>\$ -</u>	<u>4,880,712</u>
Other capital assets:				
Infrastructure	11,711,932	124,000		11,835,932
Buildings and improvements	2,425,493			2,425,493
Vehicles and equipment	3,108,511	267,868	(221,076)	3,155,303
Total other capital assets at historical cost	<u>17,245,936</u>	<u>391,868</u>	<u>(221,076)</u>	<u>17,416,728</u>
Less accumulated depreciation for:				
Infrastructure	(5,194,686)	(159,489)		(5,354,175)
Buildings and improvements	(577,097)	(38,222)		(615,319)
Vehicles and equipment	(2,365,588)	(220,128)	221,076	(2,364,640)
Total accumulated depreciation	<u>(8,137,371)</u>	<u>(417,839)</u>	<u>221,076</u>	<u>(8,334,134)</u>
Total other capital assets, net	<u>9,108,565</u>	<u>(25,971)</u>	<u>-</u>	<u>9,082,594</u>
Total capital assets, net	<u>\$ 12,191,075</u>	<u>\$ 1,772,231</u>	<u>\$ -</u>	<u>\$ 13,963,306</u>

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Depreciation expense was charged to governmental functions as follows:

General government	\$ 300
Public safety	121,649
Highways and streets	284,892
Sanitation	4,076
Culture and recreation	<u>6,922</u>
Total governmental activities depreciation expense	<u>\$ 417,839</u>

The balance of the assets acquired through capital leases as of June 30, 2019 is as follows:

Vehicles and equipment	\$ 292,175
Less accumulated depreciation for:	
Vehicles and equipment	<u>(45,351)</u>
	<u>\$ 246,824</u>

NOTE 4—INTERFUND BALANCES AND TRANSFERS

The Town maintains separate cash accounts for some of its governmental funds, as well as the proprietary fund; however, most cash transactions flow through the General Fund. For accounting and reporting purposes, the portion of cash applicable to a particular fund is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2019 are as follows:

	Due from		Totals
	General Fund	Nonmajor Governmental Funds	
Due to			
General Fund		\$ 7,979	\$ 7,979
Sewer Fund	\$ 92,502		92,502
	<u>\$ 92,502</u>	<u>\$ 7,979</u>	<u>\$ 100,481</u>

During the year, several interfund transactions occurred between funds. The various transfers were made in accordance with budgetary authorizations. For the year ended June 30, 2019, the Nonmajor Governmental Funds transferred \$55,238 to the General Fund.

NOTE 5—SHORT-TERM OBLIGATIONS

The Town issued a bond anticipation note during the year in the amount of \$1,903,283 for the purpose of assisting in the payment of project expenses. The borrowing was repaid from the bond issuance in January 2019, including interest at 1.9%.

The changes in short-term debt obligations for the year ended June 30, 2019 are as follows:

Balance - July 1, 2018	\$ -
Additions	1,903,283
Reductions	<u>(1,903,283)</u>
Balance - June 30, 2019	<u>\$ -</u>

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

NOTE 6—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town’s long-term obligations for the year ended June 30, 2019 are as follows:

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2019</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 624,088	\$ 335,500	\$ (168,523)	\$ 791,065	\$ 209,532
Unamortized bond premium		45,156	(8,634)	36,522	
Total Bonds payable	<u>624,088</u>	<u>380,656</u>	<u>(177,157)</u>	<u>827,587</u>	<u>209,532</u>
Capital leases payable	82,851	173,867	(24,013)	232,705	58,810
Compensated absences	157,720	42,440	(33,415)	166,745	
Total governmental activities	<u>\$ 864,659</u>	<u>\$ 596,963</u>	<u>\$ (234,585)</u>	<u>\$ 1,227,037</u>	<u>\$ 268,342</u>

Payments on the general obligation bonds and capital leases of the governmental activities are paid out of the General Fund. Compensated absences will be paid from the fund where the employee’s salary is paid.

General Obligation Bonds

Bonds payable at June 30, 2019 are comprised of the following individual issues:

	<u>Original</u> <u>Issue</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>at</u> <u>6/30/2019</u>
Highway building bond	\$ 1,100,000	3.875%	August 2020	\$ 254,964
Maple Circle bond	918,280	1.700%	October 2022	200,601
Bridge bond	335,500	5.100%	February 2029	<u>335,500</u>
				791,065
			<i>Add: Unamortized Bond Premium</i>	<u>36,522</u>
				<u>\$ 827,587</u>

Debt service requirements to retire general obligation bonds at June 30, 2019 are as follows:

<u>Year ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 209,532	\$ 30,331	\$ 239,863
2021	214,542	22,694	237,236
2022	85,566	14,949	100,515
2023	86,425	12,304	98,729
2024	35,000	9,645	44,645
2025-2029	<u>160,000</u>	<u>22,215</u>	<u>182,215</u>
	791,065	112,138	903,203
<i>Add: Unamortized Bond Premium</i>	<u>36,522</u>		<u>36,522</u>
	<u>\$ 827,587</u>	<u>\$ 112,138</u>	<u>\$ 939,725</u>

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. The following are the individual capital lease obligations of the governmental activities at June 30, 2019:

	<u>Annual</u> <u>Installments</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Balance at</u> <u>6/30/2019</u>
Vehicle	\$ 21,051	3.565%	August 2021	\$ 58,838
Vehicle	33,726	5.040%	September 2022	119,135
Vehicle	16,175	6.930%	September 2022	54,732
				<u>\$ 232,705</u>

Debt service requirements to retire capital lease obligations outstanding for governmental activities at June 30, 2019 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 58,810	\$ 12,142	\$ 70,952
2021	61,788	9,165	70,953
2022	64,926	6,027	70,953
2023	47,181	2,722	49,903
	<u>\$ 232,705</u>	<u>\$ 30,056</u>	<u>\$ 262,761</u>

Authorized and Unissued Debt – Long-term debt authorized and unissued at June 30, 2019 is as follows:

<u>Purpose</u>	<u>Amount</u>
Road Reconstruction - Lower Bay Road	<u>\$ 1,567,783</u>

NOTE 7—OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at www.nhrs.org.

The OPEB Plan is divided into four membership types. Political subdivision employees, teachers and State employees belong to Group I. Police officers and firefighters belong to Group II. The OPEB plan is closed to new entrants.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Benefits Provided

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The 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. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

Funding Policy

Per RSA-100:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contribution rates for the covered payroll of public safety employees and general employees were 4.10% and 0.30%, respectively, for the year ended June 30, 2019. Contributions to the OPEB plan for the Town were \$21,452 for the year ended June 30, 2019. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2019, the Town reported a liability of \$214,707 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2017. The Town's proportion of the net OPEB liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2018, the Town's proportion was approximately 0.0469 percent, which was an increase of 0.0193 percentage points from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$87,914. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 1,261	
Net difference between projected and actual earnings on OPEB plan investments		\$ 682
Changes in proportion and differences between Town contributions and proportionate share of contributions	18,899	
Town contributions subsequent to the measurement date	<u>21,452</u>	
Totals	<u>\$ 41,612</u>	<u>\$ 682</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of \$40,930. The Town reported \$21,452 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2019	\$ 19,946
2020	(215)
2021	(213)
2022	<u>(40)</u>
	<u>\$ 19,478</u>

Actuarial Assumptions

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Wage inflation	3.25 percent
Salary increases	5.6 percent, average, including inflation
Investment rate of return	7.25 percent, net of OPEB plan investment expense, including inflation

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, which was for the period July 1, 2010 – June 30, 2015.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

The long-term expected rate of return on OPEB 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. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed income	25%	(0.25)-1.80%
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.00%
Real estate	10%	3.25%
Private equity	5%	6.25%
Private debt	5%	4.25%
Opportunistic	5%	2.15%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2018 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Net OPEB Liability	\$ 223,467	\$ 214,707	\$ 190,166

NOTE 8—DEFINED BENEFIT PENSION PLAN

Plan Description

The Town contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

**TOWN OF SANBORNTON, NEW HAMPSHIRE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 For the Year Ended June 30, 2019**

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301 or their website at www.nhrs.org.

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

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. All assets are held in a single trust and are available to pay retirement benefits to all members.

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members vested by January 1, 2012, who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have not attained status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by 1/4 of 1%. For Group II members who commenced service prior to July 1, 2011, who have not attained vested status prior to January 1, 2012, benefits are calculated depending on age and years of creditable service as follows:

Years of Creditable Service as of <u>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	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.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Funding Policy

Covered police officers and fire employees are required to contribute 11.55% and 11.80%, respectively, of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers, fire employees, and general employees were 25.33%, 27.79% and 11.08%, respectively. The Town contributes 100% of the employer cost for public safety and general employees of the Town.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. Contributions to the pension plan for the Town were \$195,135 for the year ended June 30, 2019.

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

At June 30, 2019, the Town reported a liability of \$2,143,589 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 a roll forward of the actuarial valuation from June 30, 2017. The Town's proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2018, the Town's proportion was approximately 0.0445 percent, which was an increase of 0.0044 percentage points from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$263,699. At June 30, 2019, the Town 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>
Difference between expected and actual experience	\$ 17,110	\$ 17,357
Changes of assumptions	148,347	
Net difference between projected and actual earnings on pension plan investments		49,605
Changes in proportion and differences between Town contributions and proportionate share of contributions	192,373	62,063
Town contributions subsequent to the measurement date	<u>195,135</u>	
Total	<u>\$ 552,965</u>	<u>\$ 129,025</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$423,940. The Town reported

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

\$195,135 as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in the measurement periods as follows:

<u>June 30,</u>	
2019	\$ 128,388
2020	93,256
2021	(16,776)
2022	<u>23,937</u>
	<u>\$ 228,805</u>

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2017, using the following actuarial assumptions:

Inflation	2.5 percent
Wage inflation	3.25 percent
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, 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, which was for the period July 1, 2010 – June 30, 2015.

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

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed income	25%	(0.25)-1.80%
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.00%
Real estate	10%	3.25%
Private equity	5%	6.25%
Private debt	5%	4.25%
Opportunistic	5%	2.15%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the collective pension liability was 7.25%. 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 contributions are projected based on the expected payroll of current members only. 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 collective pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Town's proportionate share of the net pension liability	\$ 2,852,063	\$ 2,143,589	\$ 1,549,867

NOTE 9—LANDFILL POSTCLOSURE CARE COSTS

State and federal laws and regulations required that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During 2002, a final cover was placed on the landfill. An estimated liability has been recorded based on the future postclosure care costs that will be incurred after the date the landfill no longer accepts waste. The estimated liability for postclosure care costs has a balance of \$169,025 as of June 30, 2019. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

as of June 30, 2019. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The following is a summary of changes in the estimated liability for postclosure care costs for the year ended June 30, 2019:

Balance - July 1, 2018	\$ 174,025
Expenditures recognized in the General Fund	(3,998)
Net change in estimated liability for postclosure care costs	<u>(1,002)</u>
Balance - June 30, 2019	<u>\$ 169,025</u>

NOTE 10—RESTRICTED NET POSITION

Net position is restricted for specific purposes as follows at June 30, 2019:

	Governmental <u>Activities</u>
Permanent funds - Principal	\$ 53,148
Permanent funds - Income	81,877
Library	47,182
Conservation donations	9,444
Highway block grant	118,043
Recreation facilities	7,668
Drug Forfeiture funds	425
	<u>\$ 317,787</u>

NOTE 11—COMPONENTS OF FUND BALANCE

The Town's fund balance components of governmental funds are comprised as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-spendable:			
Permanent Funds - Principal		\$ 53,148	\$ 53,148
Restricted for:			
Permanent Funds - Income		81,877	81,877
Conservation - Donations		9,444	9,444
Recreation Facilities		7,668	7,668
Library Fund	\$ 47,182		47,182
Highway Block Grant	118,043		118,043
Drug Forfeiture Fund	425		425

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

Committed for:			
Ambulance Fund		195,101	195,101
Conservation Commission		151,565	151,565
Recreation Fund		89,517	89,517
Cemetery Sales Fund		17,571	17,571
Police Special Detail Fund		23,327	23,327
Capital Reserve Fund	991,636		991,636
Assigned for:			
Lower Bay Road Reconstruction	85,081		85,081
Town Hall Restoration Fund	4,771		4,771
Unassigned:			
Unassigned - General operations	1,506,287		1,506,287
	<u>\$ 2,753,425</u>	<u>\$ 629,218</u>	<u>\$ 3,382,643</u>

NOTE 12—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$528,907,938 as of April 1, 2018) and are due in two installments on July 13, 2018 and January 25, 2019. Taxes paid after the due dates accrue interest at 8% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year-end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 14% per annum. If the property is not redeemed within a two year redemption period, the property may be tax deeded to the Town.

In accordance with State law, the Town collects taxes for the Winnisquam Regional School District and Belknap County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the school district. Total taxes appropriated during the year were \$5,659,626 and \$590,724, for the Winnisquam Regional School District and Belknap County, respectively. These taxes are not recognized as revenues in these financial statements. The Town bears responsibility for uncollected taxes.

NOTE 13—RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2019, the Town participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2019.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$200,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 14—COMMITMENTS AND CONTINGENCIES

Litigation

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. The Town's management estimates that any potential claims against the Town, which are not covered by insurance, are immaterial and would not affect the financial position of the Town.

NOTE 15—SUBSEQUENT EVENTS

In August 2019, the Town entered into a lease agreement for the purchase of self-contained breathing apparatuses and related equipment totaling \$183,364. Annual payments are \$38,924, including interest at 2.99%, through August 2023.

SCHEDULE 1
TOWN OF SANBORNTON, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 3,617,810	\$ 3,617,810	\$ 3,875,149	\$ 257,339
Licenses and permits	681,900	681,900	740,556	58,656
Intergovernmental	326,906	326,906	1,779,282	1,452,376
Charges for services	92,000	92,000	124,620	32,620
Interest income	25,000	25,000	55,542	30,542
Miscellaneous	7,100	7,100	22,203	15,103
Total Revenues	<u>4,750,716</u>	<u>4,750,716</u>	<u>6,597,352</u>	<u>1,846,636</u>
Expenditures:				
Current operations:				
General government	1,451,863	1,451,863	1,314,618	137,245
Public safety	951,574	951,574	904,481	47,093
Highways and streets	1,060,193	942,150	903,952	38,198
Health and welfare	106,416	106,416	105,554	862
Sanitation	197,198	197,198	217,122	(19,924)
Culture and recreation	115,551	115,551	111,508	4,043
Capital outlay	2,613,308	2,528,227	2,402,345	125,882
Debt service:				
Principal retirement	168,480	168,480	168,523	(43)
Interest and fiscal charges	70,459	70,459	40,533	29,926
Total Expenditures	<u>6,735,042</u>	<u>6,531,918</u>	<u>6,168,636</u>	<u>363,282</u>
Excess of revenues over (under) expenditures	<u>(1,984,326)</u>	<u>(1,781,202)</u>	<u>428,716</u>	<u>2,209,918</u>
Other financing sources (uses):				
Proceeds from bond issuances	1,903,283	1,903,283	335,500	(1,567,783)
Bond premium	-	-	45,156	45,156
Transfers in	55,449	55,449	65,542	10,093
Transfers out	(807,384)	(807,384)	(807,384)	-
Total Other financing sources (uses)	<u>1,151,348</u>	<u>1,151,348</u>	<u>(361,186)</u>	<u>(1,512,534)</u>
Net change in fund balance	(832,978)	(629,854)	67,530	697,384
Fund balance at beginning of year				
- Budgetary Basis	<u>1,778,054</u>	<u>1,778,054</u>	<u>1,778,054</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 945,076</u>	<u>\$ 1,148,200</u>	<u>\$ 1,845,584</u>	<u>\$ 697,384</u>

See accompanying notes to the required supplementary information

SCHEDULE 2

TOWN OF SANBORNTON, NEW HAMPSHIRE

Schedule of Changes in the Town's Proportionate Share of the Net OPEB Liability

For the Year Ended June 30, 2019

<u>Measurement Period Ended</u>	<u>Town's Proportion of the Net OPEB Liability</u>	<u>Town's Proportionate Share of the Net OPEB Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2018	0.04689488%	\$ 214,707	\$ 1,069,243	20.08%	7.53%
June 30, 2017	0.02747423%	\$ 125,622	\$ 929,521	13.51%	7.91%
June 30, 2016	0.02887648%	\$ 139,792	\$ 944,643	14.80%	5.21%

SCHEDULE 3
TOWN OF SANBORNTON, NEW HAMPSHIRE
Schedule of Town OPEB Contributions
For the Year Ended June 30, 2019

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2019	\$ 21,452	\$ (21,452)	\$ -	\$ 1,113,007	1.93%
June 30, 2018	\$ 20,743	\$ (20,743)	\$ -	\$ 1,069,243	1.94%
June 30, 2017	\$ 16,284	\$ (16,284)	\$ -	\$ 929,521	1.75%
June 30, 2016	\$ 16,779	\$ (16,779)	\$ -	\$ 944,643	1.78%

See accompanying notes to the required supplementary information

SCHEDULE 4

TOWN OF SANBORNTON, NEW HAMPSHIRE

Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability

For the Year Ended June 30, 2019

<u>Measurement Period Ended</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered Payroll</u>	<u>Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Net Position as a Percentage of the Total Pension Liabili</u>
June 30, 2018	0.04451711%	\$ 2,143,589	\$ 1,069,243	200.48%	64.73%
June 30, 2017	0.04012056%	\$ 1,973,126	\$ 929,521	212.27%	62.66%
June 30, 2016	0.04194073%	\$ 2,230,238	\$ 944,643	236.09%	58.30%
June 30, 2015	0.04134441%	\$ 1,637,868	\$ 926,598	176.76%	65.47%
June 30, 2014	0.04164618%	\$ 1,563,225	\$ 876,727	178.30%	66.32%
June 30, 2013	0.03873074%	\$ 1,666,888	\$ 803,059	207.57%	59.81%

See accompanying notes to the required supplementary information

SCHEDULE 5
TOWN OF SANBORNTON, NEW HAMPSHIRE
Schedule of Town Pension Contributions
For the Year Ended June 30, 2019

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2019	\$ 195,135	\$ (195,135)	\$ -	\$ 1,113,007	17.53%
June 30, 2018	\$ 188,155	\$ (188,155)	\$ -	\$ 1,069,243	17.60%
June 30, 2017	\$ 146,979	\$ (146,979)	\$ -	\$ 929,521	15.81%
June 30, 2016	\$ 150,181	\$ (150,181)	\$ -	\$ 944,643	15.90%
June 30, 2015	\$ 138,706	\$ (138,706)	\$ -	\$ 926,598	14.97%
June 30, 2014	\$ 135,493	\$ (135,493)	\$ -	\$ 876,727	15.45%
June 30, 2013	\$ 96,506	\$ (96,506)	\$ -	\$ 803,059	12.02%

See accompanying notes to the required supplementary information

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. General Fund budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for capital lease proceeds, non-budgetary activity, and budgetary transfers as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 7,295,166	\$ 7,084,534
Difference in property taxes meeting susceptible to accrual criteria	(71,682)	
Capital lease proceeds	(173,867)	(173,867)
Non-budgetary activity	(16,371)	(742,031)
Budgetary transfers	10,304	807,384
Per Schedule 1	<u>\$ 7,043,550</u>	<u>\$ 6,976,020</u>

NOTE 2—GENERAL FUND BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the General Fund at June 30, 2019 are as follows:

<i>Restricted for:</i>	
State of NH SB38 - Highway Block Grant	\$ 118,043
<i>Assigned:</i>	
Carryforward appropriations	85,081
<i>Unassigned:</i>	
Unassigned - General operations	<u>1,642,460</u>
	<u>\$ 1,845,584</u>

NOTE 3—SCHEDULE OF CHANGES IN THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF TOWN OPEB CONTRIBUTIONS

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town's proportionate share of the net OPEB liability, and schedule of Town OPEB contributions. The Town implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

TOWN OF SANBORNTON, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Year Ended June 30, 2019

NOTE 4—SCHEDULE OF CHANGES IN THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF TOWN PENSION CONTRIBUTIONS

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions. The Town implemented the provisions of GASB Statement #68 during the year ended June 30, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as the information becomes available.

Changes in Actuarial Assumptions

For the June 30, 2015 actuarial valuation, the New Hampshire Retirement System reduced its assumption for the investment rate of return from 7.75% to 7.25%, decreased the price inflation from 3.0% to 2.5%, decreased the wage inflation from 3.75% to 3.25%, and decreased the salary increases from 5.8% to 5.6%. Additionally, the mortality table was changed from the RP-2000 projected to 2020 with Scale AA to the RP-2014 employee generational mortality table for males and females, adjusted for mortality improvements using Scale MP-2015.

SCHEDULE A
TOWN OF SANBORNTON, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
June 30, 2019

	Special Revenue <u>Funds</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 478,529		\$ 478,529
Investments		\$ 135,025	135,025
Accounts receivable, net	37,308		37,308
Due from other governments	6,590		6,590
Total Assets	<u>522,427</u>	<u>135,025</u>	<u>657,452</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 522,427</u>	<u>\$ 135,025</u>	<u>\$ 657,452</u>
LIABILITIES			
Due to other funds	\$ 7,979		\$ 7,979
Unearned recreation revenue	20,255		20,255
Total Liabilities	<u>28,234</u>	<u>\$ -</u>	<u>28,234</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable		53,148	53,148
Restricted	17,112	81,877	98,989
Committed	477,081		477,081
Total Fund Balances	<u>494,193</u>	<u>135,025</u>	<u>629,218</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 522,427</u>	<u>\$ 135,025</u>	<u>\$ 657,452</u>

SCHEDULE A-1
TOWN OF SANBORNTON, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Special Revenue Funds
June 30, 2019

	Ambulance Fund	Conservation Commission	Recreation Fund	Cemetery Sales Fund	Police Special Detail Fund	Town Park Expendable Trust Fund	Combining Totals
ASSETS							
Cash and cash equivalents	\$ 165,521	\$ 161,009	\$ 109,772	\$ 17,571	\$ 16,988	\$ 7,668	\$ 478,529
Accounts receivable, net	35,873				1,435		37,308
Due from other governments					6,590		6,590
Total Assets	<u>201,394</u>	<u>161,009</u>	<u>109,772</u>	<u>17,571</u>	<u>25,013</u>	<u>7,668</u>	<u>522,427</u>
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 201,394</u>	<u>\$ 161,009</u>	<u>\$ 109,772</u>	<u>\$ 17,571</u>	<u>\$ 25,013</u>	<u>\$ 7,668</u>	<u>\$ 522,427</u>
LIABILITIES							
Due to other funds	\$ 6,293				\$ 1,686		\$ 7,979
Unearned recreation revenue			\$ 20,255				20,255
Total Liabilities	<u>6,293</u>	<u>\$ -</u>	<u>20,255</u>	<u>\$ -</u>	<u>1,686</u>	<u>\$ -</u>	<u>28,234</u>
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted		9,444				7,668	17,112
Committed	<u>195,101</u>	<u>151,565</u>	<u>89,517</u>	<u>17,571</u>	<u>23,327</u>	<u>-</u>	<u>477,081</u>
Total Fund Balances	<u>195,101</u>	<u>161,009</u>	<u>89,517</u>	<u>17,571</u>	<u>23,327</u>	<u>7,668</u>	<u>494,193</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 201,394</u>	<u>\$ 161,009</u>	<u>\$ 109,772</u>	<u>\$ 17,571</u>	<u>\$ 25,013</u>	<u>\$ 7,668</u>	<u>\$ 522,427</u>

SCHEDULE B

TOWN OF SANBORNTON, NEW HAMPSHIRE

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Funds**

For the Year Ended June 30, 2019

	Special Revenue <u>Funds</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
Revenues:			
Taxes	\$ 25,070		\$ 25,070
Intergovernmental	6,590		6,590
Charges for services	181,128		181,128
Investment income	1,931	\$ 9,360	11,291
Miscellaneous	<u>1,953</u>		<u>1,953</u>
Total Revenues	<u>216,672</u>	<u>9,360</u>	<u>226,032</u>
Expenditures:			
Current operations:			
General government		727	727
Public safety	10,110		10,110
Culture and recreation	22,420		22,420
Capital outlay	<u>6,965</u>		<u>6,965</u>
Total Expenditures	<u>39,495</u>	<u>727</u>	<u>40,222</u>
Excess of revenues over (under) expenditures	<u>177,177</u>	<u>8,633</u>	<u>185,810</u>
Other financing sources (uses):			
Transfers out	<u>(55,238)</u>		<u>(55,238)</u>
Total other financing sources (uses)	<u>(55,238)</u>	<u>-</u>	<u>(55,238)</u>
Net change in fund balances	121,939	8,633	130,572
Fund balances at beginning of year	<u>372,254</u>	<u>126,392</u>	<u>498,646</u>
Fund balances at end of year	<u>\$ 494,193</u>	<u>\$ 135,025</u>	<u>\$ 629,218</u>

SCHEDULE B-1
TOWN OF SANBORNTON, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Special Revenue Funds
For the Year Ended June 30, 2019

	<u>Ambulance Fund</u>	<u>Conservation Commission</u>	<u>Recreation Fund</u>	<u>Cemetery Sales Fund</u>	<u>Police Special Detail Fund</u>	<u>Town Park Expendable Trust Fund</u>	<u>Combining Totals</u>
Revenues:							
Taxes		\$ 25,070					\$ 25,070
Intergovernmental					\$ 6,590		6,590
Charges for services	\$ 88,433		\$ 85,755		6,940		181,128
Investment income	432	387	291	\$ 24	2	\$ 795	1,931
Miscellaneous		453		1,500			1,953
Total Revenues	<u>88,865</u>	<u>25,910</u>	<u>86,046</u>	<u>1,524</u>	<u>13,532</u>	<u>795</u>	<u>216,672</u>
Expenditures:							
Current operations:							
Public safety	5,987				4,123		10,110
Culture and recreation		984	21,436				22,420
Capital outlay					6,965		6,965
Total Expenditures	<u>5,987</u>	<u>984</u>	<u>21,436</u>	<u>-</u>	<u>11,088</u>	<u>-</u>	<u>39,495</u>
Excess of revenues over (under) expenditures	<u>82,878</u>	<u>24,926</u>	<u>64,610</u>	<u>1,524</u>	<u>2,444</u>	<u>795</u>	<u>177,177</u>
Other financing sources (uses):							
Transfers out			(55,238)				(55,238)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(55,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,238)</u>
Net change in fund balances	82,878	24,926	9,372	1,524	2,444	795	121,939
Fund balances at beginning of year	<u>112,223</u>	<u>136,083</u>	<u>80,145</u>	<u>16,047</u>	<u>20,883</u>	<u>6,873</u>	<u>372,254</u>
Fund balances at end of year	<u>\$ 195,101</u>	<u>\$ 161,009</u>	<u>\$ 89,517</u>	<u>\$ 17,571</u>	<u>\$ 23,327</u>	<u>\$ 7,668</u>	<u>\$ 494,193</u>

Trish Stafford

From: Paul Dexter <pdexter@sanborntonfire.com>
Sent: Friday, May 8, 2020 9:52 AM
To: Trish Stafford
Cc: Stephen Hankard; Peggy
Subject: FW: CARES Act information
Attachments: We did some more digging into these ambulance.docx; acceptance_and_expenditure_of_cares_act_assistance.pdf; Ambulance Fund 2019-2020 HHS STIMULUS.pdf; FirstResponderStipendWorksheet-v2 (1).xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

Trish,

After some much needed guidance and updated information from the state regarding the First Responder Stipends and the ambulance fund we will have to change the "sample motions" I recommended for the BOS to accept those funds.

Changes;

- Due to the eligibility weeks the amount per member is different (I have attached the spreadsheet required by the state) so the total amount for the Fire & Rescue is \$18,228.57.
- Due to the guidance from the NH Retirement System that the payments are not considered "income" and will not be required to make contributions towards that income making the amount of tax burden for FICA and Medicare for the Part time members and the only Medicare for the full time members \$932.15 total.
- Guidance from NHMA is that the funds should be accepted under RSA 21-P:43 which allow the funds to be accepted by the town for Emergency Management purposes and not require the noticing requirements or a public hearing. So I have amended the sample motions for your review.

- Acceptance of the CARE Act funding

"I make the motion to accept the funding under RSA 21-P:43 for emergency management purposes in the amount of Two Thousand Four Hundred Eighty-Nine dollars and Fifty-Eight cents (\$2,489.58) from the CARES Act due to the COVID-19 pandemic and to authorized the funding to be used to off-set all cost incurred by the Fire & Rescue Department in mitigation efforts of the pandemic, and to include any write off's of ambulance billing pertaining to COVID-19 ambulance responses"

- Acceptance of First Responder Stipend funding

"I make the motion to accept the funding under RSA 21-P:43 for emergency management purposes in the amount of Eighteen Thousand Two Hundred Twenty-Eight dollars and 57 cents (\$18,228.57) from the CARES Act due to the COVID-19 pandemic and to authorize the funding to be used to pay weekly stipends to the Fire & Rescue Department eligible members based on the state of NH's guidance document."

If you have any questions, please let me know.

Thanks,

Paul D. Dexter Jr.

Paul D. Dexter Jr.
Fire Chief & EMD
Sanbornton Fire & Rescue
565 Sanborn Rd.
Sanbornton, NH 03269
(603) 286-4819



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From: Paul Dexter <pdexter@sanborntonfire.com>
Sent: Wednesday, May 06, 2020 11:22 AM
To: Trish Stafford (townadministrator@sanborntonnh.org) <townadministrator@sanborntonnh.org>
Subject: CARES Act information

Trish,

So, here is the information for a meeting to have the BOS approve and accept CARES Act funding;

First, We received \$2,489.58 (see Ambulance Fund 2019-2020 HHS STIMULUS.pdf attached document), this is a grant provided through Medicare to cover ambulance services that have encountered costs associated with the COVID-19 response (see "We did some more digging into these ambulance.docx from NHMA attached), the amount is based on a percentage of the 2019 receivables from Medicare transports the ambulance did last year, that's why it is a strange number.

Second, The Governor authorized the use of CARES Act funding to provide a stipend to all local, state and private first responders (Fire, EMS and Police) starting on May 4th and running through June for a total of 8 weeks. One of the big restrictions is that first responders can only receive one (1) payment weekly, so if an employee works for more than one agency they can only receive it from one. We have a number of dual members that are either full time for another agency and work part time or on call for us and they will receive their stipend from their full time employer.

The breakdown for the stipend is as follows;
Full Time Firefighter/EMS providers - \$300.00 weekly
Part Time (Per Diem) and On Call Firefighter/EMS providers - \$150.00 weekly
On Call Firefighters with NO EMS licensure - \$50.00 weekly

Of the 21 members that are employed by the Fire Department, we will be responsible for 13 members
3 Full Time - \$900 weekly and \$7,200 for the 8 weeks
8 Part Time/On Call w/EMS licensure - \$1,200 weekly and \$9,600 for the 8 weeks
2 On Call w/ no EMS licensure - \$100 weekly and \$800 for the 8 weeks

For a total of \$17,600.00, under the program this can be requested as a total amount or weekly, (I recommend that it is requested in its entirety)

So, both must be approved and accepted by the BOS, the NHMA has sent guidance on accepting the funds (see attached acceptance document)

I offer "sample motions" for your review-

- Acceptance of the CARE Act funding

"I make the motion to accept the funding in the amount of Two Thousand Four Hundred Eighty-Nine dollars and Fifty-Eight cents (\$2,489.58) from the CARES Act due to the COVID-19 pandemic and to authorized the funding to be used to off-set all cost incurred by the Fire & Rescue Department in mitigation efforts of the pandemic, and to include any write off's of ambulance billing pertaining to COVID-19 ambulance responses"

- Acceptance of the Stipend funding

"I make the motion to accept the funding in the amount of Seventeen Thousand Six Hundred dollars (\$17,600.00) from the CARES Act due to the COVID-19 pandemic and to authorize the funding to be used to pay weekly stipends to the Fire & Rescue Department eligible members based on the state of NH's guidance document."

Paul D. Dexter Jr.

*Paul D. Dexter Jr.
Fire Chief & EMD
Sanbornton Fire & Rescue
565 Sanborn Rd.
Sanbornton, NH 03269
(603) 286-4819*



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New Hampshire Municipal Association

April 29, 2020

Acceptance and Expenditure of CARES Act Assistance by Local Government

New Hampshire law permits municipalities to authorize acceptance and expenditure of funds from the state, federal or other governmental unit, or a private source, which becomes available during the fiscal year. [RSA 31:95-b](#). In most municipalities the town meeting or legislative body (i.e., town or city council, board of aldermen, etc.) have previously granted authority to the select board or governing body to accept and expend such grants. Once authorized, a grant in the amount of \$10,000 or more must be approved by the governing body at a public hearing, with notice of the hearing published in a newspaper of general circulation in the relevant municipality at least 7 days before the hearing is held. For grants of less than \$10,000, these may be accepted by vote of the select board at a public meeting provided notice of the proposed acceptance is noted in the published agenda and recorded in the minutes. Any such accepted grant cannot require the expenditure of other town or village district funds except those funds lawfully appropriated for the same purpose.

Notwithstanding RSA 31:95-b, [RSA 21-P:43](#) would permit acceptance and expenditure of CARES Act grants in any amount, including amounts of \$10,000 or greater, without a public hearing or notice being published in a newspaper 7 days in advance. RSA 21-P:43 states that gifts, grants or loans for emergency management purposes may be accepted by the “executive officer, city council, or board of selectmen.” There is no public hearing requirement. Although this law would seemingly permit a city manager, town manager, or mayor to accept and expend a CARES grant, we think the better practice is to have the city or town council, select board or board of commissioners vote to accept and expend a CARES Act gift or grant. In order for a public body to accept a CARES Act, grant a public meeting would be required, which could be conducted in a virtual manner, and the ordinary notice requirements for public meetings under RSA 91-A should be followed.

We did some more digging into these ambulance-related funds that are appearing in municipal bank accounts due to disbursements from the Department of Health and Human Services (HHS). As you know, these funds are awards to certain health care providers for health care-related expenses or lost revenues directly attributable to COVID-19 included in the CARES Act. To the best of our knowledge, the awards appear to be limited to municipalities which provide ambulance services based on their share of 2019 Medicare fee-for-service (FFS) reimbursements or targeted distributions that will focus on providers in areas particularly impacted by the COVID-19 outbreak, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans.

We would urge our members to follow our [previously-released guidance](#) on how to accept CARES Act Assistance, if they choose to accept these funds.

As far as expenditures go, the HHS relief funding attestation document which accompanies these funds states that the monies can “only be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the Recipient only for health care related expenses or lost [healthcare] revenues that are attributable to coronavirus.” In other words, the related-expenses must be used for Covid-19. So, for example, if an ambulance transported a suspected Covid-19 case, presumably, the funds could be used to cover the cost of the additional PPE utilized for that run and any other-related expenses that are not compensated through other means. Our recommendation is to use these funds distributed based on last year’s ambulance Medicare recipients for first responder-related costs other than FEMA reimbursable costs.

We think this covers the majority of questions which we can answer for those who are reaching out to the EOC for guidance. Unfortunately, as Margaret mentioned previously, the federal guidance on these funds is confusing and there are some open questions regarding the use of these funds. Please let us know if we can be of further assistance.



Natch Greyes
Municipal Services Counsel
New Hampshire Municipal Association
25 Triangle Park Drive
Concord, NH 03301
Tel: (603) 224-7447
www.nhmunicipal.org

Emergency Medical Service, Fire and Rescue Apparatus Equipment 2019-2020

Date	Notes	Receipts	Interest	Expenditures	BALANCE	ck/B
	Beginning balance from June 2019				\$165,520.96	
07/01/19	General Fund Transfer			441.94	165,079.02	
07/01/19	EFT	334.97			165,413.99	
07/02/19	EFT	90.15			165,504.14	
07/05/19	EFT	113.80			165,617.94	
07/10/19	EFT	1,404.81			167,022.75	
07/11/19	EFT	1,000.45			168,023.20	
07/12/19	EFT	420.98			168,444.18	
07/17/19	EFT	417.22			168,861.40	
07/18/19	EFT	1,001.75			169,863.15	
07/22/19	EFT	447.82			170,310.97	
07/23/19	EFT	108.14			170,419.11	
07/31/19	General Fund Transfer			451.41	169,967.70	
07/25/19	EFT	351.42			170,319.12	
07/31/19	Interest		76.07		170,395.19	
	Total July	5,691.51	76.07	893.35	\$170,395.19	
08/05/19	EFT	106.95			\$170,502.14	c
08/07/19	EFT	951.91			\$171,454.05	c
08/02/19	EFT	104.29			\$171,558.34	c
08/02/19	EFT	114.24			\$171,672.58	c
08/02/19	EFT	2,325.46			\$173,998.04	c
08/05/19	EFT	426.18			\$174,424.22	c
08/09/19	EFT	89.65			\$174,513.87	c
08/12/19	EFT	551.85			\$175,065.72	c
08/15/19	EFT	203.60			\$175,269.32	c
08/20/19	EFT	528.72			\$175,798.04	c
08/21/19	EFT	455.74			\$176,253.78	c
08/22/19	General Fund Transfer			409.78	\$175,844.00	c
08/22/19	EFT	193.20			\$176,037.20	c
08/22/19	EFT	550.00			\$176,587.20	c
08/26/19	EFT	507.12			\$177,094.32	c
08/27/19	EFT	253.11			\$177,347.43	c
08/29/19	EFT	559.36			\$177,906.79	c

Emergency Medical Service, Fire and Rescue Apparatus Equipment 2019-2020

08/30/19	EFT	435.69			\$178,342.48	c	
08/30/19	Interest		72.00		\$178,414.48	c	
	Total August	8,357.07	72.00	409.78	\$178,414.48	ok	
09/04/19	Treasurer Deposit	402.81			\$178,817.29	c	
09/03/19	EFT	1,089.95			\$179,907.24	c	
09/05/19	EFT	1,320.34			\$181,227.58	c	
09/09/19	EFT	250.00			\$181,477.58	c	
09/10/19	EFT	17.86			\$181,495.44	c	
09/10/19	EFT	469.45			\$181,964.89	c	
09/11/19	EFT	111.15			\$182,076.04	c	
09/18/19	EFT	188.00			\$182,264.04	c	
09/30/19	Interest		77.08		\$182,341.12	c	
	Total September	3,849.56	77.08	0.00	\$182,341.12	ok	
Total 1st Quarter 7/1/19-9/29/19		17,898.14	225.15	1,303.13	\$182,341.12		
10/01/19	EFT	85.46			\$182,426.58	c	
10/02/19	EFT	1,351.24			\$183,777.82	c	
10/03/19	EFT	1,173.77			\$184,951.59	c	
10/07/19	EFT	1,151.69			\$186,103.28	c	
10/09/19	EFT	1,093.96			\$187,197.24	c	
10/10/19	EFT	333.24			\$187,530.48	c	
10/11/19	General Fund Transfer			670.13	\$186,860.35	c	
10/15/19	EFT	549.27			\$187,409.62	c	
10/16/19	EFT	120.41			\$187,530.03	c	
10/16/19	EFT	427.91			\$187,957.94	c	
10/17/19	EFT	129.91			\$188,087.85	c	
10/18/19	EFT	108.94			\$188,196.79	c	
10/18/19	EFT	412.33			\$188,609.12	c	
10/23/19	EFT	1,003.76			\$189,612.88	c	
10/23/19	EFT	1,257.77			\$190,870.65	c	
10/23/19	General Fund Transfer			358.54	\$190,512.11	c	
10/28/19	EFT	117.38			\$190,629.49	c	
10/28/19	EFT	392.42			\$191,021.91	c	
10/31/19	Interest		71.80		\$191,093.71	c	
	Total October	9,709.46	71.80	1,028.67	\$191,093.71		

Emergency Medical Service, Fire and Rescue Apparatus Equipment 2019-2020

11/09/19	Transfer for cot purchase			17,605.90	\$173,487.81	c	
11/22/19	EFT	195.85			\$173,683.66	c	
11/27/19	General Fund Transfer			639.40	\$173,044.26	c	
11/01/19	EFT	783.46			\$173,827.72	c	
11/06/19	EFT	120.69			\$173,948.41	c	
11/07/19	EFT	768.32			\$174,716.73	c	
11/13/19	EFT	217.43			\$174,934.16	c	
11/13/19	EFT	431.37			\$175,365.53	c	
11/18/19	EFT	50.00			\$175,415.53	c	
11/18/19	EFT	686.13			\$176,101.66	c	
11/19/19	EFT	528.72			\$176,630.38	c	
11/20/19	EFT	100.11			\$176,730.49	c	
11/22/19	EFT	110.04			\$176,840.53	c	
11/22/19	EFT	502.72			\$177,343.25	c	
11/25/19	EFT	596.13			\$177,939.38	c	
11/26/19	EFT	111.37			\$178,050.75	c	
11/27/19	EFT	19.56			\$178,070.31	c	
11/27/19	EFT	105.18			\$178,175.49	c	
11/27/19	EFT	595.48			\$178,770.97	c	
11/27/19	Interest		64.10		\$178,835.07	c	
	Total November	5,922.56	64.10	18,245.30	\$178,835.07	ok	
12/02/19	EFT	432.24			\$179,267.31	c	
12/02/19	EFT	516.50			\$179,783.81	c	
12/03/19	EFT	0.01			\$179,783.82	c	
12/03/19	EFT	0.01			\$179,783.83	c	
12/03/19	EFT	522.33			\$180,306.16	c	
12/03/19	EFT	1,887.03			\$182,193.19	c	
12/04/19	EFT	1,199.69			\$183,392.88	c	
12/05/19	EFT	110.26			\$183,503.14	c	
12/06/19	EFT	1,914.20			\$185,417.34	c	
12/09/19	EFT	119.10			\$185,536.44	c	
12/10/19	EFT	2,269.91			\$187,806.35	c	
12/12/19	EFT	146.62			\$187,952.97	c	
12/12/19	EFT	250.00			\$188,202.97	c	

Emergency Medical Service, Fire and Rescue Apparatus Equipment 2019-2020

12/16/19	EFT	50.00			\$188,252.97	c	
12/17/19	EFT	114.90			\$188,367.87	c	
12/23/19	Transfer to GF			468.39	\$187,899.48	c	
12/19/19	EFT	72.09			\$187,971.57	c	
12/20/19	EFT	100.77			\$188,072.34	c	
12/20/19	EFT	1,596.19			\$189,668.53	c	
12/23/19	Refund Check # 113			111.15	\$189,557.38		
12/23/19	Transfer to GF			23,200.08	\$166,357.30	c	
12/24/19	EFT	254.70			\$166,612.00	c	
12/24/19	EFT	684.69			\$167,296.69	c	
12/31/19	EFT	307.21			\$167,603.90	c	
12/27/19	EFT	95.17			\$167,699.07	c	
12/31/19	Interest		71.27		\$167,770.34	c	
Total December		12,643.62	71.27	23,779.62	\$167,770.34	OK	
Total 2nd Quarter 10/1/19-12/30/19		28,275.64	207.17	43,053.59	\$167,770.34	OK	
Fiscal Y-T-D 7-1-19 to 12-30-19		46,173.78	432.32	44,356.72	\$167,770.34	OK	
01/08/20	Refund Check 114			144.18	\$167,626.16		
01/03/20	EFT	212.58			\$167,838.74		
01/09/20	EFT	107.16			\$167,945.90		
01/13/20	EFT	103.42			\$168,049.32		
01/13/20	EFT	104.74			\$168,154.06		
01/14/20	EFT	446.08			\$168,600.14		
01/16/20	EFT	50.00			\$168,650.14		
01/17/20	EFT	22.44			\$168,672.58		
01/21/20	EFT	409.73			\$169,082.31		
01/22/20	EFT	250.00			\$169,332.31		
01/24/20	EFT	2,274.61			\$171,606.92		
01/29/20	EFT	606.32			\$172,213.24		
01/29/20	Transfer to GF			922.39	\$171,290.85		
01/31/20	Interest		64.66		\$171,355.51		
					\$171,355.51		

Emergency Medical Service, Fire and Rescue Apparatus Equipment 2019-2020

Total January		4,587.08	64.66	1,066.57	\$171,355.51	
02/04/20	EFT	574.75			\$171,930.26	c
02/06/20	EFT	478.11			\$172,408.37	c
02/06/20	EFT	482.40			\$172,890.77	c
02/09/20	EFT	541.38			\$173,432.15	c
02/12/20	EFT	1,157.34			\$174,589.49	c
02/14/20	EFT	146.62			\$174,736.11	c
02/18/20	EFT	451.90			\$175,188.01	c
02/18/20	EFT	50.00			\$175,238.01	c
02/20/20	EFT	185.40			\$175,423.41	c
02/20/20	EFT	149.36			\$175,572.77	c
02/26/20	EFT	826.83			\$176,399.60	c
02/28/20	EFT	2,198.64			\$178,598.24	c
02/28/20	EFT	250.00			\$178,848.24	c
02/28/20	EFT	190.60			\$179,038.84	c
02/28/20	EFT	886.81			\$179,925.65	c
02/28/20	Interest		60.40		\$179,986.05	c
Total February		8,570.14	60.40	0.00	\$179,986.05	ok
03/11/20	General Fund Transfer			348.67	\$179,637.38	
03/03/20	EFT	344.57			\$179,981.95	c
03/04/20	EFT	636.70			\$180,618.65	c
03/05/20	EFT	89.53			\$180,708.18	c
03/05/20	EFT	417.78			\$181,125.96	c
03/10/20	EFT	149.01			\$181,274.97	c
03/11/20	EFT	725.11			\$182,000.08	c
03/25/20	General Fund Transfer			655.62	\$181,344.46	c
03/25/20	Treasurer Deposit	191.15			\$181,535.61	c
03/17/20	EFT	107.60			\$181,643.21	c
03/17/20	EFT	424.29			\$182,067.50	c
03/17/20	EFT	448.95			\$182,516.45	c
03/19/20	EFT	1,173.77			\$183,690.22	c
03/19/20	EFT	201.87			\$183,892.09	c
03/19/20	EFT	914.92			\$184,807.01	c
03/20/20	EFT	105.39			\$184,912.40	c

Emergency Medical Service, Fire and Rescue Apparatus Equipment 2019-2020

03/20/20	EFT	437.86			\$185,350.26	c	
03/24/20	EFT	775.23			\$186,125.49	c	
03/12/20	EFT	185.79			\$186,311.28	c	
03/27/20		105.93			\$186,417.21	c	
03/27/20		789.81			\$187,207.02	c	
03/30/20		50.00			\$187,257.02	c	
03/31/20			72.44		\$187,329.46	ok	
	Total March	8,275.26	72.44	1,004.29	\$187,329.46		
Total 1st Qtr 1/31/20-3/30/20		21,432.48	197.50	2,070.86	\$187,329.46		
04/03/20	EFT	90.94			\$187,420.40	c	
04/03/20	EFT	132.62			\$187,553.02	c	
04/15/20	EFT	891.99			\$188,445.01		
04/06/20	EFT	110.55			\$188,555.56	c	
04/06/20	EFT	699.45			\$189,255.01	c	
04/09/20	EFT	191.15			\$189,446.16	c	
04/06/20	EFT	420.91			\$189,867.07	c	
04/10/20	HHS Stimulus	2,489.58			\$192,356.65	c	
04/06/20	EFT	407.15			\$192,763.80	c	
04/06/20	EFT	280.85			\$193,044.65	c	
04/15/20	EFT	786.34			\$193,830.99	c	
04/13/20	EFT	679.89			\$194,510.88	c	
04/13/20	EFT	471.00			\$194,981.88	c	
04/17/20	EFT	1,329.85			\$196,311.73	c	
04/20/20	EFT	840.43			\$197,152.16	c	
04/20/20	EFT	106.39			\$197,258.55	c	
04/21/20	EFT	1,129.61			\$198,388.16	c	
04/21/20	EFT	103.87			\$198,492.03	c	
04/22/20	EFT	107.38			\$198,599.41	c	
04/24/20	EFT	110.32			\$198,709.73	c	
04/27/20	EFT	275.00			\$198,984.73	c	
04/22/20	Transfer to GF			633.06	\$198,351.67	c	
04/28/20	EFT	108.47			\$198,460.14	c	
04/28/20	EFT	409.80			\$198,869.94	c	
04/28/20	EFT	280.85			\$199,150.79	c	

ORGANIZATION NAME:

COUNT TOTAL: PAY TOTAL: \$

#	FIRST NAME	LAST NAME	LAST 4 SSN	POSITION	STIPEND PER WEEK	ELIGIBLE WEEKS	AMOUNT
1	Paul	Dexter Jr	3425	Firefighter - Full-time w/ EMS	\$ 300.00	8	\$ 2,485.71
2	Scott	Taylor	8412	Firefighter - Call w/ EMS	\$ 150.00	8	\$ 1,242.86
3	Kenneth	Carleton	0569	Firefighter - Full-time w/ EMS	\$ 300.00	8	\$ 2,485.71
4	Michael	Lewis	9224	Firefighter - Full-time w/ EMS	\$ 300.00	8	\$ 2,485.71
5	Raymond	Smith	8482	Firefighter - Call w/ EMS	\$ 150.00	8	\$ 1,242.86
6	Mary	Baxter	6572	EMS - Part-Time	\$ 150.00	8	\$ 1,242.86
7	Aaron	Abbott	6525	Firefighter - Call No EMS	\$ 50.00	8	\$ 414.29
8	Megan	Howes	0559	Firefighter - Call w/ EMS	\$ 150.00	8	\$ 1,242.86
9	Dennis	Paquet	0888	Firefighter - Call No EMS	\$ 50.00	8	\$ 414.29
10	Alberta	Dobsa	1675	EMS - Part-Time	\$ 150.00	8	\$ 1,242.86
11	William	Hackmann	9660	Firefighter - Call w/ EMS	\$ 150.00	8	\$ 1,242.86
12	Michael	Mussey	5237	Firefighter - Call w/ EMS	\$ 150.00	8	\$ 1,242.86
13	Virgina	Chapman	2855	EMS - Part-Time	\$ 150.00	8	\$ 1,242.86
14					\$ -	8	\$ -
15					\$ -	8	\$ -
16					\$ -	8	\$ -
17					\$ -	8	\$ -
18					\$ -	8	\$ -
19					\$ -	8	\$ -
20					\$ -	8	\$ -
21					\$ -	8	\$ -
22					\$ -	8	\$ -
23					\$ -	8	\$ -
24					\$ -	8	\$ -
25					\$ -	8	\$ -
26					\$ -	8	\$ -
27					\$ -	8	\$ -
28					\$ -	8	\$ -
29					\$ -	8	\$ -
30					\$ -	8	\$ -
31					\$ -	8	\$ -
32					\$ -	8	\$ -
33					\$ -	8	\$ -
34					\$ -	8	\$ -



SALES/CONTRACT ORDER

PO Box 175 563 S. Main St
Franklin NH 03235

VISIT OUR WEBSITE RDPavingINC.COM
Email: info@rdpavinginc.com

Phone: (603) 934-6745
Fax: (603) 934-2999

CONTRACT NUMBER 02/22/1219
CONTRACT DATE: May 8, 2020

To:
Town of Sanbornton PO Box 124 Sanbornton, NH 03269

Job Description:
Hueber Rd Shim & Overlay Sanbornton, NH

Customer ID	Sales Rep Name
1572	Jeff M. Twarog
Customer Contact	Payment Terms
Johnny Van Tassel	Net 30 Days
SEE AC ESCALATION CLAUSE	

Quantity	Item	Description	Unit Price	Amount
		HUEBER DR - Approx. 8,750' x 22' - Approx. 21,390 SY		
		GRINDING - Approx. 20 Paved Driveways		
		SWEEP & TACK - Approx. 21,390 SY		
		SHIM - Approx. 21,390 SY at 1" - Approx. 1,215 Tons		
		OVERLAY - Approx. 21,390 SY at 1.5" - Approx. 1,820 Tons		
		SHOULDER GRAVEL - Approx. 17,000' x 2' at 3"		
		GRAVEL DRIVES - Approx. 56 Gravel Drives		
		BID ITEMS:		
950.00	Tons	CRUSHED GRAVEL FOR SHOULDERS - Approx. 950 Tons	30.65	Per Ton
300.00	Tons	CRUSHED GRAVEL FOR DRIVEWAYS - Approx. 300 Tons	30.65	Per Ton
3,050.00	Tons	HOT BITUMINOUS MACHINE METHOD - Approx. 3,050 Tons	67.73	Per Ton
150.00	Tons	HOT BITUMINOUS HAND METHOD - Approx. 150 Tons	130.00	Per Ton
		TOTAL COST - \$264,389.00		

**Work performed when temperatures fall below 36 degree's, will not be guaranteed by R&D & will be done only at the customer's risk

**Traffic control & sweeping by others unless specified otherwise

**Additional Mobilizations over the amount on the Contract will be subject to an additional charge

**Any decrease in the scope of work performed can result in a proportional increase in the unit price for this contract.

**Total cost is based on the units in place, the quantities provided are approximate.

NH DOT AC Price, as of the time of this quote is \$540.00 R&D Paving reserves the right to adjust the price at time of installation based on AC Price at that time. Pertaining to NHDOT Road and Bridges Specifications.

ACCEPTANCE OF the above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work specified. Payment will be made as outlined above.

Date- _____

Signature- _____



Town of Sanbornton

Highway Department
PO Box 124
Sanbornton, NH 03269
603.286.8252

www.sanborntonnh.org

304.32	Crushed Gravel for Shoulders	950	TON	30.65	29,117.50
304.35	Crushed Gravel for driveways	300	TON	30.65	9,195.00
403.11	Hot Bituminous Machine Method Shim (1") and Overlay (1.5")	3,050	TON	67.73	206,576.50
403.12	Hot Bituminous Pavement Hand Method	150	TON	130.00	19,500

Bid Total: \$ 264,389.00

Quantities are estimated and are subject to change.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/03/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
GROSS INSURANCE - LACONIA
155 Court Street

Laconia

INSURED

R & D Paving, Inc.
P.O. Box 175

Franklin

NH 03246

NH 03235

CONTACT NAME: Sarah Cullen, AINS, ACSR
PHONE (A/C, No, Ext): (603) 524-2425
E-MAIL ADDRESS: scullen@crossagency.com
FAX (A/C, No): (603) 524-3666

INSURER(S) AFFORDING COVERAGE
INSURER A: Firemen's Ins. Co. of Washington D.C. NAIC # 21784
INSURER B: Acadia Ins Co. 31325
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES

CERTIFICATE NUMBER: CL1962892478

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			CPA5345088-11	07/01/2019	07/01/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> CA9948			CAA5345089-11	07/01/2019	07/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			CUA5345090-11	07/01/2019	07/01/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WPA5345091-11	07/01/2019	07/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Office Copy

CERTIFICATE HOLDER

R & D Paving Inc.
P.O. Box 175

Franklin

NH 03235

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Sarah Cullen



Town of Sanbornton

Highway Department
PO Box 124
Sanbornton, NH 03269
603.286.8252
www.sanborntonnh.org

Town of Sanbornton REQUEST FOR PROPOSALS (RFP) Bid Number SHD 2020-02

Bid Requirements and Deadline:

All bids shall be submitted in a sealed envelope and plainly marked “SHD 2020-02” and can be hand delivered to 573 Sanborn Rd, Sanbornton NH or mailed to PO Box 124, Sanbornton NH 03269. **Deadline for bid submittal is May 8 2020, at 10:00 AM** at which time bids will be opened at the Office of the Selectmen; 573 Sanborn Road, Sanbornton, NH. **Bids will be awarded May 13 2020, at the Selectmen Meeting.**

Scope of Work as Follows:

Shim and Overlay: Huber Drive from the pavement joint at Drake Road up to and including the circle at the end of the road. Work to include driveway tie ins, aprons, and shoulder gravel.

Materials, Quantity’s Bid Amounts

- At the end of the requests form.

General Requirements:

SUBMISSION OF PROPOSALS

One (1) electronic copy and five (5) hard copies of the proposal must be received by 10:00 a.m. (Eastern Standard Time), Friday, May 8, 2020, clearly marked “**TOWN OF SANBORNTON - “SHD 2020-02”**”, and can be

Hand delivered to:

573 Sanborn Rd, Sanbornton NH

or mailed to:

PO Box 124, Sanbornton NH 03269.

Proposals or amendments received after this deadline will not be considered.

Faxed or emailed proposals will not be considered.

CONDITIONS OF SUBMISSION

All proposals submitted in response to this RFP become the property of the Town of Sanbornton. The Town has the right to disclose information contained in the proposals after an award has been made. The Board of Selectmen reserves the right to reject or accept all or any part of any proposal, to determine what constitutes a conforming proposal, to award solely as it deems to be in the best interest of the Town, and to waive irregularities that it considers not material to the

BID # SHD 2020-02



Town of Sanbornton

Highway Department
PO Box 124
Sanbornton, NH 03269
603.286.8252
www.sanborntonnh.org

process.

SELECTION PROCESS

Upon release of this RFP, the Board of Selectmen will be responsible for the review of the proposals and the selection of a qualified candidate. All proposals will be opened after the deadline for submitting proposals, in the presence of one or more witnesses, and a register of all applications will be prepared. Proposals will be evaluated based on best value, technical merit and on the criteria listed herein. At the discretion of the Board of Selectmen, finalists may be interviewed as part of the evaluation process. Bids will be awarded Wednesday May 13, 2018 at the Selectmen Meeting.

The Town reserves the right to accept or reject any or all proposals, either in whole or in part; to waive any defects, informalities, and/or minor irregularities in bid responses. The Town reserves the right to accept substitutions or exceptions to the proposed materials ONLY if authorization is provided to the contractor in writing prior to the submission of his/her Bid Proposal.

Payment Terms:

Lump sum payment will be made upon approval of finished product net 30 days.

Any questions should be directed to:

Johnny Van Tassel via email at Highway Department sanborntonhw@metrocast.net or phone at (603) 455-5882.

Non-Appropriation. Town of Sanbornton will pay only such contract amounts that can lawfully be made from funds budgeted and appropriated for that purpose during the Town of Sanbornton's then current year, subject to annual approval by the Town Meeting. Should Town of Sanbornton fail to budget, appropriate, or otherwise make available funds to make payments under this contract, such contract shall be deemed terminated at the end of the then current term. Town of Sanbornton agrees to deliver prompt notification after any decision to non-appropriation is made, but failure to give such notice will not extend the term beyond such original or renewal Term.

Indemnification. To the fullest extent permitted by law the contractor shall protect, indemnify, save, defend and hold harmless Town of Sanbornton, including its officials, agents, volunteers and employees, ("Indemnified Parties"), from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs, interest and expenses, including but not limited to reasonable attorney and paralegal fees, which Indemnified Parties may become obligated or suffer by reason of any accident, bodily injury, personal injury, death of person, or loss of or damage to property, arising indirectly or directly under, out of, in connection with, or as a result of this Contract or the activities of the contractor or its agents, employees, contractors or subcontractors, and even if caused in whole or in part by any negligent or intentional act or omission of Indemnified Parties.

In addition, and regardless of respective fault, Contractor shall defend, indemnify and hold



Town of Sanbornton

Highway Department
 PO Box 124
 Sanbornton, NH 03269
 603.286.8252
www.sanborntonnh.org

harmless the Indemnified Parties for any costs, expenses and liabilities arising out of a claim, charge or determination that Contractor officers, employees, contractors, subcontractors or agents are employees of the Indemnified Parties, including but not limited to claims or charges for benefits, wages, fees, penalties, withholdings, damages or taxes brought in connection with laws governing workers compensation, unemployment compensation, social security, Medicare, state or federal taxation, and/or any other similar obligation associated with an employment relationship.

Contractor’s obligations to defend, indemnify and hold harmless the Indemnified Parties hereunder shall survive the term of this Contract.

Town of Sanbornton shall not be required to defend or indemnify Contractor or its agents, employees, contractors or subcontractors or any professional service provider.

Insurance Requirements. The provider shall maintain at all times during the life of this contract the following insurance coverage. The provider must also require its subcontractors to maintain such coverage. Any request for modification of the coverage requirements must be submitted in writing with the proposal, and will be evaluated accordingly.

Workers Compensation Insurance: The provider shall carry workers compensation insurance as required by the State of New Hampshire.

Comprehensive General Liability Insurance: The provider shall maintain comprehensive general liability insurance policy, which includes coverage for contractual liability, in an amount of no less than \$1,000,000 per occurrence.

Motor Vehicle Insurance: The provider shall carry motor vehicle insurance to include bodily injury, property damage, and uninsured motorist, coverage in an amount of no less than \$1,000,000 combined single limit per accident.

Provider shall provide an insurance certificate confirming the above insurance coverage. The Town shall be named as an additional insured for all of the above insurance, except Workers’ Compensation coverage. Insurance shall be obtained on an occurrence basis. The insurance certificate and the underlying insurance coverage shall be issued by a carrier authorized to do business in the State of New Hampshire and having A.M. Best Company rating of “A” or better.

The provider shall file certificates with Town of Sanbornton showing that the above insurance has been purchased.

A 30-day notice is required for cancellation and /or material change of coverage, sent directly to the Town of Sanbornton, PO Box 124, 573 Sanborn Road, Sanbornton, NH 03269. Attn Johnny Van Tassel, Highway Director .

Item #	Description	Quantity	Unit	Price Per Unit	Total
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Town of Sanbornton

Highway Department
 PO Box 124
 Sanbornton, NH 03269
 603.286.8252
www.sanborntonnh.org

304.32	Crushed Gravel for Shoulders	950	TON	\$ 20.00	\$ 19,000.00
304.35	Crushed Gravel for driveways	300	TON	\$ 20.00	\$ 6,000.00
403.11	Hot Bituminous Machine Method Shim (1") and Overlay (1.5")	3,050	TON	\$ 66.30	\$ 202,215.00
403.12	Hot Bituminous Pavement Hand Method	150	TON	\$ 66.30	\$ 9,945.00

Bid Total: \$ \$ 237,160.00

- * Price includes trimming at 18 driveways and 1 end joint
- * Certified flaggers and emulsion included
- * Sweeping prior to paving included

Quantities are estimated and are subject to change.

GMI Asphalt, LLC
 288 Laconia Road
 Belmont, NH 03220
 Jeff Perry - Project Manager
 (603) 524-0200 office
 (603) 524-3700 fax
 (603) 520-0539 cell
jeff@gmiasphalt.com



Town of Sanbornton

Highway Department
PO Box 124
Sanbornton, NH 03269
603.286.8252
www.sanborntonnh.org

Town of Sanbornton REQUEST FOR PROPOSALS (RFP) Bid Number SHD 2020-02

Bid Requirements and Deadline:

All bids shall be submitted in a sealed envelope and plainly marked “SHD 2020-02” and can be hand delivered to 573 Sanborn Rd, Sanbornton NH or mailed to PO Box 124, Sanbornton NH 03269. **Deadline for bid submittal is May 8 2020, at 10:00 AM** at which time bids will be opened at the Office of the Selectmen; 573 Sanborn Road, Sanbornton, NH. **Bids will be awarded May 13 2020, at the Selectmen Meeting.**

Scope of Work as Follows:

Shim and Overlay: Huber Drive from the pavement joint at Drake Road up to and including the circle at the end of the road. Work to include driveway tie ins, aprons, and shoulder gravel.

Materials, Quantity’s Bid Amounts

- At the end of the requests form.

General Requirements:

SUBMISSION OF PROPOSALS

One (1) electronic copy and five (5) hard copies of the proposal must be received by 10:00 a.m. (Eastern Standard Time), Friday, May 8, 2020, clearly marked “**TOWN OF SANBORNTON - “SHD 2020-02”**”, and can be

Hand delivered to:

573 Sanborn Rd, Sanbornton NH

or mailed to:

PO Box 124, Sanbornton NH 03269.

Proposals or amendments received after this deadline will not be considered.

Faxed or emailed proposals will not be considered.

CONDITIONS OF SUBMISSION

All proposals submitted in response to this RFP become the property of the Town of Sanbornton. The Town has the right to disclose information contained in the proposals after an award has been made. The Board of Selectmen reserves the right to reject or accept all or any part of any proposal, to determine what constitutes a conforming proposal, to award solely as it deems to be in the best interest of the Town, and to waive irregularities that it considers not material to the



Town of Sanbornton

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process.

SELECTION PROCESS

Upon release of this RFP, the Board of Selectmen will be responsible for the review of the proposals and the selection of a qualified candidate. All proposals will be opened after the deadline for submitting proposals, in the presence of one or more witnesses, and a register of all applications will be prepared. Proposals will be evaluated based on best value, technical merit and on the criteria listed herein. At the discretion of the Board of Selectmen, finalists may be interviewed as part of the evaluation process. Bids will be awarded Wednesday May 13, 2018 at the Selectmen Meeting.

The Town reserves the right to accept or reject any or all proposals, either in whole or in part; to waive any defects, informalities, and/or minor irregularities in bid responses. The Town reserves the right to accept substitutions or exceptions to the proposed materials ONLY if authorization is provided to the contractor in writing prior to the submission of his/her Bid Proposal.

Payment Terms:

Lump sum payment will be made upon approval of finished product net 30 days.

Any questions should be directed to:

Johnny Van Tassel via email at Highway Department sanborntonhw@metrocast.net or phone at (603) 455-5882.

Non-Appropriation. Town of Sanbornton will pay only such contract amounts that can lawfully be made from funds budgeted and appropriated for that purpose during the Town of Sanbornton's then current year, subject to annual approval by the Town Meeting. Should Town of Sanbornton fail to budget, appropriate, or otherwise make available funds to make payments under this contract, such contract shall be deemed terminated at the end of the then current term. Town of Sanbornton agrees to deliver prompt notification after any decision to non-appropriation is made, but failure to give such notice will not extend the term beyond such original or renewal Term.

Indemnification. To the fullest extent permitted by law the contractor shall protect, indemnify, save, defend and hold harmless Town of Sanbornton, including its officials, agents, volunteers and employees, ("Indemnified Parties"), from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs, interest and expenses, including but not limited to reasonable attorney and paralegal fees, which Indemnified Parties may become obligated or suffer by reason of any accident, bodily injury, personal injury, death of person, or loss of or damage to property, arising indirectly or directly under, out of, in connection with, or as a result of this Contract or the activities of the contractor or its agents, employees, contractors or subcontractors, and even if caused in whole or in part by any negligent or intentional act or omission of Indemnified Parties.

In addition, and regardless of respective fault, Contractor shall defend, indemnify and hold



Town of Sanbornton

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 PO Box 124
 Sanbornton, NH 03269
 603.286.8252
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harmless the Indemnified Parties for any costs, expenses and liabilities arising out of a claim, charge or determination that Contractor officers, employees, contractors, subcontractors or agents are employees of the Indemnified Parties, including but not limited to claims or charges for benefits, wages, fees, penalties, withholdings, damages or taxes brought in connection with laws governing workers compensation, unemployment compensation, social security, Medicare, state or federal taxation, and/or any other similar obligation associated with an employment relationship.

Contractor's obligations to defend, indemnify and hold harmless the Indemnified Parties hereunder shall survive the term of this Contract.

Town of Sanbornton shall not be required to defend or indemnify Contractor or its agents, employees, contractors or subcontractors or any professional service provider.

Insurance Requirements. The provider shall maintain at all times during the life of this contract the following insurance coverage. The provider must also require its subcontractors to maintain such coverage. Any request for modification of the coverage requirements must be submitted in writing with the proposal, and will be evaluated accordingly.

Workers Compensation Insurance: The provider shall carry workers compensation insurance as required by the State of New Hampshire.

Comprehensive General Liability Insurance: The provider shall maintain comprehensive general liability insurance policy, which includes coverage for contractual liability, in an amount of no less than \$1,000,000 per occurrence.

Motor Vehicle Insurance: The provider shall carry motor vehicle insurance to include bodily injury, property damage, and uninsured motorist, coverage in an amount of no less than \$1,000,000 combined single limit per accident.

Provider shall provide an insurance certificate confirming the above insurance coverage. The Town shall be named as an additional insured for all of the above insurance, except Workers' Compensation coverage. Insurance shall be obtained on an occurrence basis. The insurance certificate and the underlying insurance coverage shall be issued by a carrier authorized to do business in the State of New Hampshire and having A.M. Best Company rating of "A" or better.

The provider shall file certificates with Town of Sanbornton showing that the above insurance has been purchased.

A 30-day notice is required for cancellation and /or material change of coverage, sent directly to the Town of Sanbornton, PO Box 124, 573 Sanborn Road, Sanbornton, NH 03269. Attn Johnny Van Tassel, Highway Director .

Item #	Description	Quantity	Unit	Price Per Unit	Total
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Town of Sanbornton

Highway Department
PO Box 124
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304.32	Crushed Gravel for Shoulders	950	TON	22.00	20,900.00
304.35	Crushed Gravel for driveways	300	TON	22.00	6,600.00
403.11	Hot Bituminous Machine Method Shim (1") and Overlay (1.5")	3,050	TON	67.50	205,875.00
403.12	Hot Bituminous Pavement Hand Method	150	TON	110.00	16,500.00

Bid Total: \$ 249,875.00

Quantities are estimated and are subject to change.

Pike Industries, Inc.
3 Eastgate Park Road
Belmont NH 03220

Bethany Huckins
Estimator
802-505-3978

5-8-20

BID # SHD 2020-02



Town of Sanbornton

Highway Department

PO Box 124

Sanbornton, NH 03269

603.286.8252

www.sanborntonnh.org

304.32	Crushed Gravel for Shoulders	950	TON	22 ⁰⁰	20,900 ⁰⁰
304.35	Crushed Gravel for driveways	300	TON	36 ⁰⁰	10,800 ⁰⁰
403.11	Hot Bituminous Machine Method Shim (1") and Overlay (1.5")	3,050	TON	71 ⁰⁰	216,550 ⁰⁰
403.12	Hot Bituminous Pavement Hand Method	150	TON	150 ⁰⁰	22,500 ⁰⁰

Bid Total: \$ 270,750^{00/100}

Quantities are estimated and are subject to change.

Submitted By:

Bryant Paving LLC

PO Box 1456

Meredith NH 03253

603-279-1499

BID # SHD 2020-02

Trish Stafford

From: Sanbornton Highway Department <sanborntonhw@metrocast.net>
Sent: Wednesday, April 29, 2020 11:29 AM
To: Trish Stafford
Subject: FW: Muni Lease Option . .
Attachments: Liberty International Quote (Sanbornton, NH).pdf; TELC Application 2YF.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Trish,

We are getting close to receiving the new 5-Ton dump truck. I asked Jim Ramsay about financing he sent me the attached and said that most of the Towns he deals with uses them. I talked to Justin Barriault who's in the same business about financing he said this is the go to company for most all of the Towns they deal with as well. The finance rate is low at 2.89% and they come with some good recommendations we can use them or look for more quotes. What do you think?

Johnny Van Tassel
Director of Highways
Town of Sanbornton
(603)286-8252

From: Jim Ramsay <jim@libertyinternationaltrucks.com>
Sent: Wednesday, April 29, 2020 10:30 AM
To: Sanbornton NH (sanborntonhw@metrocast.net) <sanborntonhw@metrocast.net>
Subject: Muni Lease Option . .

Good morning Johnny,

Please open the attached to view the " Muni " lease option for the complete truck . .

Let me know if you have any questions.

Thanks,

Jim



Jim Ramsay
Municipal Sales Consultant



April 29, 2020

Town of Sanbornton
P.O. Box 124
Sanbornton, NH 03269

I am pleased to provide the following quote for Town of Sanbornton for the financing of a new 2020 International HV507 chassis with a dump body and plow equipment. This quote is valid for 14 days and is subject to credit review and proper documentation.

Equipment Cost (Approximate):	\$159,304.00		\$159,304.00	
Trade-In:	\$17,500.00		\$17,500.00	
Financed Amount:	\$141,804.00		\$141,804.00	
Payment Frequency:	Annual, in advance <small>(first payment due at lease signing)</small>		Annual, in arrears <small>(first payment due one year from lease date)</small>	
Term:	5-years	7-years	5-years	7-years
Rate*:	2.89%	2.89%	2.89%	2.89%
Payment*:	\$29,999.39	\$22,029.53	\$30,866.37	\$22,666.18
Factor^:	.21156	.15535	.21767	.15984

** Rate and payment assumes that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.*

^ Factor is based on quoted rates. If the equipment cost changes or a down payment is made, the new payment amount can be calculated by multiplying the new financed amount by the rate factor.

Note: If the equipment will require a "build-out period", the financed amount will be placed into an escrow account at lease signing and funds disbursed as instructed by the customer.

I have attached an application that must be completed in order to proceed with the credit process. In addition, we will need copies of the Town's last 2-years of audited financial statements, along with a copy of its current interim financial statement. Once these items are gathered, please fax all of the information to 866-2-FAX-APP (866-232-9277) or e-mail to markz@taxexemptleasing.com.

I appreciate this opportunity and look forward to proceeding. Please let me know if I can answer any questions. I can be reached at 847-247-0771.

Kind Regards,

Mark M. Zaslavsky
President



New Hampshire References

Town of Allenstown

Derik Goodine, Town Administrator

603-485-4276

Item(s) Financed: Fire Apparatus; Multiple Police Vehicles;
Wheel Loader; Dump Truck

Town of Exeter

Doreen Chester, Finance Director

603-778-0591 x106

Item(s) Financed: Multiple Fire Apparatus, SCBA, Ambulance; Dump Truck;
Accounting Software; Multiple Vehicles

Town of Antrim

Donna Hanson, Town Administrator

603-588,6785 x221

Item(s) Financed: Dump Trucks; Various Vehicles

Town of Madison

Linda Shackford, Town Administrator

603-367-4332 x300

Item(s) Financed: Various Police Vehicle; Highway Truck; Dump Truck;
Excavator; SCBA

Town of Hillsborough

Laura Buono, Town Administrator

603-464-7970

Item(s) Financed: Fire Apparatus; Dump Truck with Plow; SCBA

Class VI Roads and Maintenance Issues

By Susan Slack, Esq.

Highway repair and maintenance projects are usually well underway at this time of year, prompting questions about maintenance of Class VI roads. There are lots of misconceptions about Class VI roads, so here are some reminders.

Q. What is a Class VI road?

A. In the state's highway classification system, which is defined in [RSA 229:5](#), Class VI roads are "all other existing public ways," meaning public ways not otherwise classified as Class IV or Class V roads. Class VI roads include those that have been discontinued subject to gates and bars, as well as those that have "not been maintained and repaired by the town in suitable condition for travel" for five successive years or more. (See [RSA 229:5, VII.](#)) The two important keys to this statutory definition are that Class VI roads are public ways, and they are roads that the town has no duty to maintain. Note that the definition of a Class V road is one that the town does have a duty to maintain. (See [RSA 229:5, VI.](#))

Q. Can the town appropriate money to maintain or repair Class VI roads?

A. [RSA 231:59](#) authorizes municipalities to spend money to repair Class IV and V highways, not Class VI roads. One of the basic tenets of New Hampshire municipal law is that towns and cities have only that authority granted to them by the state legislature. Without a specific grant of authority, towns and cities do not have authority to act.

Q. Can private parties maintain or repair Class VI roads?

A. Yes, with permission of the municipality. [RSA 236:9](#) prohibits anyone from excavating or disturbing the ditches, embankments or traveled surface of any town road, including a Class VI road, without the written permission of the municipality's governing body (board of selectmen or town/city council) or the road agent. [RSA 236:10](#) provides that the municipality may regulate such private road work and may require a bond for the satisfactory restoration of the road. [RSA 236:11](#) requires anyone who excavates or disturbs town roads to restore them to the satisfaction of the authorized local official.

Q. What happens if the municipality maintains or repairs a Class VI road?

A. There are several important reasons to avoid maintenance and repair projects on Class VI roads. First, municipalities enjoy protection from liability for damage or injury due to the condition of a Class VI road. [RSA 231:93](#) provides that municipalities have no duty to maintain or repair Class VI roads. The highway maintenance duty established in [RSA 231:90](#) through 92-a applies only to Class IV and V highways. A municipality that undertakes Class VI road maintenance exposes itself to the risk of liability for damage or injury resulting from that work. Second, performance of maintenance or repair work could result in municipal estoppel arguments, meaning that in a lawsuit involving a landowner, a municipality may be barred from arguing that it is not required to maintain a road due to its Class VI status. See *Turco v. Barnstead*, 136 N.H. 256 (1992). Third, a Class V road that attains Class VI status as a result of the lapse of maintenance will revert to Class V status again if the town maintains it for at least five consecutive years. The "illegal"

maintenance and repair must be “regular” and “on more than a seasonal basis” so that the road is in “suitable condition for year-round travel.” See [RSA 229:5, VI](#).

Q. What if there are public safety reasons for occasionally repairing or maintaining Class VI roads?

A. If a municipality wishes to spend money on Class VI road, it should do so under the emergency lane statute, [RSA 231:59-a](#), which was enacted in 1994. That statute authorizes municipalities to raise and appropriate money for the maintenance of any Class VI road (or private road) that is declared an emergency lane by the governing body. The procedures required for making this declaration include a public hearing and written findings “that the public need for keeping such lane passable by emergency vehicles is supported by an identified public welfare or safety interest which surpasses or differs from any private benefits to landowners abutting such lane.”

Q. What kind of maintenance or repair of Class VI roads is authorized by the emergency lane statute?

A. [RSA 231:59-a, I](#) provides that such repairs may include “removal of brush, repair of washouts or culverts, or any other work deemed necessary to render such way passable by firefighting equipment and rescue or other emergency vehicles.” The municipality can establish a capital reserve or trust fund for this purpose. Maintenance or repair of Class VI roads undertaken in accordance with the emergency lane statute does not create any duty or liability for the municipality. See [RSA 231:59-a, IV](#).

Q. Can gates or fences be put up on Class VI roads?

A. Yes, but [RSA 231:21-a, I](#) requires gates or bars maintained by private landowners to be erected so as not to interfere with public use of the Class VI road. Such gates or bars must “be capable of being opened and reclosed by highway users.” Municipalities are authorized to regulate these structures “to assure public use” and they have authority to have gates or bars removed if they have fallen into disrepair or if they interfere with public use of the Class VI road.

Q. What does the term ‘gates and bars’ mean?

A. Prior to 1903, a town could only discontinue a highway completely, meaning it was no longer a public way. Only after the state legislature enacted Laws of 1903, Chapter 14:1 could a town discontinue an “open” highway and subject it to gates and bars. The term “gates and bars” is not expressly defined by statute. Nevertheless, the term historically refers to an owner’s right to enclose premises for his or her own benefit—usually to confine livestock. The owner required public travelers to open and close the gates or bars as a condition to travel. The term “gates and bars” first became associated with Class VI highways in 1925, when the legislature enacted Laws of 1925, Chapter 12:1, which provided that a town had no duty to maintain any highway that had been closed subject to gates and bars.

Q. Are there other ways in which municipalities may regulate Class VI roads?

A. [RSA 231:21-a](#), which was enacted in 1999, provides that all Class VI roads—regardless of how they obtained Class VI status (by layout, discontinuance subject to gates and bars, or lapse of maintenance of Class V roads)—are deemed subject to gates and bars. The statute clearly authorizes municipalities to regulate their use under the provisions of [RSA 41:11](#); [RSA 47:17, VII, VIII and XVIII](#) (highway ordinances); [RSA 236:9](#) through 11 (excavation and disturbance); [RSA 236:13](#) (driveway access); and [RSA 231:191](#)(weight limits).

SANBORNTON BOARD OF SELECTMEN'S MINUTES

April 29, 2020

Town Offices

The Board of Selectmen convened the meeting in regular session by teleconference call with the public. In attendance were Selectman John Olmstead, Selectman Tom Salatiello, Selectman Jim Dick, Town Administrator, Trish Stafford and Administrative Specialist, Sue Smith.

Selectman Olmstead-As Chairman of the Sanbornton Board of Selectman, I am declaring that an emergency exists and I am invoking the provisions of RSA 91.A:2 sub 3.b federal, state and local officials have determined that gatherings of 10 people or more poses substantial risk to our community in this continuing effort to combat the spread of COVID 19 virus. In concurrence with their determination, I also find that this meeting is imperative to the continued operation of the Town of Sanbornton government and services which are vital to the public safety and confidence during this emergency. As such this meeting will be conducted without a quorum of this body physically present in the same location. This is in accordance with Governor Sununu Emergency Order 12 and Executive Order 202004.

Roll call attendance: John Olmstead, Chairman of Selectboard, no one else present
Jim Dick, Vice Chairman of Selectboard, no one else present
Tom Salatiello, Clerk of Selectboard, no one else present
Trish Stafford, Town Administrator, no one else present
Sue Smith, Administrative Specialist, no one else present

Public comments-none

New Business –

Planning Board Request - Debra Schneckloth, Chair of the Planning Board requested approval to ask the Town Attorney for a legal interpretation of “Home Occupation” Level 1 and Level 2 Zoning Ordinance. Selectman Olmstead asked for clarification of the request. Selectman Salatiello seemed to think it was a reasonable request and asked if there was any money in the budget for this. Seeking distinction between Level 1 and Level 2, the BOS discussed the wording of the ordinance. TA Stafford asked if there were any examples of these levels of interpretation. Selectman Dick suggested an interpretation from the attorney should be allowed. Selectman Olmstead has given permission for the Chair of the Planning Board to go to the Town Attorney for more information. Chair Schneckloth also asked about Zoom accounts, capability for site plans and public meetings. Selectman Dick said he thought that we had that capability. However, NHMA may have more info on this. TA Stafford was sure that there was a way this could be available

Highway Dept Lease Request - Director Van Tassel requested approval to rent a mini excavator for some ditch work that the grader is not well suited for. The amount requested for the rental is \$3,250.00 Selectman Olmstead asked questions about the charges. Selectman Dick said it was a great idea and was it coming out of his budget? Director Van

04/29/2020

BOS **DRAFT** Minutes

Tassel said yes. Selectman Olmstead made a **motion** to authorize Director Van Tassel to rent the DX63-3 US10 excavator for a month with the amount not to exceed \$3,250.00 with the funds to come from Line 4312.380. Selectman Dick **seconded**. Roll call, Selectman Salatiello, aye, Selectman Dick, aye, Selectman Olmstead, aye. **Motion passes** by unanimous vote.

Highway Dept Summer Hours- Director Van Tassel would like to start working 10 hour days from 6:00 am - 4:30 pm, Monday through Thursday, beginning May 4th. After a brief discussion, BOS has approved the change of hours.

Transfer Station Update/New Hire- Manager Nate Douglass is requesting to hire a new Transfer Station Attendant part-time for 10 hours on Saturdays. Saturdays are very busy now and a third person would make it more efficient. The funding of this position was discussed as well, as it would come from transferring from another line in the budget. Selectman Olmstead made a **motion** to approve PAF for new hire Charles Schneckloth for Transfer Station Attendant, part time for 10 hours per week at Labor Grade 6, Step 1 at \$11.24 per hour, effective May 9. Selectman Dick **seconded** it. Roll call- Selectman Salatiello, aye, Selectman Dick, aye, Selectman Olmstead, aye, **motion passes** unanimously. PAF will be generated.

Next item discussed was an Agreement for Engineering Services from Horizons Engineering in the amount of \$2,550.00 for 2 inspections and report, and a May 2020 Groundwater Data Report. Budget lines to cover expense were discussed. Selectman Dick made a **motion** to authorize the Transfer Station to pay the amount of \$2,550.00 to Horizons Engineering with the funds to come from Line 4325.693 and authorize Manager Nate Douglass to sign the paperwork. Selectman Olmstead **seconded** it. Roll call- Selectman Salatiello, aye, Selectman Dick, aye, Selectman Olmstead, aye, **motion passes** unanimously. TA Stafford asked Manager Douglass to provide a copy for the record.

Manager Douglass brought up the issue of the Casella contract to review and vote on. Selectman Dick clarified this to be an original bid for services at the Transfer Station and developed an RFP hoping we could get a better price. They had given us a proposal in January turning it into a contract and putting out as an RFP. We had hoped to get bids to try and reduce the price with Casella. Now that there are COVID-19 issues, the proposal went from an RFP to contract with Casella. It went from developing an RFP to entering into a contract with Casella. A verbal agreement to accept the contract was given to Manager Douglass. Wheelabrator is not willing to give a proposal at this time, hence putting it on the back burner for now. Selectman Dick said Wheelabrator would be a better deal but for very little benefit as this time.

Manager Douglass submitted a new Transfer Station Accepted Items and Price List for approval by the BOS. Discussion ensued. Selectman Dick made a **motion** to approve the updated price list effective May 4, 2020. Selectman Dick **seconded** it. Roll call- Selectman Salatiello, aye, Selectman Dick, aye, Selectman Olmstead, aye, **motion passes** unanimously.

Manager Douglass said payments can now be taken through the window at the Transfer Station and at the Town Hall. A canopy will be placed at the window at both locations.

Manager Douglass mentioned opening up the single stream building to assist with the large volume of throw and go and use the compactor. Swap and shop and clothes will not be open, only throw and go. Residents will go in one way, stay 10 feet back and go out another. Although, we may be ready to open up the metal pile without the ability to “pick” and available for drop off only. Based on the ideas mentioned by BOS, Manager Douglass will reassess.

Tax Lien Discussion – Tax Collector Julie Lonergan gave an update for the lien process to begin on July 1st and tax deeds September 4th. For 2017, there are 15 on the deeds list, and of that there are 6 in question for the deed date. There are 3 on the list held over from last year and may need to discuss at a later date.

Old Business-

COVID-19 Updates- TA Stafford discussed school distance learning and waiting till the Governor decides Friday on the stay at home orders. We should be thinking about a plan for the Recreation Dept and Summer Camp and planning for the summer. Suggestions were made and discussed regarding enrollments, payments and reimbursements. Summer camp is scheduled to start June 29th. Selectman Dick suggested a meeting first of next week to discuss the Governor’s updates. Selectman Salatiello mentioned how the State is accommodating their own state workers and how well the Governor is managing and leading during the virus. Chief Dexter mentioned the summer program to be used by parents for child care. Selectman Dick thought of the possibility of opening the summer program earlier. Summer camp is totally funded by the parents. Chief Dexter suggested there might be other funding for the summer camp through the declaration of emergency. Selectman Olmstead wants to follow up with the State’s guidance.

Selectman Dick said the MS-737 yearly budget that TA Stafford and Tax Collector Lonergan put together, is prepared each year showing the anticipated revenues for the year and where the shortfalls may be on the rooms and meals tax. This will be a loss of three or four months of revenue. This loss will have to be taken out of the general fund and may impact us and should be watched closely. Tax Collector Lonergan said that the registrations by mail are doing very well. She suggested adding \$1 to the cost of the mailing. Thoughts are to register online in the near future.

Town Administrator’s Report – TA Stafford discussed budget expenditures. IT services have been unexpected due to COVID-19. Selectman Dick discussed amounts in various departments. Underwood Engineering Report is now on the website under the Highway Dept web page. TA Stafford also mentioned other updates to the web site. Planning Dept Assistant Steve Laurin has done an FAQ for the website.

Selectman Dick mentioned that we received approval to sell a parcel of property. Bids should be opened by July 1st. TA Stafford will follow up on what it entails.

Selectboard Report’s- Selectman Olmstead had a Planning Dept Board meeting on April 16th. A voluntary lot merger was approved, and cite plan application. Also had a conceptual consultation for ground mounted solar energy system. New England Solar Guard came up again and asked us to put it off another month until June 18 when they will be coming to the

Planning Board. Discussed control of short term rentals and suggested that they should be ready at a later date in putting in a plans and procedures for the town.

Selectman Dick – Had a Building Construction Committee call with Keith McVeigh. We are continuing to work with options. Regarding the recommendation from Karen Bordeau, took feedback from Johnny and sent it to her. Another item was that letters be sent out to residents on the solar arrays with exemptions and what they will see on their bill. This may alleviate calls to the Town Hall.

Historic District Commission approved an application to paint a house on Tower Hill Rd. Almost complete with the grant writing and submitted shortly.

Selectman Salatiello – Inquired on the status of the petitioned warrant article from the Hilbrunner’s and if the Highway Director has been able to meet with them about the cost of the project they will propose for the next town meeting. Suggested pay out for Town Clerk Lonergan on the 88 hours she is going to lose. TA Stafford will prepare a PAF for her.

Selectboard Signatures - Completed signatures on Payroll & the Accounts Payable Register. The Selectboard signed payroll registers for April 25, 2020.

Review & Approve Minutes- Members of the Board reviewed the BOS meeting draft minutes of April 15, 2020. Selectman Olmstead made a **motion** to accept the draft meeting minutes of April 15, 2020 with any corrections. Selectman Dick **seconded** the motion. Roll call- Selectman Salatiello, aye, Selectman Dick, aye, Selectman Olmstead, aye. **Motion passes** unanimously.

Adjournment – Selectman Salatiello made a **motion** to adjourn the meeting at 7:05 p.m., Selectman Dick **seconded** the motion. Roll call- Selectman Salatiello, aye, Selectman Dick, aye, Selectman Olmstead, aye. Ayes have it and the **motion passes**.

Next Meeting(s) – The Board of Selectmen’s next regularly scheduled meeting will be held remotely on **Wednesday, May 13, 2020 @ 5:00 p.m.** at the Sanbornton Town Offices and/or teleconference. May call a meeting sooner based on what Governor Sununu gives for more guidance.

Respectfully submitted,
Sue Smith, Administrative Specialist

(These minutes are in draft form and are subject to review & approval at the next regularly scheduled Selectmen’s meeting. Meeting minutes are not official unless they are viewed on the Town’s web-site www.sanborntonnh.org or are on file with the Town Clerk.)