



October 20, 2023

James A. Sojka, CPA*

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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

Dear Members of the Board of Selectmen:

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, 2022 and have issued our report thereon dated October 6, 2023. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 26, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Town of Franconia solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses, and material noncompliance, and other matters noted during our audit in a separate letter to you dated

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter dated January 26, 2023.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our Firm, as appropriate and our Firm, have complied with all relevant ethical requirements regarding independence.

PLODZIK & SANDERSON, P.A.
Certified Public Accountants

193 North Main Street, Concord, New Hampshire, 03301 • 603-225-6996
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We follow the AICPA Ethics Standard Rule 201 and in conjunction with the Firm's Quality Control Document, we annually review with all engagement staff potential conflicts and obtain an independence certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Significant Risks Identified

We have identified the following significant risks through our risk assessment procedures. These risks are identified universally in New Hampshire governmental entity audits performed by our firm. As a result of these risks the engagement team developed an audit approach that specifically addresses these significant risks:

- Management override of controls;
- Improper revenue recognition; and
- Impact of the COVID-19 pandemic.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town of Franconia is included in Note 1 to the financial statements. As described in Note 2-D to the financial statements, the Town of Franconia changed accounting principles to change the way the Town reports leases, by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in the fiscal year 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

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 are 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.

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

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 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.

Financial Statement Disclosures

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

Significant Unusual Transactions

There are no significant or unusual transactions identified during our audit.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

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 all funds is 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 October 6, 2023.

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.

Key Audit Matters

We have determined that there are no key audit matters to communicate.

Other Audit Matters, Findings, or Issues

In the normal course of our professional association with the Town of Franconia, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the Town, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Town of Franconia's auditors.



Town Policies (repeat comment)

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 the Town's 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 (and the Town has adopted many policies previously recommended), the Town has not yet established formal policies for risk management and disaster recovery related to information technology. These policies are essential tools to manage the Town's operations efficiently and effectively.

We recommend that the Board of Selectmen work to develop and formally adopt the risk management and information technology policies.

Management's Response: The Town of Franconia works with Certified Computer Solutions in Northfield NH. They manage all server updates, cybersecurity, daily server backups and maintenance. We have also reached out to Primex for their input on a cybersecurity and risk management policy. The Town Administrator will then review and present policies to the Select Board for adoption.

Payroll Liability Accounts (repeat comment)

We noted that not all of the Town's liability accounts for payroll related deductions and payments 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 the mapping of all employees' withholdings and other payroll parameters be reviewed for accuracy. We also recommend these accounts be reconciled on a monthly basis to ensure their accuracy.

Management's Response: The Town Administrator, Bookkeeper and Treasurer will meet to formalize a procedure to make these adjustments monthly as part of our monthly reconciliation process.

General Ledger Budget (repeat comment)

In comparing the Town's general fund budget recorded in the general ledger, we identified several differences between the amounts in the general ledger and on the State's formal budget documents (MS-434R & MS-232R). To improve monitoring and budgetary control, we recommend that preliminary figures that are entered into the general ledger are updated with the final budget information processed with the State's Department of Revenue Administration.

Management's Response: The Town Administrator and Bookkeeper will work together to ensure that all documents filed with DRA match our Town's general fund budget.

Payroll Controls

We noted during review and walkthrough of payroll controls and procedures that some personnel files were not up-to-date or were missing required documentation such as Forms W-4 and I-9 and/or employment contracts. In addition, the hourly employee payroll transaction selected for walkthrough did not have their timesheet approved by the department head per stated controls. We recommend the Town review all personnel files to ensure they are up-to-date and contain all relevant information. In addition, timesheets should be reviewed and approved by department heads prior to processing payroll as per stated controls.

Management's Response: The Town Administrator and Executive Assistant will review all Town employee files to make sure they are up to date. All Department heads will be required to sign off on all time sheets before a check is issued.



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. 91, *Conduit Debt Obligations*, issued in May 2019, will be effective for the Town with its fiscal year ending December 31, 2023. This Statement will provide a single method of reporting conduit debt obligations and eliminate differences in practice.

GASB Statement No. 92, *Omnibus 2020*, issued in January 2020, will be effective for the Town with its fiscal year ended December 31, 2023. 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.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued in March 2020, will be effective for the Town with its fiscal year ended December 31, 2023. The objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for the Town with its fiscal year ended December 31, 2023. The objectives of this Statement are to provide guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

GASB Statement No. 99, *Omnibus 2021*, issued in April 2022, will be effective for the Town with its fiscal year ended December 31, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, issued in June 2022, will be effective for the Town with its fiscal year ended December 31, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective for the Town with its fiscal year ended December 31, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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.

The Town of Franconia's responses to the findings identified in our audit are described above and the Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Concord, New Hampshire

Attachment:

Copy of General Fund Journal Entry Report

Copy of Water Fund Journal Entry Report



Client: **2061 - Town of Franconia**
 Engagement: **2022 - Town of Franconia**
 Period Ending: **12/31/2022**
 Trial Balance: **001.0000 - Government Fund Trial Balance**
 Workpaper: **910.0031 - Copy of General Fund Journal Entry Report**
 Fund Level: **Fund**
 Index: **01**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		400.2500		
To record school tax liability to actual per #400.2500				
01-2200-00	Due to school district		321,719.00	
01-3110-00	Property Taxes			321,719.00
Total			<u>321,719.00</u>	<u>321,719.00</u>
Adjusting Journal Entries JE # 2		400.5100		
To reclassify property tax refunds to income statement per #400.5100				
01-3110-01	Property Taxes Abatement		26,796.00	
01-2270-09	2270.9 Property Tax Refunds			26,796.00
Total			<u>26,796.00</u>	<u>26,796.00</u>
Adjusting Journal Entries JE # 3		300.3110		
To adjust property tax credits to actual per #300.3110				
01-3110-00	Property Taxes		7,872.00	
01-2700-03	Property Tax Credits			7,872.00
Total			<u>7,872.00</u>	<u>7,872.00</u>
Adjusting Journal Entries JE # 4		300.1310		
To adjust property tax receivables to actual per #300.1310				
01-3110-00	Property Taxes		51,939.00	
01-1300-00	Taxes Receivable			50,303.00
01-1300-02	Tax Lien Receivable			1,636.00
Total			<u>51,939.00</u>	<u>51,939.00</u>
Adjusting Journal Entries JE # 5		300.3100		
To reclassify deferred revenue from Town of Sugar Hill for portion of skid steer to income statement per #300.3100				
01-2700-02	Deferred Inflows of Resources		10,617.00	
01-3379-04	Town of Sugar Hill: Transfer Station			10,617.00
Total			<u>10,617.00</u>	<u>10,617.00</u>
Adjusting Journal Entries JE # 7		300.3110		
To defer SB 401 highway block grant and bridge aid per #300.3110				
01-3353-00	Highway Block Grant		45,549.00	
01-3359-01	Other State Grant Revenues		44,955.00	
01-2700-02	Deferred Inflows of Resources			90,504.00
Total			<u>90,504.00</u>	<u>90,504.00</u>
Adjusting Journal Entries JE # 8		300.3110		
To record use of ARPA funds to reimburse water fund per #300.3110				
01-2100-05	Deferred Inflows - ARPA		30,000.00	
01-4916-28	Transfer to Water Fund		30,000.00	
01-2100-04	Due to/from Water Fund			30,000.00
01-3379-00	FROM OTHER GOVERNMENTS			30,000.00
Total			<u>60,000.00</u>	<u>60,000.00</u>
Adjusting Journal Entries JE # 10		800.2010		
To reclassify interest consistent with prior years per #800.2010				
01-4721-01	Safety Services Building- Interest		31,215.00	
01-4711-01	4711 -> LONG TERM BOND:4711-01 -> Safety Services Building			31,215.00
Total			<u>31,215.00</u>	<u>31,215.00</u>
Adjusting Journal Entries JE # 12		501.1210		
To remove conservation fund activity for reporting as special revenue fund per #501.1210				
01-1060-00	Franconia Land Use Fund		21,365.00	
01-2100-00	GF Due to other funds		4,250.00	
01-3120-00	Land Use Change Tax		12,400.00	
01-3502-01	Land Use Fund Interest		2,327.00	
01-4901-01	Capital Outlay - Land			40,342.00
Total			<u>40,342.00</u>	<u>40,342.00</u>

Adjusting Journal Entries JE # 13		300.8100	
To clear invalid interfund related to 2018 (discussed with Trustee and no documentation on any reimbursements was found), immaterial to restate			
01-3509-01	Other Income	8,698.00	
01-1203-00	Due from Trust Funds		8,698.00
Total		<u><u>8,698.00</u></u>	<u><u>8,698.00</u></u>
Adjusting Journal Entries JE # 14		400.0020	
To reconcile beginning fund balance for clearly trivial variance per #400.0020			
01-2900-05	Opening Bal Equity	767.00	
01-3509-01	Other Income	253.00	
01-2900-06	Retained Earnings		1,020.00
Total		<u><u>1,020.00</u></u>	<u><u>1,020.00</u></u>
Adjusting Journal Entries JE # 15		400.4200	
To reclassify restricted fund balance for change in MacLachlin memorial account interest and \$5,000 donation per #400.4200			
01-2900-06	Retained Earnings	5,058.00	
01-2900-03	Reserved for Dow & MacLachlin		5,058.00
Total		<u><u>5,058.00</u></u>	<u><u>5,058.00</u></u>
Adjusting Journal Entries JE # 16		300.2110	
To record checks that were paid in January that relate to FY2022			
01-4902-01	CAPITAL OUTLAY:4909 -+ Improv. Other Than Buildings	62,877.00	
01-9412-210	9412 -+ TRI TOWN TRANSFER STATION:9412-600 Materials & Supplies:PAYT Bags	18,649.00	
01-2000-00	Accounts Payable		81,526.00
Total		<u><u>81,526.00</u></u>	<u><u>81,526.00</u></u>
Adjusting Journal Entries JE # 23		300.8200	
To reclassify expenditures posted to transfer lines in order to tie out transfers per #300.8200			
01-4520-26	4520 -+ RECREATION:4520-620 Rink & Ice Skating:Rink Maintenance	4,526.00	
01-4916-19	4916-00 -+ TRANSFERS Capital Reserve Funds:4916-23 -+ Rink Surface Maintenance		4,360.00
01-4916-20	4916-00 -+ TRANSFERS Capital Reserve Funds:4916-24 -+ Library Maintenance		166.00
Total		<u><u>4,526.00</u></u>	<u><u>4,526.00</u></u>
Adjusting Journal Entries JE # 28		300.1120	
To record cash in hands of officials for water and library expenditures reimbursed (shown as outstanding check in water/library) per #300.1120			
01-1000-01	Cash in Hand of Officials	68,292.00	
01-4550-001	4550 -+ 4550 LIBRARY EXP. TO BE REIMB.:Miscellaneous Expense		50.00
01-4550-002	4550 -+ 4550 LIBRARY EXP. TO BE REIMB.:Salaries & Wages		16,285.00
01-4550-003	4550 -+ 4550 LIBRARY EXP. TO BE REIMB.:Taxes & Benefits:Health Insurance		2,897.00
01-4550-004	4550 -+ 4550 LIBRARY EXP. TO BE REIMB.:Taxes & Benefits:Payroll Taxes		1,246.00
01-4620-00	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB		266.00
01-4620-001	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:Buildings & Grounds		187.00
01-4620-002	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:Computer Support		2,265.00
01-4620-003	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:Legal Expense		225.00
01-4620-004	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:Payroll Taxes		630.00
01-4620-005	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:Supplies		262.00
01-4620-006	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:USDA Rural Development Loan		35,744.00
01-4620-007	4620-00 -+ WATER DEPT EXPENSES TO BE REIMB:Wages		8,235.00
Total		<u><u>68,292.00</u></u>	<u><u>68,292.00</u></u>
Adjusting Journal Entries JE # 29		300.1310	
To record intergovernmental receivable from Town of Easton for portion of Tri-Town and skid steer per #300.1310			
01-1110-00	Due from other gov'ts	48,424.00	
01-3379-01	Town of Easton:Administration Fee		2,100.00
01-3379-02	Town of Easton: Recreation Programs		15,772.00
01-3379-03	Town of Easton: Transfer Station		30,552.00
Total		<u><u>48,424.00</u></u>	<u><u>48,424.00</u></u>
Adjusting Journal Entries JE # 30		300.1120	
To record cash in hands of officials for 2022 tax deposits posted to 2023 and reconcile tax revenue and receivables per #300.1120			
01-1000-01	Cash in Hand of Officials	49,952.00	
01-3110-00	Property Taxes		49,952.00
Total		<u><u>49,952.00</u></u>	<u><u>49,952.00</u></u>
Adjusting Journal Entries JE # 31		300.8100	
To record interfund receivable from expendable trust funds for cemetery plots, heritage museum, and tree work per conversation with Trustee of Trust Funds per #300.8100			
01-1203-00	Due from Trust Funds		12,811.00

01-3910-00	Transfers in From Trusts			<u>12,811.00</u>	<u>12,811.00</u>
Total				<u>12,811.00</u>	<u>12,811.00</u>
Adjusting Journal Entries JE # 35		300.1311			
To adjust Comstar receivables to actual per #300.1311					
01-3401-18	Life Squad: Transport Payments		27,832.00		
01-1400-00	Ambulance Receivable				15,587.00
01-1400-01	Allowance for Ambulance Rec				<u>12,245.00</u>
Total			<u>27,832.00</u>		<u>27,832.00</u>
Adjusting Journal Entries JE # 37		300.2110			
To record additional intergovernmental payable identified by client post fieldwork per #300.2210					
01-4215-100	4215 --> LIFE SQUAD		15,600.00		
01-2100-01	GF Due to Other Governments				<u>15,600.00</u>
Total			<u>15,600.00</u>		<u>15,600.00</u>
Adjusting Journal Entries JE # 38		300.1311			
To record client provided AJE to accrue Town of Sugar Hill payment related to 2022 per #300.1311					
01-1110-00	Due from other gov'ts		36,673.00		
01-3379-04	Town of Sugar Hill: Transfer Station				<u>36,673.00</u>
Total			<u>36,673.00</u>		<u>36,673.00</u>
				<u>1,001,416.00</u>	<u>1,001,416.00</u>
Total Adjusting Journal Entries					
Total All Journal Entries				<u>1,001,416.00</u>	<u>1,001,416.00</u>

Client: **2061 - Town of Franconia**
 Engagement: **2022 - Town of Franconia**
 Period Ending: **12/31/2022**
 Trial Balance: **001.0000 - Government Fund Trial Balance**
 Workpaper: **910.0032 - Copy of Water Fund Journal Entry Report**
 Fund Level: **Fund**
 Index: **02**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 8				
To record use of ARPA funds to reimburse water fund per #300.3110				
02-2100-00	Due to/from Other Funds		30,000.00	
02-3905-00	Transfer from General Fund			30,000.00
Total			<u>30,000.00</u>	<u>30,000.00</u>
Adjusting Journal Entries JE # 11				
To record transfer in for portion of debt and reclassify interest consistent with prior years per #800.2010				
02-6000-00	USDA Loan Payment		3,861.00	
02-6001-00	USDA Loan - Interest		34,239.00	
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 # 22				
To record the depreciation expense and the accumulated depreciation				
02-4332-99	Depreciation Expense		183,457.00	
02-1300-01	Accumulated Depreciation - Machinery & Equipment			3,255.00
02-1400-01	Accumulated Depreciation - Infrastructure			180,202.00
Total			<u>183,457.00</u>	<u>183,457.00</u>
Adjusting Journal Entries JE # 25				
To adjust the debt and accrued interest for the water fund				
02-2300-00	Accrued Interest Payable		49.00	
02-2500-01	Long Term Bonds Payable - NonCurrent		77,053.00	
02-2500-00	Long Term Bonds Payable - Current			1,704.00
02-6000-00	USDA Loan Payment			75,349.00
02-6001-00	USDA Loan - Interest			49.00
Total			<u>77,102.00</u>	<u>77,102.00</u>
Adjusting Journal Entries JE # 26				
To reconcile beginning net positions per #701.0020				
02-2300-00	Accrued Interest Payable		54.00	
02-2500-01	Long Term Bonds Payable - NonCurrent		75,349.00	
02-2500-02	Retained Earnings		112,480.00	
02-1150-00	Accounts Receivable			2,759.00
02-1300-01	Accumulated Depreciation - Machinery & Equipment			3,254.00
02-1400-01	Accumulated Depreciation - Infrastructure			180,203.00
02-2500-00	Long Term Bonds Payable - Current			1,667.00
Total			<u>187,883.00</u>	<u>187,883.00</u>
Adjusting Journal Entries JE # 27				
To reclassify net position for net investment in capital assets per #701.4000				
02-2530-00	Net Investment in Capital Assets		266,965.00	
02-2500-02	Retained Earnings			266,965.00
Total			<u>266,965.00</u>	<u>266,965.00</u>
Adjusting Journal Entries JE # 32				
To adjust the water fund receivables to actual				
02-3003-01	Water Rents		10,172.00	
02-1150-00	Accounts Receivable			10,172.00
Total			<u>10,172.00</u>	<u>10,172.00</u>
Adjusting Journal Entries JE # 33				
To record the water fund capital asset additions				
02-1400-00	Capital Asset - Infrastructure		100,829.00	
02-5300-01	CAP IMP:5300-01 Franconia Maintenance			100,829.00
Total			<u>100,829.00</u>	<u>100,829.00</u>
Total Adjusting Journal Entries			<u>894,508.00</u>	<u>894,508.00</u>
Total All Journal Entries			<u>894,508.00</u>	<u>894,508.00</u>