



June 25, 2020

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To the Members of the Board of Selectmen
Town of Franconia
421 Main Street, P.O. Box 900
Franconia, NH 03580

Scott T. Eagen, CPA, CFE

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Dear Members of the Board:

We have audited the financial statements of the governmental activities, business-type activities, each major governmental and proprietary fund, and aggregate remaining fund information of the Town of Franconia for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government 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 December 13, 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 Franconia are described in Note 1 to the financial statements. As described in Note 2-C to the financial statements, the Town of Franconia changed accounting policies to change the way the Town reports its fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities* in fiscal year 2019. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 17, Prior Period Adjustments.

We noted no transactions entered into by the Town of Franconia 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 Town of Franconia's financial statements were:

Management's estimate of the capital asset useful lives is based on historical information and industry guidance. We evaluated the key factors and assumptions used to develop the capital asset useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible property taxes is based on historical data and information known concerning the assessment appeals. We evaluated the key factors and assumptions used to develop the uncollectible property taxes in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the uncollectible ambulance receivables is based on knowledge of past collection rates. We evaluated the key factors and assumptions used to develop the uncollectible ambulance receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

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Certified Public Accountants

Management's estimate of the net pension liability, deferred outflows and inflows of resources related to pensions are based on assumptions of future events, such as employment, mortality and estimates of value of reported amounts. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows of resources related to pensions in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefit liability, deferred outflows and inflows of resources are based on the assumption of future events, such as employment, mortality and the healthcare cost trend, as well as estimates of the value of reported amounts. We evaluated key factors and assumptions used to develop the other postemployment benefits liability, deferred outflows and inflows of resources related to the other postemployment benefits in determining that they are reasonable in relation to the financial statements taken 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. Adjustments proposed and approved were primarily of a routine nature which management expects the independent auditors to record as part of their year-end procedures. A list of these adjustments for the general fund and water fund are attached to this letter.

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 June 16, 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 Franconia'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 Franconia's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Town Policies*

The Town's control policies require that management and employees establish and maintain an environment throughout the Town that sets a positive and supportive attitude toward internal control and conscientious management. The control environment established by the Board of Selectmen sets the tone for how Town employees and elected officials conduct its business.



As the Board of Selectmen, Trustees of Trust Funds, Library Trustees and department heads strive to achieve the goals of the Town and provide accountability for their operations, they need to continually examine internal controls to determine how well they are performing, how they may be improved, and the degree to which they help identify and address major risks for fraud, waste, abuse and mismanagement.

We noted that while there is an effort to do so, the Town has not yet established formal policies for fraud, conflict of interest, risk management, disaster recovery, cash receipts, purchasing, credit cards and any other policies necessary to protect the operations of the Town. These policies are essential tools to manage the Town's operations efficiently and effectively. The absence of these policies does not mean that the Board of Selectmen does not have a strong commitment to an environment that stresses integrity in the conduct of the Town's operations, nor does it suggest that the Board of Selectmen have little disregard for the internal control procedures.

We strongly recommend that the Board of Selectmen develop and formally adopt the above noted policies in order to clearly communicate the Town's position on the various issues.

Capital Asset Policy*

At present, no formal capital asset policy exists. We suggest a policy be implemented to more effectively control and account for the Town's capital assets. We suggest the present capital asset process be reviewed and documented to more effectively control the Town's practice in this area. To accomplish this goal, we suggest the following:

- Establish a minimum dollar amount for capitalization.
- Prepare written guidelines for proper account classification of all capital asset additions.
- Prepare written guidelines to ensure the reporting and approval of capital asset dispositions.

Implementation of the above recommended policy will create more accurate and consistent accounting treatment for the purchase and disposal of capital assets.

Fund Balance Policy*

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements - And Management's Discussion and Analysis - For State and local Governments* which required that all governmental entities develop and adopt a fund balance policy. In March 2009, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was issued and required the amendment of existing fund balance policies to incorporate the language of this new statement. As of December 31, 2019, the Town had not yet established a fund balance policy. We recommend that the Board of Selectmen develop and formally approve such a policy that includes the necessary language from Statement No. 54.

Investment Policy*

RSA 41:9 - VII *Financial Duties*, states that the Board of Selectmen shall annually review and adopt an investment policy for the investment of public funds in conformance with applicable statutes and shall advise the treasurer of such policies. This policy should also include the necessary language from Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. As of December 31, 2019, the Town had not yet established an investment policy for the Town. We recommend that the Board of Selectmen develop and annually approve such a policy.

*It was noted that as of the date of the audit several of the above noted policies have been reviewed by the Board of Selectmen in draft form. Although they have not been formally adopted.

Library

During our review of the internal controls at the Library we noted the following conditions:

- Lack of timeliness of cash receipts being deposited to the bank.
- Library cash receipts must be kept in a secure location at the Library until they can be deposited.

To strengthen the internal controls over receipt transactions we recommend the following:

- Cash receipts should be deposited to the bank within one week of receipt.
- All cash receipts, until deposited, should be kept in a safe and secure location in the Library until deposit.



Ambulance Write Offs

During 2019, approximately \$55,000 of ambulance receivables were written off without any evidence of review of approval from the Board of Selectmen. In order to ensure the accuracy and completeness of reported amounts the Board of Selectmen should be reviewing and formally approving all accounts that are written off. We recommend that the Town develop policies and procedures over the ambulance revenues, which include formal approval of write offs going forward.

Purchasing Procedures

Our review of invoices processed revealed that a majority of the invoices paid were lacking indication of the appropriate account number they are to be charged to. The Town's internal controls over purchasing indicate that all invoices are to be stamped and coded with the appropriate account number prior to payment. This lack of proper coding can lead to inaccurate posting of payments and increase the risk of misstatement of amounts. We recommend that the Town ensure that this practice is applied to all invoices.

Payroll Liability Accounts

We noted that not all of the Town's liability accounts for payroll related deductions and payments are accurately clearing in each period. For example, the health insurance payable account is steadily increasing when it should net to zero each month. There is a lack of reconciliation of these accounts, which can cause them to be misstated and lead to inaccurate financial reports. We recommend that these accounts be reconciled monthly and appropriate adjustments be made when differences are noted.

Stale Dated Checks

Review of the Town's outstanding check listing for the general fund revealed several stale dated checks, some of which date back to 2017. Outstanding items on cash reconciliations should be reviewed on a regular basis and items that are over one year old should be investigated and removed if necessary. We recommend that the Town establish procedures for the formal review of bank reconciliations. Further this review should include follow up on older items and eventual removal of stale date items.

Other Matters

Implementation of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

GASB Statement No. 87, *Leases*, issued in June 2017, will be effective for the Town with its fiscal year ending December 31, 2020. This Statement will improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, issued June 2018, will be effective for the Town with its fiscal year ending December 31, 2020. This Statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 91, *Conduit Debt Obligations*, issued June 2019, will be effective for the Town with its fiscal year ending December 31, 2021. This Statement provides for a single method of reporting conduit debt obligations and clarifies the existing definition of a conduit debt obligation and improves note disclosures.

GASB Statement No. 92, *Omnibus 2020*, issued in January 2020, will be effective for the Town with its fiscal year ended December 31, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.



We applied certain limited procedures to the following, which are required supplementary information (RSI) that supplements the basic financial statements:

- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions
- Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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 and individual fund schedules, 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.

Restriction on Use

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

Respectfully,



PLODZIK & SANDERSON
Professional Association

Attachments:

Copy of General Fund AJE's

Copy of Water Fund Adjustments



Client: **2061 - Town of Franconia**
 Engagement: **2019 - Town of Franconia**
 Period Ending: **12/31/2019**
 Trial Balance: **001.0000 - Government Fund Trial Balance**
 Workpaper: **910.0031 - Copy of General Fund AJE's**
 Fund Level: **Fund**
 Index: **01**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1 800.2010				
To reclassify portion of debt payment to interest.				
01-4721-01	Safety Services Building-Interest		37,667.00	
01-4711-01	Safety Services Building			37,667.00
Total			37,667.00	37,667.00
Adjusting Journal Entries JE # 2 400.5300				
To adjust property tax credits to actual.				
01-2700-03	Property Tax Credits		20,297.00	
01-3110-00	Property Taxes			20,297.00
Total			20,297.00	20,297.00
Adjusting Journal Entries JE # 3 400.5200				
To net tax payments against tax revenues.				
01-3110-00	Property Taxes		3,415,348.00	
01-4931-01	Taxes Paid-County			539,708.00
01-4933-01	Taxes Paid to School: Lafayette			1,602,935.00
01-4933-02	Taxes Paid to School: Profile			1,272,705.00
Total			3,415,348.00	3,415,348.00
Adjusting Journal Entries JE # 4 300.1810				
To adjust tax deeded property to actual.				
01-1800-00	Tax Deeded Property Resale		6,027.00	
01-3501-01	3501 Sale Town Property			6,027.00
Total			6,027.00	6,027.00
Adjusting Journal Entries JE # 5 400.2600				
To adjust school tax liability to actual.				
01-3110-00	Property Taxes		307,581.00	
01-2200-00	Due to school district			307,581.00
Total			307,581.00	307,581.00
Adjusting Journal Entries JE # 6 400.4000				
To adjust begining fund balance to actual				
01-1203-00	Due from Trust Funds		8,698.00	
01-2700-03	Property Tax Credits		183,000.00	
01-3509-01	Other Income		32.00	
01-1200-00	GF Due from transfer station			451.00
01-2700-02	Deferred Inflows of Resources			5,800.00
01-2900-06	Retained Earnings			185,479.00
Total			191,730.00	191,730.00
Adjusting Journal Entries JE # 7 400.5400				
To remove revenue activity for the transfer station fund recorded in the general fund and post in the correct transfer station fund.				
01-3379-03	Town of Easton: Transfer Station		26,309.00	
01-3379-04	Town of Sugar Hill: Transfer Station		37,046.00	
01-3502-02	Transfer Station Int.		754.00	
01-9312-01	Transfer Station/Recycling Fund: Bags-PAYT		110,180.00	
01-9312-02	Transfer Station/Recycling Fund: Special Handling Fees		28,646.00	
01-9312-03	Transfer Station/Recycling Fund: Recycled Material		17,407.00	
01-1200-00	GF Due from transfer station			220,342.00
Total			220,342.00	220,342.00
Adjusting Journal Entries JE # 8 400.5400				
To reclassify elate shared revenues to proper account				
01-4000-07	Ask My Accountant		12,401.00	
01-3351-00	Shared Revenues			12,401.00
Total			12,401.00	12,401.00
Adjusting Journal Entries JE # 9 300.1310				
To adjust LUCT and Yield tax receivables to actual				
01-1300-00	Taxes Receivable		7,570.00	
01-1300-04	Yield Tax Receivable		8,910.00	
01-3110-00	Property Taxes		18.00	
01-3185-00	Yield Tax		1,077.00	
01-1300-03	Land Use Change Tax Receivable			8,910.00
01-1300-03	Land Use Change Tax Receivable			7,570.00
01-1300-04	Yield Tax Receivable			1,095.00
Total			17,575.00	17,575.00

Adjusting Journal Entries JE # 10		300.1110		
To reverse prior year entry to record cash in hands of officials				
01-4620-001	Water Dept. to be Reimbursed:Millersill Electric		213.00	
01-4620-003	Water Dept. to be Reimbursed:Legal Expense		1,448.00	
01-4620-004	Water Dept. to be Reimbursed :Newspaper Ad		80.00	
01-4620-005	Water Dept. to be Reimbursed :Payroll Taxes		520.00	
01-4620-007	Water Dept. to be Reimbursed:USDA Rural Development Loan		35,744.00	
01-4620-008	Water Dept. to be Reimbursed:Wages		6,796.00	
01-1000-01	Cash In Hand of Officials			44,613.00
01-4620-002	Water Dept. to be Reimbursed:Insurance-Buildings			188.00
Total			44,801.00	44,801.00
Adjusting Journal Entries JE # 11		400.5400 & 300.1310		
To remove prior year receivable from the Town of Easton and record current year amount owed				
01-1110-00	Due from other gov'ts		8,248.00	
01-3379-01	Town of Easton:Administration Fee		1,000.00	
01-3379-02	Town of Easton: Recreation Programs		6,301.00	
01-1110-00	Due from other gov'ts			7,301.00
01-3379-01	Town of Easton:Administration Fee			1,000.00
01-3379-02	Town of Easton: Recreation Programs			6,998.00
01-3401-59	Life Squad: Town of Easton			250.00
Total			16,549.00	16,549.00
Adjusting Journal Entries JE # 12		400.5500 & 300.1310		
To adjust ambulance receivables and allowance to actual				
01-1400-00	Ambulance Receivable		38,660.00	
01-1400-01	Allowance for Ambulance Reco			4,595.00
01-3401-18	Life Squad: Transport Payments			34,065.00
Total			38,660.00	38,660.00
Adjusting Journal Entries JE # 13		400.3200		
To recognize prior year deferred highway block grant revenues				
01-2700-02	Deferred Inflows of Resources		39,905.00	
01-3353-00	Highway Block Grant			39,905.00
Total			39,905.00	39,905.00
Adjusting Journal Entries JE # 14		400.6400		
To net scholarship activity already reported in the private purpose trust funds				
01-3916-22	Transfer In From Scholarship Trust Fund		18,799.00	
01-4915-24	Expenses Reimb From CRF's:Scholarship Trust Fund			18,799.00
Total			18,799.00	18,799.00
Adjusting Journal Entries JE # 17		300.1420		
To adjust allowance for uncollectible taxes to actual.				
01-1300-01	Allowance for Abatements		74,297.00	
01-3110-02	Overlay			74,297.00
Total			74,297.00	74,297.00
Adjusting Journal Entries JE # 18		300.8200		
To reclassify transfer out incorrectly posted.				
01-4916-27	Transfers to Capital Reserve Funds: Transfer Station Equipment		36,860.00	
01-1070-00	Transfer Station Fund			36,860.00
Total			36,860.00	36,860.00
Adjusting Journal Entries JE # 24		031.0001		
To reclassify loan payments and interest on CDFA loan				
01-4711-03	CDFA Loan Principle		3,764.00	
01-2800-01	CDFA Loan			3,729.00
01-4724-001	Loan Interest CDFA			35.00
Total			3,764.00	3,764.00
Adjusting Journal Entries JE # 25		300.1310		
To adjust taxes and tax lien receivable to actual				
01-1300-00	Taxes Receivable		10,599.00	
01-3110-00	Property Taxes		21,368.00	
01-1300-02	Tax Lien Receivable			31,967.00
Total			31,967.00	31,967.00
Adjusting Journal Entries JE # 26		300.2110		
To remove prior year payables in the general fund				
01-2000-00	Accounts Payable		4,406.00	
01-4130-341	Telephone/Website:Telephone			51.00
01-4152-130	Reval.of Property:Contract Assessing			788.00
01-4152-131	Reval.of Property:Data Verification			956.00
01-4153-320	General Legal			2,212.00
01-4194-341	Telephone/Internet:Telephone/Internet			29.00
01-4210-341	Telephone/Internet:Telephone/Internet			114.00
01-4215-341	Life Squad: Telephone/Internet:Telephone/Internet			143.00
01-4312-341	Telephone/Internet:Telephone/Internet			53.00
01-4520-34	Recreation: Soccer Tournaments			60.00
Total			4,406.00	4,406.00

Adjusting Journal Entries JE # 33		400.4200		
To adjust restricted and nonspendable fund balances to actuals				
01-2900-04	Nonspendable Fund Balance		6,473.00	
01-2900-03	Reserved for Dow & MacLachlin			74.00
01-2900-06	Retained Earnings			6,399.00
Total			<u><u>6,473.00</u></u>	<u><u>6,473.00</u></u>
Adjusting Journal Entries JE # 34		501.1210		
To remove conservation fund activity recorded in the general fund				
01-2100-00	GF Due to other funds		3,550.00	
01-3502-01	Land Use Fund Interest		3,403.00	
01-3999-99	Revenue Rounding Account		1.00	
01-1060-00	Franconia Land Use Fund			3,403.00
01-1060-00	Franconia Land Use Fund			3,550.00
01-1060-00	Franconia Land Use Fund			1.00
Total			<u><u>6,954.00</u></u>	<u><u>6,954.00</u></u>
Adjusting Journal Entries JE # 35		300.8200		
To reclassify transfer in from cemetery CRF				
01-2100-00	GF Due to other funds		144.00	
01-3910-00	Transfers in From Trusts			144.00
Total			<u><u>144.00</u></u>	<u><u>144.00</u></u>
Adjusting Journal Entries JE # 36		504.1210		
To remove transfer station expenditures recorded in the general fund				
01-1200-00	GF Due from transfer station		291,657.00	
01-9412-100	Transfer Station Wages: Regular Time			115,517.00
01-9412-110	Transfer Station Wages: Overtime			709.00
01-9412-210	Transfer Station: Health Insurance			32,784.00
01-9412-220	Transfer Station: Payroll Taxes			8,891.00
01-9412-230	Transfer Station: Retirement			1,040.00
01-9412-260	Transfer Station: Workers' Compensation			4,314.00
01-9412-341	Transfer Station: Telephone			1,097.00
01-9412-375	Transfer Station: Dues, Travel & Certifications			3,744.00
01-9412-390	Transfer Station: C & D/Bulky Disposal: C&D Other			3,108.00
01-9412-391	Transfer Station: C & D/Bulky Disposal: C & D Glass & Plastic			14,035.00
01-9412-392	Transfer Station: C & D/Bulky Disposal: C & D Roll Off Hauling Fee			13,243.00
01-9412-393	Transfer Station: C & D/Bulky Disposal: C & D Roll Off Tipping Fee			12,644.00
01-9412-394	Transfer Station: C & D/Bulky Disposal: C & D Tires			476.00
01-9412-395	Transfer Station: C & D/Bulky Disposal: C & D Electronics			3,811.00
01-9412-396	Transfer Station: Contingency			6,200.00
01-9412-397	Transfer Station: Solid Waste Disposal: Solid Waste Hauling Fee			12,095.00
01-9412-398	Transfer Station: Solid Waste Disposal: Solid Waste Tipping Fee			34,122.00
01-9412-410	Transfer Station: Electricity			1,869.00
01-9412-411	Transfer Station: Heating - Propane			2,937.00
01-9412-528	Transfer Station: Property Liability Insurance			1,040.00
01-9412-600	Transfer Station: Materials & Supplies			4,358.00
01-9412-601	Transfer Station: PAYT Bags			11,443.00
01-9412-635	Transfer Station: Vehicles & Equipment: Bobcat			505.00
01-9412-636	Transfer Station: Equipment Repairs			337.00
01-9412-800	Transfer Station: Uniforms			1,338.00
Total			<u><u>291,657.00</u></u>	<u><u>291,657.00</u></u>
Adjusting Journal Entries JE # 47		300.8100		
To reclassify library reimbursement for payroll taxes and remove old Interfund between water fund and general fund				
01-3509-01	Other Income		200.00	
01-4550-004	LIBRARY EXP. TO BE REIMB.: Taxes & Benefits: Payroll Taxes		393.00	
01-2100-04	Due to/from Water Fund			200.00
01-4155-220	Payroll Tax: Payroll Taxes			393.00
Total			<u><u>593.00</u></u>	<u><u>593.00</u></u>
Adjusting Journal Entries JE # 48		300.8100		
To remove prior year Interfund balance which was inaccurate				
01-2100-00	GF Due to other funds		822.00	
01-4000-04	Uncategorized Expenses			822.00
Total			<u><u>822.00</u></u>	<u><u>822.00</u></u>
Adjusting Journal Entries JE # 49		300.8100		
To record 50\$ LUCT due to conservation fund				
01-3120-00	Land Use Change Tax		8,240.00	
01-2100-00	GF Due to other funds			8,240.00
Total			<u><u>8,240.00</u></u>	<u><u>8,240.00</u></u>
Adjusting Journal Entries JE # 52		300.8200-8100		
To adjust transfer station fund transfers and interfunds to actual				
01-1070-00	Transfer Station Fund		81,466.00	
01-3509-01	Other Income		654.00	
01-4912-02	Transfer Station Appropriation		89,222.00	
01-1200-00	GF Due from transfer station			171,562.00
Total			<u><u>171,562.00</u></u>	<u><u>171,562.00</u></u>

Adjusting Journal Entries JE # 53

300,7500

To remove prior year payroll liability balances which are not clearing out in current year

01-2600-04	Payroll-FICA	314.00	
01-2600-09	Retirement Liability	1.00	
01-2600-11	Payroll-FUTA	456.00	
01-2600-09	Payroll Liabilities	532.00	
01-3509-01	Other Income		989.00
01-4155-220	Payroll Tax:Payroll Taxes		314.00
Total		<u><u>1,303.00</u></u>	<u><u>1,303.00</u></u>

Adjusting Journal Entries JE # 55

300,7600

To adjust for direct deposit amounts left on balance sheet and not recorded in expenditure lines for 1/2/2020 payroll

01-3509-01	Other Income	2.00	
01-4130-100	Wages	952.00	
01-4130-100	Wages	111.00	
01-4130-100	Wages	561.00	
01-4140-100	Wages: Town Clerk	548.00	
01-4194-100	Wages:Regular Time	599.00	
01-4210-100	Wages: Regular Time	29.00	
01-4210-100	Wages: Regular Time	973.00	
01-4210-100	Wages: Regular Time	164.00	
01-4210-100	Wages: Regular Time	127.00	
01-4210-100	Wages: Regular Time	1,244.00	
01-4210-100	Wages: Regular Time	788.00	
01-4312-100	Regular Time Wages	567.00	
01-4312-100	Regular Time Wages	649.00	
01-4312-100	Regular Time Wages	456.00	
01-4312-100	Regular Time Wages	739.00	
01-4312-100	Regular Time Wages	842.00	
01-4520-100	Recreation: Regular Time	448.00	
01-2600-00	Direct Deposit Liabilities		9,799.00
Total		<u><u>9,799.00</u></u>	<u><u>9,799.00</u></u>

Total Adjusting Journal Entries

5,036,543.00 5,036,543.00

Total All Journal Entries

5,035,543.00 5,035,543.00

Client: 2061 - Town of Franconia
 Engagement: 2019 - Town of Franconia
 Period Ending: 12/31/2019
 Trial Balance: 001.0000 - Government Fund Trial Balance
 Workpaper: 910.0032 - Copy of Water Fund Adjustments
 Fund Level: Fund
 Index: 02

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 15				
300.1310 To adjust the water receivable to actual				
02-1150-00	Accounts Receivable		2,952.00	
02-3003-01	Water Rents			2,952.00
Total			<u>2,952.00</u>	<u>2,952.00</u>
Adjusting Journal Entries JE # 27				
701.1310 To adjust allowance for uncollectible water taxes to actual.				
02-1150-01	Allowance for Uncollectable Receivables		1,488.00	
02-3003-01	Water Rents			1,488.00
Total			<u>1,488.00</u>	<u>1,488.00</u>
Adjusting Journal Entries JE # 28				
800.2010 To adjust accrued interest payable to actual.				
02-2300-00	Accrued Interest Payable		45.00	
02-4332-17	RD Loan Payments			45.00
Total			<u>45.00</u>	<u>45.00</u>
Adjusting Journal Entries JE # 29				
701.1010 To record current year depreciation.				
02-4332-99	Depreciation Expense		181,429.00	
02-1300-01	Accumulated Depreciation - Machinery & Equipment			3,638.00
02-1400-01	Accumulated Depreciation - Infrastructure			177,791.00
Total			<u>181,429.00</u>	<u>181,429.00</u>
Adjusting Journal Entries JE # 30				
800.2010 To record debt payment and adjust current portion to actual.				
02-2500-01	Long Term Bonds Payable - NonCurrent		70,458.00	
02-2500-01	Long Term Bonds Payable - NonCurrent		2,153.00	
02-2500-00	Long Term Bonds Payable - Current			3,153.00
02-4332-17	RD Loan Payments			69,458.00
Total			<u>72,611.00</u>	<u>72,611.00</u>
Adjusting Journal Entries JE # 31				
To record transfer in from General Fund for their share of loan payment.				
02-4332-17	RD Loan Payments		38,100.00	
02-3905-00	Transfer from General Fund			38,100.00
Total			<u>38,100.00</u>	<u>38,100.00</u>
Adjusting Journal Entries JE # 32				
701.0020 To adjust beginning net position to actual.				
02-2500-02	Retained Earnings		1,001.00	
02-3000-01	Interest Income			1,001.00
Total			<u>1,001.00</u>	<u>1,001.00</u>
Adjusting Journal Entries JE # 47				
300.8100 To reclassify library reimbursement for payroll taxes and remove old interfund between water fund and general fund				
02-2100-00	Due to/from Other Funds		200.00	
02-4332-12	Misc Exp			200.00
Total			<u>200.00</u>	<u>200.00</u>
Adjusting Journal Entries JE # 51				
701.4000 To adjust net investment in capital assets to actual.				
02-2530-00	Net Investment in Capital Assets		110,971.00	
02-2500-02	Retained Earnings			110,971.00
Total			<u>110,971.00</u>	<u>110,971.00</u>
Total Adjusting Journal Entries			<u>408,797.00</u>	<u>408,797.00</u>
Total All Journal Entries			<u>408,797.00</u>	<u>408,797.00</u>