

# LOWER BARTLETT WATER PRECINCT

## FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2023

**LOWER BARTLETT WATER PRECINCT  
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# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners  
Lower Bartlett Water Precinct  
Intervale, New Hampshire 03845

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lower Bartlett Water Precinct as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Precinct's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lower Bartlett Water Precinct as of December 31, 2023, and the respective changes in financial position thereof and the budget to actual comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the pension schedules on pages 22-24 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 and economic 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.

The Lower Bartlett Water Precinct has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Lower Bartlett Water Precinct. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

March 19, 2024

*Roberts & Heene, PLLC*

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT 1**  
**LOWER BARTLETT WATER PRECINCT**  
**Statement of Net Position**  
**December 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 299,610
Expendable trust funds held by Bartlett Trustees	1,037,927
Intergovernmental receivable	15,799
Other receivables, net of allowance for uncollectibles	863,867
Inventory	125,122
Prepaid items	9,795
Capital assets, not being depreciated:	
Land	486,816
Construction in progress	230,982
Capital assets, net of accumulated depreciation:	
New facility building	752,000
Distribution system	10,517,038
Meters	54,831
Pumping stations	1,575,338
Storage tanks	316,283
Wells	29,911
Machinery and equipment	59,614
Vehicles	84,192
Total assets	16,459,125
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	143,667
<b>LIABILITIES</b>	
Accounts payable	100,321
Accrued payroll and benefits	6,924
Accrued interest payable	87,400
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	409,778
Unamortized bond premium	19,984
Due in more than one year:	
Bonds and notes payable	6,088,848
Unamortized bond premium	279,776
Net pension liability	220,766
Total liabilities	7,213,797
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	89
<b>NET POSITION</b>	
Net investment in capital assets	7,379,905
Unrestricted	2,009,001
Total net position	\$ 9,388,906

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 2**  
**LOWER BARTLETT WATER PRECINCT**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 274,080	\$ -	\$ -	\$ (274,080)
Water system operations	917,907	964,542	80,322	126,957
Interest on long-term debt	210,184	-	-	(210,184)
Capital outlay	27,969	-	-	(27,969)
Total primary government	<u>\$ 1,430,140</u>	<u>\$ 964,542</u>	<u>\$ 80,322</u>	<u>(385,276)</u>
General revenues:				
Property taxes				310,822
Miscellaneous				142,067
Total general revenues				<u>452,889</u>
Change in net position				67,613
Net position, beginning				<u>9,321,293</u>
Net position, ending				<u>\$ 9,388,906</u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 3**  
**LOWER BARTLETT WATER PRECINCT**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	General	Capital Project Funds		Total
		Projects	Wastewater	Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 243,592	\$ 36,017	\$ 20,001	\$ 299,610
Expendable trust funds in custody of Bartlett Trustees	1,037,927	-	-	1,037,927
Receivables, net of allowance for uncollectibles:				
Taxes	77,705	-	-	77,705
Accounts	415,653	-	-	415,653
Interfund receivable	-	10,000	-	10,000
Inventory	125,122	-	-	125,122
Prepaid items	9,795	-	-	9,795
Total assets	<u>\$ 1,909,794</u>	<u>\$ 46,017</u>	<u>\$ 20,001</u>	<u>\$ 1,975,812</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 21,528	\$ 34,141	\$ 44,652	\$ 100,321
Accrued salaries and benefits	6,924	-	-	6,924
Interfund payable	10,000	-	-	10,000
Total liabilities	<u>38,452</u>	<u>34,141</u>	<u>44,652</u>	<u>117,245</u>
Deferred inflows of resources:				
Unavailable revenue	<u>87,522</u>	<u>-</u>	<u>-</u>	<u>87,522</u>
Fund balances:				
Nonspendable	134,917	-	-	134,917
Committed	1,037,927	11,876	-	1,049,803
Unassigned	610,976	-	(24,651)	586,325
Total fund balances	<u>1,783,820</u>	<u>11,876</u>	<u>(24,651)</u>	<u>1,771,045</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,909,794</u>	<u>\$ 46,017</u>	<u>\$ 20,001</u>	<u>\$ 1,975,812</u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 4**  
**LOWER BARTLETT WATER PRECINCT**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position**  
**December 31, 2023**

Total fund balances of governmental funds (Exhibit 3)		\$ 1,771,045
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.		
Cost	\$ 21,640,088	
Less accumulated depreciation	<u>(7,533,083)</u>	14,107,005
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (10,000)	
Payables	<u>10,000</u>	-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 77,705	
Unavailable water charges	9,817	
Long-term capacity fees and State aid receivable	<u>386,308</u>	473,830
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(87,400)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	\$ 6,498,626	
Unamortized bond premium	299,760	
Net pension liability	<u>220,766</u>	<u>(7,019,152)</u>
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 143,667	
Deferred inflows of resources related to pensions	<u>(89)</u>	<u>143,578</u>
Total net position of governmental activities (Exhibit 1)		<u><u>\$ 9,388,906</u></u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 5**  
**LOWER BARTLETT WATER PRECINCT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General	Capital Project Funds		Total Governmental Funds
		Projects	Wastewater	
<b>Revenues:</b>				
Taxes	\$ 292,089	\$ -	\$ -	\$ 292,089
Intergovernmental	84,836	-	-	84,836
Charges for services	1,006,589	-	-	1,006,589
Miscellaneous	135,760	3	1	135,764
Total revenues	<u>1,519,274</u>	<u>3</u>	<u>1</u>	<u>1,519,278</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	228,216	-	-	228,216
Water system operations	469,165	-	-	469,165
<b>Debt service:</b>				
Principal	385,186	-	-	385,186
Interest	239,217	-	-	239,217
Capital outlay	58,282	27,969	176,018	262,269
Total expenditures	<u>1,380,066</u>	<u>27,969</u>	<u>176,018</u>	<u>1,584,053</u>
Excess (deficiency) of revenues over (under) expenditures	139,208	(27,966)	(176,017)	(64,775)
<b>Other financing sources:</b>				
Long-term debt issued	-	-	151,366	151,366
Net change in fund balances	139,208	(27,966)	(24,651)	86,591
Fund balances, beginning	1,644,612	39,842	-	1,684,454
Fund balances, ending	<u>\$ 1,783,820</u>	<u>\$ 11,876</u>	<u>\$ (24,651)</u>	<u>\$ 1,771,045</u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 6**  
**LOWER BARTLETT WATER PRECINCT**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2023**

Net change in fund balances of governmental funds (Exhibit 5)		\$ 86,591
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. 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 depreciation expense exceeded capitalized capital outlay in the current period.</p>		
Capitalized capital outlay	\$ 234,300	
Depreciation expense	<u>(448,742)</u>	(214,442)
<p>Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.</p>		
Change in unavailable tax revenue	\$ 18,733	
Change in unavailable water charges	2,197	
Change in long-term capacity fees and State aid receivable	<u>(48,757)</u>	(27,827)
<p>The issuance of long-term debt provides current financial resources to governmental funds funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Issuance of bond anticipation note	\$ (151,366)	
Repayment of bond and note principal	391,488	
Amortization of bond premium	<u>19,984</u>	260,106
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Decrease in accrued interest expense		9,049
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.</p>		
Precinct pension contributions	\$ 11,868	
Cost of benefits earned, net of employee contributions	<u>(57,732)</u>	(45,864)
Change in net position of governmental activities (Exhibit 2)		<u>\$ 67,613</u>

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 7**  
**LOWER BARTLETT WATER PRECINCT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 308,992	\$ 292,089	\$ (16,903)
Intergovernmental	84,836	84,836	-
Charges for services	946,539	1,006,589	60,050
Miscellaneous	110,723	111,979	1,256
Total revenues	<u>1,451,090</u>	<u>1,495,493</u>	<u>44,403</u>
<b>EXPENDITURES</b>			
Current:			
General government	251,394	228,216	23,178
Water system operations	476,010	469,165	6,845
Debt service:			
Principal	385,625	385,186	439
Interest on long-term debt	239,561	239,217	344
Interest on tax anticipation note	500	-	500
Capital outlay	8,000	6,282	1,718
Total expenditures	<u>1,361,090</u>	<u>1,328,066</u>	<u>33,024</u>
Excess of revenues over expenditures	<u>90,000</u>	<u>167,427</u>	<u>77,427</u>
Other financing sources and uses:			
Transfers in	8,000	-	(8,000)
Transfers out	(107,072)	(107,072)	-
Total other financing sources and uses	<u>(99,072)</u>	<u>(107,072)</u>	<u>(8,000)</u>
Net change in fund balance	<u>\$ (9,072)</u>	60,355	<u>\$ 77,427</u>
Increase in nonspendable fund balance		(5,000)	
Unassigned fund balance, beginning		555,621	
Unassigned fund balance, ending		<u>\$ 610,976</u>	

The notes to the financial statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

**LOWER BARTLETT WATER PRECINCT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AN FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023**

**I. Summary of Significant Accounting Principles**

**I.A. Introduction**

The accounting and reporting framework and the more significant accounting principles and practices of the Lower Bartlett Water Precinct (the Precinct) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Precinct's financial activities for the year ended December 31, 2023.

**I.B. Financial Reporting Entity – Basis of Presentation**

**I.B.1. Entity Defined**

The Precinct is a municipal corporation governed by a three-member board of commissioners elected by the voters of the Precinct. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the Precinct's financial statements do not include any component units.

**I.B.2. Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Precinct as a whole. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues consist of charges for services which primarily report charges for water services, and operating grants and contributions which account for grants and State aid for specific programs. The property taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for the governmental funds. Major funds are reported in separate columns. The Expendable Trust Funds are reported within the General Fund.

**LOWER BARTLETT WATER PRECINCT  
NOTES TO THE FINANCIAL STATEMENTS  
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**I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The financial statements of the Precinct are prepared in accordance with generally accepted accounting principles (GAAP). The Precinct's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Precinct considers revenues to be available if they are collected within sixty days of the end of the year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt payments which are recorded in the year due.

Major revenues susceptible to accrual are the property taxes, State aid, water charges and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Precinct's policy to use restricted resources first, then unrestricted resources as needed.

**I.B.4. *Fund Types and Major Funds***

*Governmental Funds*

The Precinct reports the following three major governmental funds:

*General Fund* – Reports as the primary fund of the Precinct. This fund is used to account for all financial resources not reported in the other funds.

*Projects Fund* – This fund is used to report the activity associated with the capital projects of the Precinct related to water systems and infrastructure.

*Wastewater Fund* – This fund is used to report the activity associated with the wastewater capital project of the Precinct.

**LOWER BARTLETT WATER PRECINCT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AN FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023**

**I.C. Assets, Liabilities and Net Position or Fund Equity**

**I.C.1. Cash and Cash Equivalents**

The Precinct’s cash and cash equivalents consist of amounts in negotiable order of withdrawal (NOW) accounts. The laws of the State of New Hampshire require that the Precinct’s treasurer have custody of all monies belonging to the Precinct and pay out the same only upon orders of the Board of Commissioners.

**I.C.2. Inventory**

Inventory consists of parts and supplies to be used for future repairs and maintenance of the water system. Inventory is valued using an average cost method.

**I.C.3. Capital Assets and Depreciation**

The Precinct’s capital assets with useful lives of more than one year are stated at historical cost and reported in the Governmental Activities. Donated assets are stated at acquisition value on the date received. The Precinct capitalizes assets with cost of \$5,000 or more and estimated useful life of one year or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	Years
New facility building	50
Distribution system	40-50
Meters	30
Pumping stations	10-40
Storage tanks	50
Wells	20
Machinery and equipment	5-20
Vehicles	7-10

**I.C.4. Long-Term Liabilities**

In the government-wide financial statements, outstanding debt is reported as liabilities. The Precinct reports the outstanding balances of bonds and notes payable, and unamortized bond premiums in Governmental Activities.

**LOWER BARTLETT WATER PRECINCT  
NOTES TO THE FINANCIAL STATEMENTS  
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**I.C.5. Equity**

The government-wide statement of net position reports the following components of net position:

- Net investment in capital assets, which consists of the balance of capital assets net of accumulated depreciation, reduced by outstanding debt used to acquire those assets.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of the amount of inventory and prepaid items, whose resources are not in a spendable form.
- Committed, which represents the balance of the Expendable Trust Funds, which were established by Precinct Meeting, and can only be dissolved by the same body; encumbrances in the General Fund; and the balance of the Projects Fund.
- Unassigned, which consists of the negative fund balance in the Wastewater Fund; and the remaining balance of the General Fund.

**I.C.6. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II. Stewardship, Compliance and Accountability**

**II.A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The Precinct is allowed to use beginning fund balance to balance the budget. In the year 2023, none of the fund balance from 2022 was so used, but \$9,072 was appropriated from fund balance.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, water system operations, debt service and capital outlay.

**LOWER BARTLETT WATER PRECINCT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AN FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023**

**II.B. Reconciliation of General Fund Budgetary Basis to GAAP**

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 1,495,493
Adjustment:	
Perspective difference:	
Interest earned by Expendable Trust Funds	23,781
Per Exhibit 5 (GAAP basis)	<u>\$ 1,519,274</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 1,435,138
Adjustments:	
Basis difference:	
Encumbrances, beginning	52,000
Perspective difference:	
Transfer to Expendable Trust Funds	(107,072)
Per Exhibit 5 (GAAP basis)	<u>\$ 1,380,066</u>

**II.C. Deficit Fund Equity**

The Wastewater Fund ended the year with a deficit fund balance of \$24,651. Project expenditures are presently being financed by a bond anticipation note (BAN). As of year-end, the project had incurred expenditures, but the Precinct did not receive the offsetting bond proceeds until the subsequent year.

**III. Detailed Notes on Funds and Government-Wide Statements**

**III.A. Assets**

**III.A.1. Receivables**

Significant receivables of the General Fund consist of taxes of \$77,705 due from the Town of Bartlett, and water charges and fees of \$425,653 due from individuals and businesses. The water charges are reported net of an allowance for uncollected amounts of \$10,000.

The Governmental Activities report long-term receivables of \$370,509 for capacity fees that are due beyond the current year, and \$15,799 of State aid that is being collected at the rate of \$4,514 per year through 2026. These long-term receivables are not recorded and the related revenue is not recognized in Governmental Funds until the year that they are due.

**LOWER BARTLETT WATER PRECINCT  
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Receivables are recorded on the Precinct's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability.

Deferred revenue in the General Fund consists of \$77,705 of property taxes and \$9,817 of water charges not collected within sixty days of year-end and, therefore, not meeting the criteria for revenue recognition.

**III.A.2. Capital Assets**

The following provides a summary of changes in capital assets during the year:

At cost:	Balance, beginning	Additions	Deletions	Balance, ending
Not being depreciated:				
Land	\$ 486,816	\$ -	\$ -	\$ 486,816
Construction in progress	54,964	176,018	-	230,982
Total capital assets not being depreciated	<u>541,780</u>	<u>176,018</u>	<u>-</u>	<u>717,798</u>
Being depreciated:				
New facility building	800,000	-	-	800,000
Distribution system	16,135,532	-	-	16,135,532
Meters	216,883	-	-	216,883
Pumping stations	2,559,134	-	-	2,559,134
Storage tanks	757,174	-	-	757,174
Wells	45,255	-	-	45,255
Machinery and equipment	260,898	-	-	260,898
Vehicles	126,418	58,282	(37,286)	147,414
Total capital assets being depreciated	<u>20,901,294</u>	<u>58,282</u>	<u>(37,286)</u>	<u>20,922,290</u>
Total all capital assets	<u>21,443,074</u>	<u>234,300</u>	<u>(37,286)</u>	<u>21,640,088</u>
Less accumulated depreciation:				
New facility building	(32,000)	(16,000)	-	(48,000)
Distribution system	(5,293,629)	(324,865)	-	(5,618,494)
Meters	(158,043)	(4,009)	-	(162,052)
Pumping stations	(923,584)	(60,212)	-	(983,796)
Storage tanks	(430,466)	(10,425)	-	(440,891)
Wells	(11,508)	(3,836)	-	(15,344)
Machinery and equipment	(185,455)	(15,829)	-	(201,284)
Vehicles	(86,942)	(13,566)	37,286	(63,222)
Total accumulated depreciation	<u>(7,121,627)</u>	<u>(448,742)</u>	<u>37,286</u>	<u>(7,533,083)</u>
Net book value, capital assets being depreciated	<u>13,779,667</u>	<u>(390,460)</u>	<u>-</u>	<u>13,389,207</u>
Net book value, all capital assets	<u>\$ 14,321,447</u>	<u>\$ (214,442)</u>	<u>\$ -</u>	<u>\$ 14,107,005</u>

Depreciation expense of \$448,742 was charged to water system operations in the governmental activities.

**LOWER BARTLETT WATER PRECINCT  
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**III.B. Liabilities**

Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2023	Current Portion
General obligation bonds/notes payable:						
Water system improvements/Rt. 16A	\$ 625,000	2007	2025	3.90	\$ 126,247	\$ 39,343
Water system improvements/Rt. 302	\$ 500,000	2001	2030	3.25	165,873	21,494
Refunding bonds	\$ 4,819,455	2012	2038	2.0-5.0	3,202,200	183,700
Cow Hill SRF note	\$ 598,768	2012	2032	2.72	317,646	31,537
Rural Development note	\$ 2,120,000	2016	2044	1.59	1,687,624	63,947
Truck note	\$ 48,000	2019	2024	3.00	10,190	10,190
Land for new facility	\$ 275,000	2019	2029	3.25	165,000	27,500
Building note	\$ 800,000	2019	2039	3.50	672,480	32,067
Wastewater BAN	\$ 1,523,000	2023	2026	4.75	151,366	-
					<u>6,498,626</u>	<u>409,778</u>
Unamortized bond premium					299,760	19,984
Net pension liability					220,766	-
					<u>\$ 7,019,152</u>	<u>\$ 429,762</u>

*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

	General Obligation Bonds and Notes Payable	Unamortized Bond Premium	Net Pension Liability	Total
Balance, beginning	\$ 6,738,748	\$ 319,744	\$ 211,191	\$ 7,269,683
Additions	151,366	-	9,575	160,941
Reductions	(391,488)	(19,984)	-	(411,472)
Balance, ending	<u>\$ 6,498,626</u>	<u>\$ 299,760</u>	<u>\$ 220,766</u>	<u>\$ 7,019,152</u>

**LOWER BARTLETT WATER PRECINCT  
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*Debt Service Requirements to Maturity*

The annual debt service requirements to maturity for the bonds and notes payable as of year-end are as follow:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 561,144	\$ 224,255	\$ 785,399
2025	408,326	210,118	618,444
2026	424,916	193,686	618,602
2027	404,797	177,225	582,022
2028	407,664	164,203	571,867
2029-2033	2,037,804	564,210	2,602,014
2034-2038	1,660,627	192,683	1,853,310
2039--2043	541,802	42,532	584,334
2044	51,546	647	52,193
Totals	<u>\$ 6,498,626</u>	<u>\$ 1,769,559</u>	<u>\$ 8,268,185</u>

*Authorized and Unissued Debt*

The 2022 Precinct Meeting authorized the issuance of bonds and notes in the amount of \$41,950,000 for a four-phase installation wastewater project, from which \$151,366 has been issued. The 2017 Precinct Meeting authorized the issuance of bonds and notes in the amount of \$5,171,182 for improvements to the waterworks system, which has not yet been issued.

**III.D. Fund Equity**

The components of fund balance, as described in Note I.C.5., are classified for the following purposes:

	General Fund	Projects Fund	Wastewater Fund
Nonspendable:			
Prepaid items	\$ 9,795	\$ -	\$ -
Inventory	125,122	-	-
Total nonspendable	<u>134,917</u>	<u>-</u>	<u>-</u>
Committed:			
Water distribution and treatment	1,037,927	-	-
Capital outlay	-	11,876	-
Total committed	<u>1,037,927</u>	<u>11,876</u>	<u>-</u>
Unassigned	610,976	-	(24,651)
Total fund balance	<u>\$ 1,783,820</u>	<u>\$ 11,876</u>	<u>\$ (24,651)</u>

**LOWER BARTLETT WATER PRECINCT  
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**IV. Other Information**

**IV.A. Risk Management**

The Precinct's risk management activities are reported with governmental activities and recorded in the General Fund. During 2023, the Precinct was a member of the NH Public Risk Management Exchange (Primex), which is a pooled risk management program under RSA 5-B and RSA 281-A. As a member of Primex, the Precinct shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 to June 30. Coverage limits vary for property/liability and cover the statutory requirements for workers' compensation. Contributions for the year totaled \$15,022 for property/liability coverage, and \$3,537 for workers' compensation insurance. The member agreement permits Primex to make additional assessments should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

**IV.B. Retirement Pensions**

The Precinct participates in the New Hampshire Retirement System (NHRS) which is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for the Precinct's employees and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at [www.nhrs.org](http://www.nhrs.org) or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Precinct make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution for employees was 7.0% of gross wages. The rate of contribution from the Precinct for the period January 1<sup>st</sup> to June 30<sup>th</sup> were 14.06%, decreasing on July 1<sup>st</sup> to 13.53%. The rates are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Precinct during the years 2021, 2022 and 2023 were \$11,475, \$23,682 and \$24,286, respectively. The amounts were paid on a monthly basis as due.

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

At December 31, 2023, the Precinct reported a liability of \$220,766 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as

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of June 30, 2022 rolled forward. The Precinct’s proportion of the net pension liability was based on a projection of the Precinct’s long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2023, the Precinct’s proportion was 0.0039%, which was an increase of 0.0002% from its proportion reported for 2022.

For the year 2023, the Precinct recognized pension expense of \$57,732. At year-end, the Precinct reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 117,155	\$ -
Net differences between projected and actual earnings on pension plan investments	3,193	-
Changes of assumptions	5,810	-
Differences between expected and actual experience	5,641	89
Precinct contributions subsequent to the measurement date	11,868	-
	\$ 143,667	\$ 89

The Precinct reported \$11,868 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ending December 31,	
2024	\$ 49,396
2025	37,068
2026	43,561
2027	1,685
	\$ 131,710

**LOWER BARTLETT WATER PRECINCT  
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*Actuarial Assumptions*

The total pension liability in the June 30, 2023 actuarial valuation was determined using the actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023, using the following actuarial assumptions:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Multiple periods of 17-20 years
Asset Valuation Method	5-year smoothed marked for funding purposes; 20% corridor
Wage Inflation	2.75% per year
Salary increases	5.4% average, including inflation
Municipal Bond Rate	3.86% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2015-2019 experience study.
Mortality Rates	Based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each member classification and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the most recent actuarial experienced study, which was for the period July 1, 2015 – June 30, 2019.

*Sensitivity of the Precinct’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Precinct’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Precinct’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Precinct's proportionate share of net pension liability	<u>\$299,553</u>	<u>\$220,766</u>	<u>\$153,448</u>

Other actuarial assumptions, as well as detailed information about the pension plan’s fiduciary net position, are available in the separately issued NHRS report.

**LOWER BARTLETT WATER PRECINCT  
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**IV.C. Contingent Liabilities**

The Precinct has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under the terms of the grant. Based on prior experience, the Precinct believes such disallowances, if any, will be immaterial.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBIT 8**  
**LOWER BARTLETT WATER PRECINCT**  
*Schedule of the Precinct's Proportionate Share of the Net Pension Liability*  
**New Hampshire Retirement System**

	2023	2022	2021
Precinct's proportion of net pension liability	0.0039%	0.0037%	0.0004%
Precinct's proportionate share of the net pension liability	\$220,766	\$211,191	\$19,544
Precinct's covered-employee payroll	\$176,041	\$168,437	\$87,337
Precinct's proportionate share of the net pension liability as a percentage of covered-employee payroll	125.41%	125.38%	22.38%
Plan fiduciary net position as a percentage of the total pension liability	67.18%	65.12%	72.22%

**EXHIBIT 9**  
**LOWER BARTLETT WATER PRECINCT**  
*Schedule of the Precinct's Pension Contributions*  
**New Hampshire Retirement System**

	2023	2022	2021
Contractually required contribution	\$ 23,785	\$ 23,160	\$ 11,475
Contribution in relation to the contractually required contribution	(23,785)	(23,160)	(11,475)
Contribution deficiency	\$ -	\$ -	\$ -
Precinct's covered-employee payroll	\$176,041	\$168,437	\$87,337
Contribution as a percentage of covered-employee payroll	13.51%	13.75%	13.14%

**LOWER BARTLETT WATER PRECINCT  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AN FOR THE YEAR ENDED  
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The pensions schedules are meant to present related information for ten years. Because this is the third year that the Precinct has participated in the NH Retirement System, only three years of information are presented. An additional year's information will be presented each year until there are ten years shown.

**INDIVIDUAL FUND SCHEDULES**

**EXHIBIT 10**  
**LOWER BARTLETT WATER PRECINCT**  
**General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
**For the Year Ended December 31, 2023**

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 308,992	\$ 292,089	\$ (16,903)
Intergovernmental:			
State grants	84,836	84,836	-
Charges for services:			
Income from departments	946,539	1,006,589	60,050
Miscellaneous:			
Sale of property	17,500	17,500	-
Interest on investments	30	22	(8)
Cell tower lease	92,893	93,802	909
Other	300	655	355
Total miscellaneous	<u>110,723</u>	<u>111,979</u>	<u>1,256</u>
Other financing sources:			
Transfers in:			
Expendable trust fund	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Total revenues and other financing sources	1,459,090	<u>\$ 1,495,493</u>	<u>\$ 36,403</u>
Fund balance appropriated	9,072		
Total revenues, other financing sources, and use of fund balance	<u>\$ 1,468,162</u>		

**EXHIBIT 11**  
**LOWER BARTLETT WATER PRECINCT**  
**General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Year Ended December 31, 2023**

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
General government:				
Financial administration	\$ -	\$ 165,435	\$ 155,738	\$ 9,697
Legal	-	63,500	50,329	13,171
General government buildings	-	2,000	2,309	(309)
Insurance, not otherwise allocated	-	15,159	15,099	60
Other	-	5,300	4,741	559
Total general government	<u>-</u>	<u>251,394</u>	<u>228,216</u>	<u>23,178</u>
Water system operations	<u>-</u>	<u>476,010</u>	<u>469,165</u>	<u>6,845</u>
Debt service:				
Principal	-	385,625	385,186	439
Interest on long-term debt	-	239,561	239,217	344
Interest on tax anticipation note	-	500	-	500
Total debt service	<u>-</u>	<u>625,686</u>	<u>624,403</u>	<u>1,283</u>
Capital outlay:				
Machinery, vehicles and equipment	<u>52,000</u>	<u>8,000</u>	<u>58,282</u>	<u>1,718</u>
Other financing uses:				
Transfers out:				
Expendable trust fund	<u>-</u>	<u>107,072</u>	<u>107,072</u>	<u>-</u>
Total encumbrances, appropriations, expenditures, and other financing uses	<u>\$ 52,000</u>	<u>\$ 1,468,162</u>	<u>\$ 1,487,138</u>	<u>\$ 33,024</u>

**EXHIBIT 12**  
**LOWER BARTLETT WATER PRECINCT**  
**General Fund**  
**Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2023**

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Unassigned fund balance, beginning		\$ 555,621
Changes:		
Unassigned fund balance appropriated		(9,072)
Budget summary:		
Revenue surplus (Exhibit 10)	\$ 36,403	
Unexpended balance of appropriations (Exhibit 11)	<u>33,024</u>	
Budget surplus		69,427
Increase in nonspendable fund balance		<u>(5,000)</u>
Unassigned fund balance, ending		<u><u>\$ 610,976</u></u>



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

To the Members of the Board of Commissioners  
Lower Bartlett Water Precinct  
Intervale, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Lower Bartlett Water Precinct, as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Precinct's internal control over financial reporting (internal control) as a basis for designing our audit procedures 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 Precinct's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lower Bartlett Water Precinct's internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph above and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Commissioners and others within the Lower Bartlett Water Precinct, and is not intended to be, and should not be, used by anyone other than these specified parties.

March 19, 2024

*Roberts & Greene, PLLC*