

# New Hampshire Municipal Association, Inc.

Financial Statements

Year Ended December 31, 2020



**WIPFLI**

## **Independent Auditor's Report**

To the Board of Directors  
New Hampshire Municipal Association, Inc.  
Concord, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying financial statements of New Hampshire Municipal Association, Inc. ("NHMA"), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise NHMA's basic financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NHMA as of December 31, 2020, and 2019 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, the Schedule of Proportionate Share of Net Pension Liability on page 25, and the Schedule of Contributions on page 26, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries, of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NHMA's basic financial statements. The Schedule of Revenues, Expenses and Changes in Net Position - Budget to Actual Comparison is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual Comparison is the responsibility of management and was derived from and relates 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 Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual Comparison is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 10, 2021, on our consideration of NHMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NHMA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NHMA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP  
South Portland, Maine  
June 10, 2021

## **Management's Discussion and Analysis December 31, 2020 and 2019**

### **Introduction**

This report provides readers of the New Hampshire Municipal Association, Inc. ("NHMA") financial statements a narrative overview and analysis of the financial activities of NHMA for the reporting periods ending December 31, 2020 and 2019. This section, the management discussion and analysis, is intended to provide an overview of NHMA's financial condition, results of operations, and other key information.

### **Overview**

NHMA is a nonprofit, non-partisan membership organization with the mission to provide legislative policy development and advocacy, legal advice on municipal problems and issues, and training and education on municipal duties and legal principles. The services are provided to and on behalf of municipal members of NHMA. As of December 31, 2020, 234 of the 234 towns and cities in New Hampshire were members of NHMA. In addition, 51 others consisting of political subdivisions (village districts and counties) and regional planning commissions were associate members of NHMA during 2020.

NHMA was originally created in 1941 to provide advocacy and other support services to New Hampshire municipalities. NHMA operated in this manner until the period from 2003 through 2013, when NHMA operated as a wholly-owned subsidiary of Local Government Center, Inc., performing traditional league advocacy services. Organizational changes, effective September 1, 2013, resulted in the Local Government Center, Inc. absorbing all NHMA, LLC obligations and operations, and the renaming of Local Government Center, Inc. back to New Hampshire Municipal Association, Inc. As a subsidiary of LGC, NHMA, LLC was exempt from federal income taxes under Section 501(c)(4) and 115 of the Internal Revenue Code. As a standalone nonprofit corporation, NHMA remains exempt from federal income taxes under Section 501(c)(4) and 115 of the Internal Revenue Code.

NHMA's bylaws provide that dues are established by NHMA's Board of Directors. Dues are based on the budget adopted by the Board, and each municipal member's dues are calculated in accordance with the Board-approved formula, which is based on population and equalized valuation, with a minimum and maximum level. Associate member dues are set separately by NHMA Board of Directors at a flat amount.

NHMA participates in the HealthTrust/NHMA defined benefit multiple-employer cost-sharing pension plan. Based upon the December 31, 2019 actuarial report of the HealthTrust/NHMA Pension Plan (the latest information available), the plan fiduciary net position is \$14,589,648, the total pension liability is \$16,802,357 and the net pension liability is \$2,212,709, resulting in a funded ratio of 86.8%. As of December 31, 2018, the plan fiduciary net position was \$12,369,748, the total pension liability was \$15,697,542, and the net pension liability was \$3,327,794, resulting in a funded ratio of 78.8%. The HealthTrust/NHMA Pension Plan did not issue standalone financial reports for the periods ending December 31, 2019 and 2018.

### **Discussion of the Basic Financial Statements**

Following the pronouncements of the Governmental Accounting Standards Board (GASB), NHMA's financial information is presented in four basic components, the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows and the Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual Comparison.

**Management's Discussion and Analysis**  
**December 31, 2020 and 2019**

**Statements of Net Position**

These statements provide information about NHMA's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and net position as of December 31, 2020 and 2019. Total current assets represent cash and cash equivalents, accounts receivable, and expenses prepaid for a subsequent period. Current liabilities reflect amounts to be paid to staff for wages or vacation time earned during the respective calendar year but not paid until a later period, other accounts payable, and dues received that are applicable to the following year. Non-current liabilities as of December 31, 2020 consist of NHMA's proportionate share of the HealthTrust/PLT/NHMA Pension Plan net pension liability pursuant to the adoption of the GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" (GASB 68). The following table summarizes the Statements of Net Position:

**Summary Statements of Net Position**

<i>Years Ended December 31, 2020 and 2019</i>	2020	2019
<b>Assets</b>		
Current assets	\$ 1,684,415	\$ 1,605,674
Non-current assets	70,727	73,279
<b>Total assets</b>	<b>1,755,142</b>	<b>1,678,953</b>
<b>Deferred Outflows of Resources</b>		
Deferred pension amounts	330,455	453,741
<b>Liabilities</b>		
Current liabilities	566,540	661,489
Non-current liabilities	331,961	531,368
<b>Total liabilities</b>	<b>898,501</b>	<b>1,192,857</b>
<b>Deferred Inflows of Resources</b>		
Deferred pension expenses	277,301	163,675
<b>Net Position, End of Year</b>	<b>\$ 909,795</b>	<b>\$ 776,162</b>

Net position at December 31, 2020 reflects unrestricted net position of \$839,068 and NHMA's 1.2% investment in Center at Triangle Park, Inc. (CTP) of \$70,727 for a total of \$909,795. The investment in CTP decreased \$2,552 from \$73,279 at December 31, 2019 to \$70,727 at December 31, 2020 due to NHMA's proportionate share (1.2%) of the CTP operating loss as of June 30, 2020. Unrestricted net position at December 31, 2020 represents amounts available for future member services and equates to approximately six months or 51.5% of 2020 budgeted operating expenses. As of December 31, 2019, net position included \$702,883 of unrestricted net position, and NHMA's 1.2% investment in Center at Triangle Park, Inc. of \$73,279, for a total of \$776,162.

**Management's Discussion and Analysis**  
**December 31, 2020 and 2019**

**Statements of Revenues, Expenses and Changes in Net Position.** The results of NHMA's operations for 2020 and 2019 are shown on these statements. The statements provide information about income from member dues, operating expenses, and other income. Additionally, these statements set forth NHMA's change in net position for the year. The following table summarizes operations shown in the Statements of Revenues, Expenses and Changes in Net Position:

<b>Summary Statements of Revenues, Expenses and Changes in Net Position</b>	2020	2019
<i>December 31,</i>		
<b>Operating Revenues</b>		
Member dues	\$ 1,228,217	\$ 1,180,926
Annual meeting	64,540	202,690
Sponsorship agreement	20,000	38,500
Advertising and publications	79,765	107,775
Workshops and training	61,240	107,425
Services	41,475	41,205
Other revenue	4,350	4,111
<b>Total Operating Revenues</b>	<b>1,499,587</b>	<b>1,682,632</b>
<b>Operating Expenses</b>		
Salaries and related benefits	1,143,089	1,231,542
Annual meeting	5,567	151,821
Professional fees	39,123	31,033
Printing and publications	47,067	52,998
Meetings and training	11,257	40,801
Other general and administrative	127,579	169,160
<b>Total Operating Expenses</b>	<b>1,373,682</b>	<b>1,677,355</b>
<b>Operating Income</b>	<b>125,905</b>	<b>5,277</b>
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	10,280	28,190
Decrease in investment in center at Triangle Park, Inc.	(2,552)	(2,661)
<b>Increase in Net Position</b>	<b>133,633</b>	<b>30,806</b>
<b>Net position, beginning of year</b>	<b>776,162</b>	<b>745,356</b>
<b>Net position, end of year</b>	<b>\$ 909,795</b>	<b>\$ 776,162</b>

## **Management's Discussion and Analysis December 31, 2020 and 2019**

For 2020, NHMA's Board of Directors budgeted municipal member dues revenue of \$1,197,832, a three percent increase over 2019, with minimum dues set at \$1,082 and maximum dues of \$28,416. Associate member dues were also increased by two percent to \$574. These increases account for \$36,321 of the year over year increase. In addition, the Town of Salem, which was not previously a member, joined NHMA in 2020 and NHMA gained 2 new associate members.

Salaries and related benefits are \$88,453 lower than 2019, primarily from a decrease in pension costs, a decrease in benefits costs, and a decrease in salaries expense. Other significant changes include a decrease in annual meeting costs of \$146,254 as a result of the event being hosted virtually in 2020, and other general administrative costs were \$41,581 lower than 2019, due to decreases across the board in expenses including a \$15,406 decrease in staff expense. The net position at December 31, 2020 is \$909,795, an increase of \$133,633 or 17.2% from the prior year.

### **Statements of Cash Flows**

These statements review how NHMA's cash balance changed during the calendar years 2020 and 2019. It is divided into three sections explaining where NHMA provided or used cash during the year. These areas relate to NHMA's operations, investing activities, and financing activities. It provides the reasons for the increase or decrease in NHMA's cash position. The Statements of Cash Flows indicate a net increase in cash and cash equivalents for 2020 and 2019 of \$70,664 and \$212,697, respectively.

### **Notes to the Financial Statements**

This report also contains notes to the financial statements and other supplementary information in addition to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Management's Discussion and Analysis**  
**December 31, 2020 and 2019**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents a Statement of Revenues, Expenses and Changes in Net Position – Budget to Actual Comparison for the year ended December 31, 2020. The following table summarizes this statement:

<b>Year Ended December 31, 2019</b>	Amended Budget	Actual	Variance- Positive (negative)
<b>Operating Revenues</b>			
Member dues	\$ 1,228,217	\$ 1,228,217	-
Annual meeting	50,500	64,540	14,040
Sponsorship agreement	20,000	20,000	-
Advertising and publications	49,245	79,765	30,520
Workshops and training	26,348	61,240	34,892
Services and other revenue	21,094	45,825	24,731
<b>Total Operating Revenues</b>	<b>1,395,404</b>	<b>1,499,587</b>	<b>104,183</b>
<b>Operating Expenses</b>			
Salaries and related benefits	1,132,493	1,143,089	(10,596)
Annual meeting	25,000	5,567	19,433
Professional fees	41,010	39,123	1,887
Printing and publications	42,088	47,067	(4,979)
Meetings and training	17,000	11,257	5,743
Other general and administrative	147,688	127,579	20,109
<b>Total Operating Expenses</b>	<b>\$ 1,405,279</b>	<b>\$ 1,373,682</b>	<b>\$ 31,597</b>
<b>Operating Income (Loss)</b>	<b>(9,875)</b>	<b>125,905</b>	<b>135,780</b>
Interest income	10,000	10,280	280
<b>Decrease in investment in center at Triangle Park, Inc.</b>	<b>-</b>	<b>(2,552)</b>	<b>2,552</b>
<b>Change in Net Position</b>	<b>\$ 125</b>	<b>\$ 133,633</b>	<b>\$ 133,508</b>

Operating revenues were \$104,183 higher than the amended budgeted, while operating expenses for the year were \$31,597 lower, or 2% than the amended budget. Annual meeting expenses decreased due to the event being hosted virtually in 2020 due to COVID-19. Overall, this resulted in a change in net position of \$133,633, which was \$133,508 higher than the budgeted amount of \$125.

**Operating Results**

NHMA's operating results for 2020 are found on the Statement of Revenues, Expenses and Changes in Net Position. Operating income amounted to \$125,905 for the year ended December 31, 2020, with total assets of \$1,755,142 and deferred outflows of resources related to pension of \$330,455. Current liabilities were \$566,540, with a net pension liability of \$331,961 and deferred inflows of resources related to pension of \$277,301.

## **Management's Discussion and Analysis December 31, 2020 and 2019**

Net position at year end was \$909,795. In 2016, NHMA's Board of Directors adopted an "Unrestricted Year-End Net Position" policy which establishes a guideline concerning the appropriate level of year-end net position which is 45% to 75% of the Board approved operating expenses. At December 31, 2020, NHMA's unrestricted net position of \$839,068 represents 51.5% of the 2020 budgeted expenses approved by the Board. This level of net position would provide approximately six months of operating expenses.

Operating results include revenue from member dues, the annual meeting, a sponsorship agreement, advertising, publications, and workshops. NHMA earned membership dues in the amount of \$1,228,217 in 2020. These funds are used to provide legislative advocacy services on behalf of NHMA's town and city members, to support legal advisory services, training, and publications for members. Operating expenses include amounts for salaries and related benefits, expenses related to legislative policy activities, and expenses for general activities.

### **Significant Accounting Policies**

The financial statements are prepared under the accrual method of accounting. Thus, expenses are recognized in the period in which they are incurred and revenues in the period in which they are earned. At December 31, 2020 and 2019, calculations for prepaid expenses, accrued salaries, and related expenses were recognized to ensure expenses and revenues were recognized in the appropriate period(s).

### **Risks & Uncertainties**

In times of tight budgets, local governing bodies carefully review all expenditures. NHMA occasionally loses a member for local budgeting or political reasons. As of the date of this report, we believe all municipal and associate members will continue membership in 2021.

Outlook and Service results based on member feedback through NHMA's Board of Directors and on workshop/annual meeting evaluations, and the continued high-volume use of its services, NHMA sees an ongoing demand for its government affairs activities, legal and financial advisory services, training programs and publications for the foreseeable future. New and ongoing services that our members continue to rely upon to fulfill their statutory and fiduciary responsibilities as elected and appointed municipal officials include:

### **Publications:**

- In 2020, NHMA published updated versions of the *Municipal Officials Directory*, moderators handbook, Basic Law of Budgeting.
- Town and City magazine was published six times and mailed to over 2,400 people.
- NHMA NewsLink, a biweekly newsletter, was distributed electronically to 969 interested individuals.
- The *Legislative Bulletin* was emailed weekly during the 2020 legislative session, keeping members informed of action at the State House impacting municipal operations.

## **Management's Discussion and Analysis December 31, 2020 and 2019**

### **Workshops and Educational Programming:**

The Coronavirus pandemic changed the way NHMA presented workshops in 2020. We quickly switched from in-person events to virtual events and had over 1,600 attendees at our workshops.

- NHMA held all the traditional workshops, including two *Town and School Moderators Workshops (Traditional and SB2)*, two *Local Officials Workshops*, one *Budget and Finance Workshop*, six *Right-to-Know Workshops*, two *Hard Road to Travel Workshops*, a *Municipal Trustees training*, an *Effective Code Enforcement Workshop*, and a *Land Use Law Conference*.
- New workshops were added, including the Academy for Good Governance, a series of six courses created by NHMA and Primex, exclusively for elected governing body members (select board, town council, city council, board of aldermen, school board, and village district commissioners).
- Workshops were presented for the University of New Hampshire's Technology Transfer Center on *Hard Road to Travel*.
- NHMA presented over 10 *On Demand* seminars. These are workshops that staff present in the field or virtually, to employees and officials from a single town or from neighboring municipalities, on specific topics, making it easy for local officials to attend training and ask questions in a small group setting.
- NHMA produced 22 webinars, attended by over 1,200 people, on subjects from legislative updates, the Right-to-Know Law, code enforcement, elections, cybersecurity and of course, the Coronavirus Pandemic and how that affects our members.
- Finally, staff members were in high demand, speaking before a wide variety of groups who also serve municipal officials: NH Government Finance Officers Association, NH Department of Environmental Services, NH Department of Health and Human Services, and the University of New Hampshire.

### **Advocacy and Legal Advice:**

- NHMA closely followed approximately 300 legislative bills of municipal interest.
- NHMA answered over 3,600 legal inquiries, either by phone or email, covering such topics as the authority of select boards, planning board questions, the Right-to-Know Law, unanticipated revenue, roads and driveways, and over 600 questions on COVID-19 impact on municipalities.

**Management's Discussion and Analysis  
December 31, 2020 and 2019**

**Requests for Information**

This financial report is designed to provide a general overview of New Hampshire Municipal Association's finances for all those with an interest in the association's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Judith Pellowe, Business Administrator  
New Hampshire Municipal Association  
25 Triangle Park Dr.  
Concord, NH 03301

The New Hampshire Municipal Association's web site contains additional information at: [www.nhmunicipal.org](http://www.nhmunicipal.org)

# New Hampshire Municipal Association, Inc.

## Statements of Net Position

December 31,	2020	2019
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,639,926	\$ 1,569,262
Accounts Receivable	15,415	20,637
Prepaid expenses	28,748	15,755
Other current assets	326	20
<b>Total Current Assets</b>	<b>1,684,415</b>	<b>1,605,674</b>
<b>Non-Current Assets</b>		
Investments in Center at Triangle Park, Inc.	70,727	73,279
<b>Total Assets</b>	<b>1,755,142</b>	<b>1,678,953</b>
<b>Deferred outflows of resources</b>	<b>330,455</b>	<b>453,741</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>2,085,597</b>	<b>2,132,694</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	6,385	1,598
Accrued payroll and related liabilities	112,072	150,983
Unearned revenue	448,083	508,908
<b>Total Current Liabilities</b>	<b>566,540</b>	<b>661,489</b>
<b>Non-Current Liabilities</b>		
Net pension liability	331,961	531,368
<b>Total Liabilities</b>	<b>898,501</b>	<b>1,192,857</b>
<b>Deferred inflows of resources</b>	<b>277,301</b>	<b>163,675</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,175,802</b>	<b>1,356,532</b>
<b>Net Position</b>		
Unrestricted	839,068	702,883
Investments in Center at Triangle Park, Inc.	70,727	73,279
<b>Total Net Position</b>	<b>909,795</b>	<b>776,162</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 2,085,597</b>	<b>\$ 2,132,694</b>

See accompanying notes to financial statements.

# New Hampshire Municipal Association, Inc.

## Statements of Revenues, Expenses, and Changes in Net Position

<i>Year Ended December 31,</i>	2020	2019
<b>Operating Revenues</b>		
Member dues	\$ 1,228,217	\$ 1,180,926
Annual meeting	64,540	202,690
Sponsorship agreement	20,000	38,500
Advertising and publications	79,765	107,775
Workshops and training	61,240	107,425
Services	41,475	41,205
Other revenue	4,350	4,111
<b>Total Operating Revenues</b>	<b>1,499,587</b>	<b>1,682,632</b>
<b>Operating Expenses</b>		
Salaries and related benefits	1,143,089	1,231,542
Annual meeting	5,567	151,821
Rent	34,380	35,772
Professional fees	39,123	31,033
Printing and publications	47,067	52,998
Meetings and training	11,257	40,801
Insurance	25,961	29,676
Postage	8,481	15,788
Dues and memberships	20,797	20,486
IT expenses	23,886	30,450
Staff expenses	3,177	18,583
Telephone	3,873	4,421
Bank fees	2,403	5,048
Mileage	290	-
Outreach	200	-
Office supplies	1,483	4,967
Other expenses	2,648	3,969
<b>Total Operating Expenses</b>	<b>1,373,682</b>	<b>1,677,355</b>
<b>Operating Income</b>	<b>125,905</b>	<b>5,277</b>
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	10,280	28,190
Decrease in investment in center at Triangle Park, Inc.	(2,552)	(2,661)
<b>Increase in Net Position</b>	<b>133,633</b>	<b>30,806</b>
<b>Net position, beginning of year</b>	<b>776,162</b>	<b>745,356</b>
<b>Net position, end of year</b>	<b>\$ 909,795</b>	<b>\$ 776,162</b>

See accompanying notes to financial statements.

# New Hampshire Municipal Association, Inc.

## Statements of Cash Flows

<i>Year Ended December 31,</i>	2020	2019
<b>Cash flows from operating activities</b>		
Receipts from member dues	\$ 1,151,583	\$ 1,257,669
Receipts from other revenues	271,298	500,289
Payments for salaries and related benefits	(1,144,495)	(1,154,718)
Payments to CTP	(34,380)	(35,772)
Payments to vendors	(183,622)	(382,961)
<b>Net cash provided by (used in ) operating activities</b>	<b>60,384</b>	<b>184,507</b>
<b>Cash flows from investing activities:</b>		
Interest received	10,280	28,190
<b>Net cash provided by investing activities</b>	<b>10,280</b>	<b>28,190</b>
<b>Net change in cash and cash equivalents</b>	<b>70,664</b>	<b>212,697</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,569,262</b>	<b>1,356,565</b>
<b>Cash and cash equivalents, end of year</b>	<b>1,639,926</b>	<b>1,569,262</b>
Reconciliation of operating loss to net cash from operating activities:		
Operating income	125,905	5,277
Changes in operating assets and liabilities:		
Accounts receivable	5,222	(7,297)
Prepaid expenses	(12,993)	7,209
Other current assets	(307)	1,054
Deferred outflows	123,286	(184,977)
Accounts payable and accrued expenses	4,788	(616)
Accrued payroll and related liabilities	(38,911)	(10,030)
Unearned revenue	(60,825)	102,056
Net pension liability	(199,407)	302,761
Deferred inflows	113,626	(30,930)
<b>Total adjustments</b>	<b>(65,521)</b>	<b>179,230</b>
<b>Total</b>	<b>\$ 60,384</b>	<b>\$ 184,507</b>

See accompanying notes to financial statements.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Operations

New Hampshire Municipal Association, Inc. ("NHMA") is a nonprofit, non-partisan membership organization of municipalities with the mission to provide legislative advocacy and legal services through policy development, advice on municipal problems and issues, training, and education on municipal duties and legal principles. The services are provided to and on behalf of municipal members of NHMA. As of December 31, 2020, 234 towns and cities were members, and as of December 31, 2019, 233 towns and cities were members, out of a total of 234 towns and cities in New Hampshire. In addition, 51 and 49 other political subdivisions and regional planning commissions are associate members of NHMA at December 31, 2020 and 2019, respectively. The Board of Directors is comprised of only elected and appointed municipal officials elected by NHMA members. Membership dues are assessed annually based on criteria set forth in NHMA's bylaws.

Founded in 1941 for the purpose of exchanging information to facilitate more efficient and effective local government, NHMA was reorganized in July 2003 as the Local Government Center, Inc. (LGC). New Hampshire Municipal Association, Limited Liability Company (NHMA, LLC), a separate subsidiary of LGC, was also created. Effective September 1, 2013, NHMA, LLC was dissolved and absorbed by its parent, LGC, and LGC changed its name to New Hampshire Municipal Association, Inc. (NHMA).

In evaluating NHMA as a reporting entity, management has addressed all potential component units for which NHMA may be financially accountable and, as such, should be included within NHMA's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, NHMA is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on NHMA. Additionally, NHMA is required to consider other organizations for which the nature and significance of their relationship with NHMA are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no other entities that should be included as part of these financial statements.

#### Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. NHMA's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

#### Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an original maturity of three months or less.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Accounts Receivable**

Accounts receivable are stated at net realizable value. NHMA uses the allowance method to determine the uncollectible accounts receivable, which are based on management's judgment, experience and review of the current status of existing receivables. All receivables are deemed collectible by management at December 31, 2020 and 2019.

#### **Prepaid Expenses**

NHMA has made payments to vendors which reflect costs that are applicable to future accounting periods. These amounts are recorded as prepaid expenses. Prepaid expenses are reduced as the related services are provided.

#### **Investment in Center at Triangle Park, Inc.**

Center at Triangle Park, Inc. (CTP) was organized February 5, 1988 as a voluntary corporation and a 501(c)(25) entity for the purpose of acquiring and holding title to real estate. CTP leases real estate to NHMA and other third parties. As of December 31, 2020 and 2019, NHMA owns 1.2% of outstanding CTP shares.

NHMA's investment in CTP is carried under the equity method of accounting, whereby the gain or loss in operations of CTP is recognized in proportion to the ownership shares, and the investment in CTP is adjusted to recognize the gain or loss.

For the year ended December 31, 2020 and 2019, NHMA recognized a loss of \$2,552 and \$2,661, respectively, from the operations of CTP. The carrying value of the investment in CTP at December 31, 2020 and 2019 was \$70,727 and \$73,279, respectively.

#### **Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. NHMA's deferred outflows relate to its pension liability and are disclosed in Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of revenue until that time. NHMA's deferred inflows relate to its pension liability and are disclosed in Note 8.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Revenue Recognition**

Revenue is generally recognized when received and reflected in the accounting period to which the revenue relates. As described more fully in Note 4, amounts received in cash that will be earned in the future are deferred and reported as unearned revenue.

#### **Net Position**

Net positions are classified based upon any restrictions that have been placed on those balances. Unrestricted net position represents resources that have met all applicable restrictions and are considered to be available for unrestricted position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation. There are no restricted net positions as of December 31, 2020 and 2019.

#### **Income Taxes**

NHMA is exempt from federal income taxes under provisions of the Internal Revenue Code.

#### **Operating Revenues and Expenses**

NHMA's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues primarily result from member dues, the annual meeting, advertising and publications, and providing training and other services to members. Operating expenses primarily consist of expenses incurred to provide services to members, and general and administrative expenses. Other income and expenses, including interest income and gains or losses on the disposal of capital assets, are classified as non-operating in the financial statements.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

#### **Recent Accounting Pronouncements**

In June 2017, GASB issued GASB Statement No. 87, *Leases*. This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of governments that lease. Lessees will recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset and lessors will recognize a lease receivable and a deferred inflow of resources. This new leasing standard will apply for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of adoption on its financial statements.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

### Note 2: Cash and Cash Equivalents

NHMA maintains its cash in bank deposits and cash management accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of December 31, 2020 and 2019, the carrying amount of cash and cash equivalents held in excess of the FDIC limit was \$1,393,490 and \$1,328,330, respectively. The balance in excess of the FDIC limit is collateralized with securities held in joint custody with a third party custodian.

### Note 3: Capital Assets

Capital assets consist of furniture and equipment with an estimated useful life greater than one year. Capital assets are recorded at cost and updated for additions and retirements during the year. NHMA maintains a capitalization threshold of \$5,000. The cost of normal maintenance and repairs is charged to expense as incurred, while renewals, replacement of existing systems and betterments are capitalized. Upon sale or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net position.

Furniture and equipment is depreciated using primarily the straight-line method over a useful life of three to five years.

Capital asset activity is as follows for the year ended December 31, 2020 and 2019:

	Balance 12/31/19	Additions	Disposals	Balance 12/31/20
Capital assets at cost:				
Computer hardware	\$ 8,126	\$ -	\$ -	\$ 8,126
Less: Accumulated depreciation	(8,126)	-	-	(8,126)
<b>Total net capital assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

### Note 4: Unearned Revenue

The components of unearned revenue are as follows at December 31:

<i>Years Ended December 31, 2020 and 2019</i>	2020	2019
Unearned member dues	\$ 393,776	\$ 454,835
Unearned advertising revenue	24,288	25,233
Other unearned revenue	30,019	28,840
<b>Total unearned revenue</b>	<b>\$ 448,083</b>	<b>\$ 508,908</b>

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### **Note 4: Unearned Revenue (Continued)**

Members pay dues on an annual basis with a January 1 renewal date. Member dues are recognized as revenue in the membership year to which they relate. The portion of the dues received in cash that will be earned in a future period is deferred and reported as unearned revenue. Unearned member dues revenue is recognized as revenue on January 1, which is the beginning of the membership year.

Advertising revenue is recognized as revenue ratably over the contract period to which it relates or as services are performed, as applicable, with any unearned amounts recorded as unearned revenue. Unearned advertising revenue is recognized as revenue on January 1, which is the beginning of the contract period.

### **Note 5: Leases**

NHMA leases facilities from CTP pursuant to a 10-year lease agreement, effective June 1, 2016. Under the terms of the new agreement, NHMA is charged a monthly fee of one-twelfth (1/12) of NHMA's annual proportionate share (based on the square footage occupied by NHMA) of CTP's total budgeted operating expenses. The amount due will be adjusted, effective January 1 of each calendar year, based on CTP's then current budget. CTP will provide NHMA several months' notice of the adjusted amount. As of April 2020, the adjusted amount for the upcoming year ended December 31, 2020 is \$34,380.

NHMA incurred \$34,380 and \$35,772 in lease payments during the years ended December 31, 2020 and 2019, respectively. Assuming future lease payments are consistent with the current year amount, with future minimum lease payments of approximately \$36,000 per year, total future minimum lease payments will be approximately \$216,000 over the remaining life of the lease.

### **Note 6: Transactions with Former Affiliates**

Prior to September 1, 2013, Local Government Center HealthTrust, LLC (HealthTrust, LLC) and Local Government Center Property-Liability Trust, LLC (Property-Liability Trust, LLC) were subsidiaries of LGC. Effective with LGC's reorganization on September 1, 2013, HealthTrust, LLC and Property-Liability Trust, LLC transferred all of their assets, liabilities, net position and operations to the separate New Hampshire voluntary corporations HealthTrust, Inc. (HealthTrust) and Property-Liability Trust, Inc. (Property-Liability Trust), respectively. As such, effective September 1, 2013, NHMA had no ownership interest in and operates as a totally separate, independent organization from the former LGC subsidiaries. However, some members of NHMA are also insured by, HealthTrust, LLC.

NHMA is a participant in HealthTrust's risk pool. For the years ended December 31, 2020 and 2019, NHMA incurred \$127,653 and \$153,883, respectively, for employee benefits coverage through HealthTrust's pool, which is included in the salaries and related benefits expense on the statements of revenues, expenses and changes in net position.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### **Note 6: Transactions with Former Affiliates** (Continued)

NHMA has a sponsorship agreement with HealthTrust whereby HealthTrust has preferential marketing rights in NHMA's publications, and at workshops and the annual conference. Revenue earned under the sponsorship agreement with HealthTrust was \$20,000 and \$38,500 in 2020 and 2019, respectively, and is included in the revenue from sponsorship agreements on the statements of revenues, expenses and changes in net position.

HealthTrust is a sponsor of NHMA's annual meetings. Revenue recognized from this sponsorship was \$20,000 in 2020 and 2019. The sponsorship revenue from HealthTrust is included in annual meeting revenue on the statements of revenues, expenses and changes in net position.

### **Note 7: Deferred Compensation Plan**

The employees of NHMA are covered by a Section 457 Deferred Compensation Plan administered by ICMA Retirement Corporation. All full-time employees are immediately eligible to participate in the plan and may elect to defer up to 100% of their gross compensation up to the federal limits. Contributions to the plan and the related income on those contributions are held by ICMA Retirement Corporation.

Employee contributions to the deferred compensation plan totaled \$26,038 and \$23,677 for the years ended December 31, 2020 and 2019, respectively. There were no employer contributions in 2020 and 2019.

### **Note 8: Defined Benefit Pension Plan**

#### **Plan Description**

Effective January 1, 2007, LGC established the New Hampshire Local Government Center Defined Benefit Pension Plan, a single-employer plan. As part of the September 1, 2013 reorganization, the New Hampshire Local Government Center Defined Benefit Pension Plan became a cost-sharing multiple-employer defined benefit pension plan and changed its name to the HealthTrust/PLT/NHMA Pension Plan, and at the end of 2020 the name was changed to the Health Trust/NHMA Pension Plan (the Plan). This change had no impact on the financial assets or obligations of the pension plan, and there were no changes to the benefits provided or the eligibility criteria.

The Boards of Directors of the participating employers in the Plan, NHMA, HealthTrust and Property-Liability Trust (PLT), collectively retain the authority to establish, amend or terminate the Plan and its provisions at any time subject to any legal limitations. The Boards of Directors also established a Retirement Committee to administer the Plan. The Retirement Committee serves as the Plan administrator to the Plan and has discretionary authority to interpret the terms of the Plan and its decisions regarding administration, interpretation and application. All active, non-temporary employees of NHMA, HealthTrust and Property-Liability Trust are required to participate in the Plan as a condition of employment. The Plan provides a monthly benefit when a Plan participant retires or leaves after qualifying for benefits. The Plan does not issue a standalone financial report.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### **Note 8: Defined Benefit Pension Plan (Continued)**

On February 19, 2016, the Retirement Committee determined that partial termination of the Plan occurred when the PLT Board voted to commence runoff on April 14, 2015. The partial termination triggered a clause in the Plan granting all PLT employees, regardless of service, who terminate employment on or after April 14, 2015, 100% vested status, eligible for pension benefits as provided in the Plan. Pursuant to the terms of the Plan, PLT must give 90-days advanced notice to the Retirement Committee before ceasing to make contributions and effectively withdrawing from the Plan. An employer may only withdraw as of the Plan's year-end, resulting in a withdrawal liability as calculated by the Plan's actuary. The withdrawing employer must pay the withdrawal liability in one lump sum within 60-days of being notified of the withdrawal liability by the Retirement Committee. On June 3, 2016, PLT gave notice of its intent to withdraw from the Plan. After notification from the Retirement Committee, PLT made a withdrawal liability payment of \$99,387 in July 2017.

#### **Benefits**

The participants' benefits are established in the Plan and may be changed only with an amendment to the Plan. A participant's benefit is determined under a formula that multiplies the participant's final average earnings by her/his credited service. The formula is 1.50% of the final average earnings for each year of credited services, not to exceed 50% of the participant's average salary. Final average salary is defined as the average of the highest three consecutive years out of the last ten years base salary prior to retirement or termination. If a participant chooses early retirement, the benefit will be reduced by 0.25% for each month prior to the normal retirement date. If a participant remains employed after age 65, benefits will continue to accrue without any actuarial adjustment for late retirement.

#### **Contributions**

The contribution requirements of the participating employers under the Plan are established and may be amended by the Retirement Committee, based on the annual actuarial valuation of the Plan. The contribution requirements of the participating employees are established in the Plan and may be changed only with an amendment to the Plan. Participants contribute 5.5% of their base earnings to the Plan. The employers shall contribute to the Plan an amount determined by the Retirement Committee. For the years ended December 31, 2020 and December 31, 2019, the employer contribution was 9.12% and 8.79%, respectively, of each participant's earnings to the Plan. NHMA's contributions to the plan for the years ended December 31, 2020 and 2019 were \$76,839 and \$72,368 respectively.

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

As of and for the year ended December 31, 2020, NHMA reported a net pension liability of \$331,961 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. As of and for the year ended December 31, 2019, NHMA reported a net pension liability of \$531,368 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. NHMA's proportion of the net pension liability was based on its contributions to the Plan relative to the contributions of all participating employers to the Plan for the period from January 1, 2019 through December 31, 2019. As of December 31, 2019, and 2018 NHMA's proportion was 15.00% and 15.97%, respectively.

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

### Note 8: Defined Benefit Pension Plan (Continued)

For the years ended December 31, 2020 and 2019, NHMA recognized pension expense of \$114,345 and \$159,221, respectively. At December 31, 2020 and 2019, NHMA reported its proportionate share of the Plan's deferred outflows and inflows of resources related to pensions from the following sources:

	<u>2020</u>		<u>2019</u>	
	Deferred Outflows Resources	Deferred Inflows Resources	Deferred Outflows Resources	Deferred Inflows Resources
Difference between expected and actual economic experience	\$ 10,632	\$ 71,457	\$ -	\$ 104,880
Changes in proportion and differences between employer contributions and share of contributions	11,878	17,742	15,388	1,317
Changes in assumptions	64,764	-	91,662	-
Difference between projected and actual earnings on plan investments	166,342	188,102	274,323	57,478
Contributions paid to plan subsequent to the measurement date	76,839	-	72,368	-
<b>Total deferred pension amounts</b>	<b>\$ 330,455</b>	<b>\$ 277,301</b>	<b>\$ 453,741</b>	<b>\$ 163,675</b>

The net amounts of NHMA's balances of deferred outflows and inflows of resources as of December 31, 2020 related to pensions will be recognized as pension expense as follows during the years ended December 31:

	Pension Expense Amount
2021	\$ (6,551)
2022	1,536
2023	22,836
2024	(39,634)
2025	(1,308)
Thereafter	(564)
<b>Total</b>	<b>\$ (23,685)</b>

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### Note 8: Defined Benefit Pension Plan (Continued)

#### Actuarial Methods and Assumptions

The significant methods and assumptions used in the actuarial valuation are as follows for the plan years ended December 31:

	<u>2019</u> Deferred Outflows Resources	<u>2018</u> Deferred Inflows Resources
Actual cost method	Entry age normal cost method	Entry age normal cost method
Asset valuation method	4-year smoothed market	4 year smoothed market
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed
Equivalent single amortization period	14 years	15 years
Actuarial assumptions:		
Investment rate of return	6.00 %	6.50 %
Inflation rate	2.25 %	2.50 %
Projected salary increase	3.50 %	4.00 %
Cost-of-living adjustments	None	None
Mortality assumptions	Utilized RP-2014 Mortality Tables projected backwards to 2006 with projection scale MP-2014 then projected to 2026 with projection scale MP-2017	Utilized RP-2000 Combined Healthy Mortality Table projected to 2020 for males and females using scale AA

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

### Note 8: Defined Benefit Pension Plan (Continued)

#### Long-Term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocations as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation Weighted Long-Term Expected Real Rate of Return
Domestic fixed income	38.0 %	0.65 %	0.25 %
Domestic equity	56.0	5.75	3.22
International equity	5.0	5.75	0.29
Cash	1.0	0.05	-
	100.0		3.76
Expected inflation			2.25
			6.01 %

#### Discount Rate

The discount rate used to measure total pension liability was 6.0%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Discount Rate Sensitivity Analysis

The following presents NHMA's proportionate share of the net pension liability, calculated using the Single Discount Rate of 6.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.0%) or one percentage point higher (7.0%) than the current rate as of December 31, 2020:

	1% Rate Decrease (5.0%)	Current Discount Rate (6.0%)	1% Rate Increase (7.0%)
NHMA's proportionate share of the net pension liability	\$ 664,738	\$ 331,961	\$ 53,178

# New Hampshire Municipal Association, Inc.

## Notes to Financial Statements

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### **Note 9: Designated Net Position**

The Board of NHMA has set aside \$10,000 of net position to be used in the future for computer equipment purchases and upgrades.

### **Note 10: Risks and Uncertainties**

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. Future potential impacts to the Company may include disruptions in the ability of employees to work and reduced revenues. While the business disruptions are expected to be temporary, management cannot reasonably estimate the length or severity of this pandemic, including any direct and indirect negative impact to the Company's financial position, results of operations and cash flows.

**New Hampshire Municipal Association, Inc.**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability**

Year Ended	Valuation Date	NHMA Proportion of the Net Pension Liability	NHMA Proportionate Share of the Net Pension Liability	Covered Payroll	NHMA Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	12/31/2019	15.00 % \$	331,961 \$	823,278	40.32 %	86.83 %
2019	12/31/2018	15.97 %	531,368	852,620	62.32 %	78.80 %
2018	12/31/2017	15.44 %	228,607	813,806	28.09 %	89.95 %
2017	12/31/2016	13.19 %	168,896	741,109	22.79 %	90.23 %
2016	12/31/2015	12.55 %	230,094	717,401	32.07 %	85.27 %
2015	12/31/2014	11.79 %	118,236	706,561	16.73 %	91.37 %
2014	12/31/2013	11.79 % \$	91,689 \$	775,506	11.82 %	92.81 %

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

**New Hampshire Municipal Association, Inc.**  
**Required Supplementary Information**  
**Schedule of Contributions**

Year Ended	Valuation Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Employee Payroll
2020	12/31/2019	\$ 76,839	\$ 76,839	-	\$ 823,278	9.33 %
2019	12/31/2018	72,368	72,368	-	852,620	8.49 %
2018	12/31/2017	58,907	58,907	-	813,806	7.24 %
2017	12/31/2016	58,907	58,907	-	741,109	7.95 %
2016	12/31/2015	53,880	53,880	-	717,401	7.51 %
2015	12/31/2014	57,514	57,514	-	706,561	8.14 %
2014	12-31-2013	\$ 56,379	\$ 56,379	-	\$ 775,506	7.27 %

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

**New Hampshire Municipal Association, Inc.**  
**Schedule of Revenues, Expenses and Changes in Net Position -**  
**Budget to Actual Comparison**

December 31, 2020	Original Budget	Amended Budget	Actual	Variance- Positive (negative)
<b>Operating Revenues</b>				
Member dues				
Municipal members	\$ 1,170,842	\$ 1,199,038	\$ 1,199,038	\$ -
Associate members	26,990	29,179	29,179	-
<b>Total member dues</b>	<b>1,197,832</b>	<b>1,228,217</b>	<b>1,228,217</b>	<b>-</b>
Annual meeting	180,000	50,500	64,540	14,040
Sponsorship agreement	20,000	20,000	20,000	-
Advertising and publications				
Advertising	82,000	44,123	64,958	20,835
Publications	18,000	5,122	14,807	9,685
<b>Total advertising and publications</b>	<b>100,000</b>	<b>49,245</b>	<b>79,765</b>	<b>30,520</b>
Workshops and training	79,045	26,348	61,240	34,892
Services	41,905	20,000	41,475	21,475
Other revenue	3,500	1,094	4,350	3,256
<b>Total operating revenues</b>	<b>\$ 1,622,282</b>	<b>\$ 1,395,404</b>	<b>\$ 1,499,587</b>	<b>\$ 104,183</b>

*(Continued on next page)*

**New Hampshire Municipal Association, Inc.**  
**Schedule of Revenues, Expenses and Changes in Net Position -**  
**Budget to Actual Comparison**

December 31, 2020	Original Budget	Amended Budget	Actual	Variance- Positive (negative)
<b>Operating Expenses</b>				
Salaries and related benefits	\$ 1,167,670	\$ 1,132,493	\$ 1,143,089	\$ (10,596)
Annual meeting	141,500	25,000	5,567	19,433
Rent	34,378	34,378	34,380	(2)
Printing and publications				
Publications purchased	3,919	3,919	3,220	699
Printing	55,714	38,169	43,847	(5,678)
Total printing and publications	59,633	42,088	47,067	(4,979)
Meetings and training				
Board expenses & policy development	22,900	7,000	3,784	3,216
Member workshops	25,770	10,000	7,473	2,527
Total meetings and training	48,670	17,000	11,257	5,743
Insurance	27,964	27,964	25,961	2,003
Postage	17,040	10,000	8,481	1,519
Dues and memberships	22,161	22,161	20,797	1,364
IT expenses				
Equipment rental	5,962	5,962	4,092	1,870
Equipment and software purchases	20,462	20,462	19,794	668
Consultants	41,010	41,010	39,123	1,887
Total information technology expense	67,434	67,434	63,009	4,425
Staff expenses	16,000	12,000	3,177	8,823
Telephone	4,596	4,596	3,873	723
Bank fees	6,000	4,000	2,403	1,597
Office supplies	3,800	2,800	1,483	1,317
Mileage	5,000	1,000	290	710
Other expenses	6,564	2,365	2,848	(483)
Total expenses	1,628,410	1,405,279	1,373,682	31,597
Operating income (loss)	(6,128)	(9,875)	125,905	135,780
Non-operating revenues (expenses)				
Interest income	20,000	10,000	10,280	280
Decrease in investment in center at Triangle Park, Inc.	-	-	(2,552)	(2,552)
Change in net position	\$ 13,872	\$ 125	\$ 133,633	\$ 133,508