

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM  
AUTHORITY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

62 Stark Street, Manchester, New Hampshire 03101  
603-669-5477 FAX 603-669-0197

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
New Hampshire Land and Community  
Heritage Investment Program Authority

We have audited the accompanying financial statements of the New Hampshire Land and Community Heritage Investment Program Authority (a New Hampshire nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Board of Directors  
New Hampshire Land and Community  
Heritage Investment Program Authority

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Hampshire Land and Community Heritage Investment Program Authority as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions be represented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about methods of preparing the information, and comparing the information for consistency with management's responses to our inquires, to the basic financial statements, and to 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 evidence sufficient to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

HESSION V. PARF, P.C.

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 986,415	\$ 775,136
Accounts receivable	12	-
Project grants receivable	4,704,088	-
CCE funds receivable	768,026	-
Prepaid expense	1,930	966
Security deposit	1,250	1,250
Property and equipment, net	9,290	5,706
	<hr/>	<hr/>
Total assets	6,471,011	783,058
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>36,324</u>	<u>38,329</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 6,507,335</u>	<u>\$ 821,387</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 3,212	\$ 7,092
Project grants payable	5,026,836	-
CCE funds payable	768,026	-
Accrued payroll and related liabilities	6,828	9,274
Accrued pension liability	58,488	96,564
	<hr/>	<hr/>
Total liabilities	5,863,390	112,930
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>40,653</u>	<u>12,355</u>
<b>NET ASSETS</b>		
Unrestricted	603,292	696,102
Temporarily restricted	-	-
Permanently restricted	-	-
	<hr/>	<hr/>
Total net assets	603,292	696,102
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET ASSETS</b>	<u>\$ 6,507,335</u>	<u>\$ 821,387</u>

See notes to financial statements.

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**STATEMENTS OF ACTIVITIES**

**Years Ended June 30, 2016 and 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	<u>2016</u>	<u>2015</u>
<b>Support and revenues</b>					
State of New Hampshire					
Conservation plate revenue	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 200,000
Administration fees	3,200	-	-	3,200	7,300
Project grants	-	3,159,987	-	3,159,987	-
Interest income	3,151	-	-	3,151	266
Net assets released from restrictions	3,159,987	(3,159,987)	-	-	-
<b>Total support and revenues</b>	<u>3,366,338</u>	<u>-</u>	<u>-</u>	<u>3,366,338</u>	<u>207,566</u>
<b>Expenses</b>					
Program services	3,413,124	-	-	3,413,124	243,832
General and administrative	46,024	-	-	46,024	44,707
<b>Total expenses</b>	<u>3,459,148</u>	<u>-</u>	<u>-</u>	<u>3,459,148</u>	<u>288,539</u>
<b>Decrease in net assets</b>	(92,810)	-	-	(92,810)	(80,973)
<b>Net assets, beginning of year, as previously reported</b>	<u>696,102</u>	<u>-</u>	<u>-</u>	<u>696,102</u>	<u>839,475</u>
<b>Effect of change in accounting principle on beginning of year net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,400)</u>
<b>Net assets, beginning of year, as restated</b>	<u>696,102</u>	<u>-</u>	<u>-</u>	<u>696,102</u>	<u>777,075</u>
<b>Net assets, end of year</b>	<u>\$ 603,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,292</u>	<u>\$ 696,102</u>

See notes to financial statements.

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Decrease in net assets	\$ (92,810)	\$ (80,973)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	1,701	1,758
Increase in accounts receivable	(12)	-
Increase in project grants receivable	(4,704,088)	-
Increase in CCE funds receivable	(768,026)	-
Increase in prepaid expenses	(964)	(2)
(Decrease) increase in accounts payable	(3,880)	6,725
Increase in project grants payable	5,026,836	-
Increase in CCE funds payable	768,026	-
(Decrease) increase in accrued expenses	(2,446)	1,176
(Decrease) increase in accrued pension liability	(7,773)	8,190
	<u>216,564</u>	<u>(63,126)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of fixed assets	<u>(5,285)</u>	<u>(1,075)</u>
Net increase (decrease) in cash and cash equivalents	211,279	(64,201)
Cash and cash equivalents, beginning of year	<u>775,136</u>	<u>839,337</u>
Cash and cash equivalents, end of year	<u>\$ 986,415</u>	<u>\$ 775,136</u>

See notes to financial statements.

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. NATURE OF ACTIVITIES**

The New Hampshire Land and Community Heritage Investment Program Authority's (the "Authority") intent is to conserve and preserve this state's most important natural, cultural and historical resources through the acquisition of lands and cultural and historical resources or interests therein, of local, regional and statewide significance. This is accomplished through matching grants in partnership with the state's municipalities and private non-profit groups, for the primary purpose of protecting and ensuring the perpetual contribution of these resources to the State's economy, environment and overall quality of life. The Authority is a New Hampshire nonprofit corporation with its office located in Concord, NH.

Operation of the Authority is funded by the State of New Hampshire (the "State") through conservation license plate fees and by interest income earned on Trust Fund appropriations. Under the terms of the law that created the conservation license plate program, RSA 261:97-b, the Authority receives no more than \$200,000 per year from the conservation license plate program. The Authority's own enabling legislation, RSA 227-M:7-a limits the allocation of interest income from the Trust Fund for administration to \$135,000 a year. However, the Authority has not received any interest income from the Trust Fund in fiscal year 2015 or 2016. The Authority's Board of Directors has authority under RSA 227-M:5 IV to allocate money from the Trust Fund to administrative costs of the program, which was not used in FY2015 and FY2016.

The Authority is a public instrumentality of the State. The Governor and Executive Council of the State appoint the Executive Director of the Authority, the eight public members of the Authority's Board of Directors (the "Board") and the heads of six state agencies who are also (non-voting) members of the Board. The public and the heads of the state agencies compose the majority of the Authority's Board. The four other members of the Board are appointed by the leaders of the two chambers of the state Legislature. The level of Trust Fund appropriations that provide the basis for both grant funding and the interest income earned by the Authority can be changed by the State through its budget process. The State's Treasury department controls the investments of the Trust Fund. Only the funds and account groups of the Authority are included herein, and these financial statements, therefore, do not purport to represent the financial position or results of operations of the State of New Hampshire.



**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The accompanying financial statements have been prepared on the accrual basis and in accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC) 958-205 and subsections. This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The categories are defined as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Authority.

Permanently Restricted – Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

The financial statements include certain prior-year's summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's audited financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**Use of estimates**

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

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash**

For the purpose of the statement of cash flows, cash consists of demand deposits and highly liquid investments with an initial maturity of three months or less.

**Concentration of credit risk**

The Authority maintains its cash balances in several national financial institutions. At certain times throughout the year, the balances in these accounts exceeded the maximum amount of \$250,000 of insurance provided by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2016, the Authority's uninsured cash balance totaled \$315,496.

**Property, equipment and depreciation**

Property and equipment are recorded at cost, or if acquired by donation, at fair market value at the date of acquisition. It is the Authority's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Expenditures for maintenance and repairs are charged to expense as incurred. The various classes of property and equipment are depreciated using the straight-line method over a period of three to ten years.

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

**Employee benefits**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the "Pension Plan") and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**Income taxes**

The Authority is a nonprofit corporation under New Hampshire RSA 292. As such, the Authority is exempt from federal income tax under the Internal Revenue Code. Accordingly, the Authority has not made any provision for income taxes.

**Functional allocation of expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 3. DUE FROM THE STATE OF NEW HAMPSHIRE**

Effective July 1, 2015, Administrative Services approved changes relating to the encumbrance of Authority funds for grant awards and the business process for Authority grant award payments. Treasury encumbered the balance forward as of July 1, 2015 that had been awarded for projects in previous fiscal years. The balance forward as of July 1, 2015 totaled \$4,611,987, which included project grants of \$4,114,336 and Community Conservation Endowment (CCE) funds of \$497,651. All grant payments will be made by Treasury directly to the Authority. The Authority will then issue checks to the specific grant recipients. At June 30, 2016, the amount due from the State of New Hampshire consisted of project grants totaling \$4,704,088 and CCE funds totaling \$768,026.

**Note 4. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	<u>2016</u>	<u>2015</u>
Computer software	\$ 36,748	\$ 33,748
Computer equipment	19,134	16,849
Office furniture	<u>2,427</u>	<u>2,427</u>
	58,309	53,024
Accumulated depreciation	<u>(49,019)</u>	<u>(47,318)</u>
	<u>\$ 9,290</u>	<u>\$ 5,706</u>

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. PROPERTY AND EQUIPMENT (concluded)**

For the years ended June 30, 2016 and 2015, depreciation expense was \$1,701 and \$1,758, respectively.

**Note 5. ACCRUED PAYROLL**

The Authority's accrued payroll at June 30, 2016 and 2015 was \$3,266 and \$6,414, respectively.

The Authority's stated policy regarding employee time-off is that employees may carry a maximum of ten unused days forward to the next benefit year. Upon resignation or layoff of employment, employees can be compensated for up to five accrued and unused vacation days. At June 30, 2016 and 2015, the accrued employee time-off balance was \$3,398 and \$2,860, respectively.

**Note 6. EMPLOYEE BENEFITS**

Per RSA 227-M:6-a, the employees of the Authority are not classified as employees of the State within the meaning of RSA 21-I:49. Notwithstanding that provision, any individual employed by the Authority whose employment calls for 30 hours of work or more in a normal calendar week and whose position is anticipated to have a duration of 6 months or more, is entitled to elect to receive such health, dental, life insurance, deferred compensation and retirement benefits as are afforded to classified employees of the State, if such election is made within 30 days of the start of employment. Effective March 28, 2008, all full time employees, with the exception of the Executive Director, who is appointed by the Governor, are required to participate in the New Hampshire Retirement System.

**Single K plan**

During 2014, the Authority established a Single K plan to replace its 401(a) plan. The only employees eligible to participate in the plan are appointed employees who do not elect to participate in NHRS. As of June 30, 2016, the Executive Director is the only employee eligible to participate in the plan. For the years ended June 30, 2016 and 2015, the Authority made contributions of \$9,439 and \$7,516, respectively.

**State of New Hampshire Retirement System**

The Authority follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. EMPLOYEE BENEFITS (continued)**

*Plan Description*

The Authority has two employees electing to participate in the State of New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit public employee retirement system (the Pension Plan).

The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Section 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The NHRS issues a publically available financial report that includes financial statements and required supplementary information for the Pension Plan. That report may be obtained on the NHRS website.

The Pension Plan is divided into two membership groups: State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members. The Authority's employees participate in Group I, which is further described below.

*Benefits Provided*

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service. Members may also qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. EMPLOYEE BENEFITS (continued)

*Contributions*

NHRS is funded by contributions from both the employees and the Authority. Group I employees are required by State statute to contribute 7% of gross earnings to the Pension Plan. The employer must, under the same statute, contribute monthly at an actuarially determined rate. Effective July 1, 2015 through June 30, 2016, the contribution rate was set at 12.50% of covered payroll. For the years ended June 30, 2016 and 2015, the Authority's contributions to NHRS were \$10,608 and \$5,485, respectively.

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

At June 30, 2016, the Authority reported a liability of \$58,488 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The Authority's proportion of the net pension liability was based on the projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Authority's proportion was 0.00257 percent.

At the most recent measurement date of June 30, 2015, the Authority's proportion was 0.00148 percent, which was a decrease of 0.00109 percent from its previous year proportion.

For the year ended June 30, 2016, the Authority recognized pension expense of \$2,303 related to the Pension Plan. At June 30, 2016, the Authority reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,563
Differences between expended and actual experience	-	1,283
Changes in proportion	25,716	37,807
Contributions subsequent to the measurement date	10,608	-
Total	\$ 36,324	\$ 40,653

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

**Note 6. EMPLOYEE BENEFITS (continued).**

The above total of \$10,608 reported as deferred outflows of resources related to the Pension Plan resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized as an increase (reduction) in pension expense as follows:

Year ended <u>June 30:</u>	<u>Amount</u>
2017	\$ (2,602)
2018	(2,602)
2019	(2,602)
2020	(3,625)
2021	(3,506)
Total	<u>\$ (14,937)</u>

*Actuarial assumptions*

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent per year
Salary increases	3.75 - 5.8 percent average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 - June 30, 2010.

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. EMPLOYEE BENEFITS (continued)**

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage	Weighted Average Average Long- Term Expected Real Rate of Return
Large Cap Equities	22.50%	3.00%
Small/Mid Cap Equities	7.50	3.00%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.00%
Emerging Int'l Equities	7.00	6.00%
Total international equities	20.00	
Core Bonds	4.50	(0.70)%
Short Duration	2.50	(1.00)%
Global Multi-Sector Fixed Income	11.00	0.28%
Unconstrained Fixed Income	7.00	0.16%
Total fixed income	25.00	
Private equity	5.00	5.50%
Private debt	5.00	4.50%
Real estate	10.00	3.50%
Opportunistic	5.00	2.75%
Total alternative investments	25.00	
Total	<u>100.00%</u>	



NEW HAMPSHIRE LAND AND COMMUNITY  
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NOTES TO FINANCIAL STATEMENTS

**Note 6. EMPLOYEE BENEFITS (concluded)**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the proportionate share of the net pension liability to changes in the discount rate*

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>Fiscal Year Ended</u>			
June 30, 2015	\$76,991	\$58,488	\$42,713

*Pension plan fiduciary net position*

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued NHRS financial report.

NEW HAMPSHIRE LAND AND COMMUNITY  
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NOTES TO FINANCIAL STATEMENTS

**Note 7. LEASES**

The Authority leased a copier under a non-cancelable operating lease through May 2015. The Authority leases office space under an annual lease through July 2018. For the years ended June 30, 2016 and 2015, rent expense on office space amounted to \$16,100 and \$15,600, respectively.

The following is a schedule of the future minimum lease payments required under the operating lease:

Year ended <u>June 30,</u>	<u>Amount</u>
2017	\$ 16,646
2018	17,145
2019	<u>1,432</u>
Total	<u>\$ 35,223</u>

**Note 8. SELF-INSURANCE**

The Authority acts as a self-insurer for unemployment claims. For the years ended June 30, 2016 and 2015, the Authority paid no claims.

**Note 9. CONCENTRATIONS OF RISK**

The Authority provides grants for conservation of natural, historical and cultural resources in the State of New Hampshire. Since 2009, surcharges on some documents filed at County Registry of Deeds have been the intended source of funding for the Trust Fund for grants.

The state's biennial budget for fiscal years 2015 and 2016 has assigned the full income from the surcharge to the Authority for grant making and other costs. This represents a dramatic improvement in support to the Authority and virtually assures the strength of the program for the current biennium. In fiscal year 2016, the Authority received forty grant applications, and with the full income from the registry fees, was able to provide funding for thirty-two of them.

**NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through January 17, 2017, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended June 30, 2016.

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY

REQUIRED SUPPLEMENTARY INFORMATION

LAST 3 FISCAL YEARS\*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>New Hampshire Retirement System:</u>			
Proportion of the net pension liability for the most recent measurement date	0.0015%	0.0026%	0.0016%
Proportionate share of the net pension liability for the most recent measurement date	\$ 58,488	\$ 96,564	\$ 70,746
Covered-employee payroll for the most recent measurement date	\$ 50,672	\$ 83,004	\$ 46,641
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	115.42%	116.34%	151.68%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	66.32%	59.81%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditors' report.

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

SCHEDULE OF PENSION CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

LAST 3 FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>New Hampshire Retirement System:</u>			
Contractually required contribution for the current fiscal year	\$ 10,608	\$ 5,485	\$ 8,346
Contributions in relation to the contractually required contribution	<u>(10,608)</u>	<u>(5,485)</u>	<u>(8,346)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll for the current fiscal year	\$ 85,036	\$ 50,672	\$ 83,004
Contributions as a percentage of covered-employee payroll	12.47%	10.82%	10.05%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditors' report.

NEW HAMPSHIRE LAND AND COMMUNITY  
HERITAGE INVESTMENT PROGRAM AUTHORITY

SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2016  
(with comparative totals for the Year Ended June 30, 2015)

	Program Services	General and Administrative	2016	2015
Project grants	\$ 3,159,987	\$ -	\$ 3,159,987	\$ -
Salaries and wages	149,178	25,876	175,054	154,066
Employee benefits	35,643	6,183	41,826	52,288
Professional fees	15,513	3,878	19,391	18,969
Rent and utilities	13,720	2,380	16,100	15,600
Payroll taxes	11,419	1,980	13,399	11,747
Office expense	8,559	1,485	10,044	6,629
Travel and entertainment	5,216	904	6,120	4,137
Communication expenditures	5,885	-	5,885	9,400
Project signage	3,301	-	3,301	6,216
Telephone and internet	2,795	485	3,280	3,156
Insurance	459	2,601	3,060	2,817
Depreciation	1,450	251	1,701	1,758
Professional development	-	-	-	1,756
Total expenses	<u>\$ 3,413,124</u>	<u>\$ 46,024</u>	<u>\$ 3,459,148</u>	<u>\$ 288,539</u>