



# **FINANCIAL REPORTS**

## **FY 2026-2027 BUDGET MEMO, BUDGET SUMMARY, TRUST FUND ACTIVITY, & FUND BALANCE**

**2026 Annual Meeting  
(Fiscal Year: 2026-2027)**

**Date/Time:  
Tuesday, March 31, 2026 7:00 PM**

**Location:  
Merrimack High School  
38 McElwain St  
Merrimack, NH 03054**



# **BUDGET MEMO**

**FY 2026-2027**

**PREPARED:** January 20, 2026  
**TO:** Merrimack Village District (MVD) Customers and Town of Merrimack Voters  
**FROM:** MVD Board of Commissioners (BOC)  
**RE:** Fiscal Year (FY) 2026-2027 Budget Information

**The purpose of this memo is to assist in reviewing MVD's proposed Budget as recommended by the BOC.**

(Glossary on Last Page)

**BUDGET SUMMARY COMPARISON**

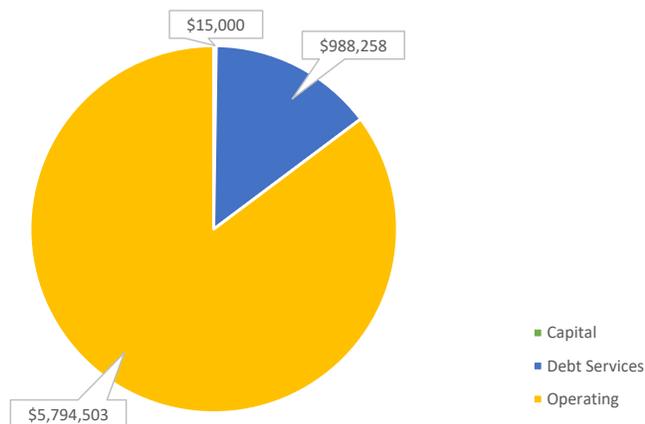
	Approved <u>2025-2026</u>	Proposed <u>2026-2027</u>	2026 vs. 2027 <u>Increase (Decrease)</u>
Operating Budget	\$6,470,953	\$6,782,762	\$311,809
Capital Budget	\$68,000	\$15,000	(\$53,000)
<b>TOTAL BUDGET</b>	<b>\$6,538,953</b>	<b>\$6,797,762</b>	<b>\$258,809</b>

The MVD Board of Commissioners recommendation for the 2026-2027 Total Budget (NOT including any Financial Warrant Articles) is \$6,797,762. This is equal to a 3.96% increase over the 2025–2026 Total Budget. The Total Budget being recommended will NOT require a rate increase for 2026-2027.

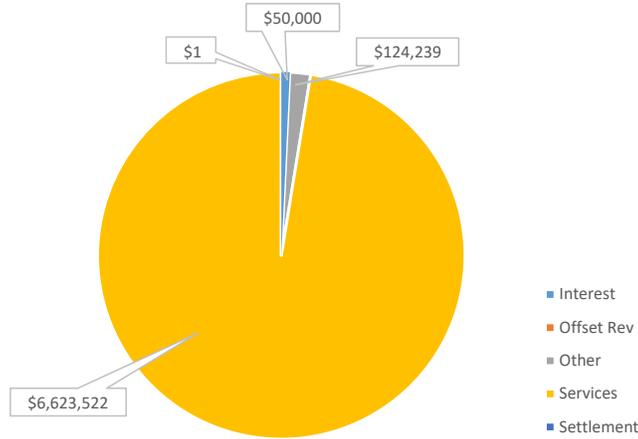
The 2026–2027 Total Budget includes \$15,000 in Capital Budget costs, The amount is due to the Town Ordinance which requires that the District pay the first \$15,000 of a Town Capital Improvement Plan (CIP) project that involves water line relocation.

**The graphic breakdown of proposed expenditures and appropriations is shown below:**

**Proposed Appropriations 2026-2027**



## Proposed Revenues 2026-2027



The revenues to support this budget are projected to balance the proposed budget of \$6,797,762. The BOC and staff have made considerable adjustments (both increases and decreases) in the proposed budget to match the proposed revenue projections.

**To assist in the review of the budget document, details are provided for the following areas:**

### OPERATING BUDGET DETAIL

**GENERAL**

Many items such as Electricity (60000), Heating Fuel (64000), Gasoline/Diesel Fuel (64500/550), and Office Supplies (67550) are estimates based on past 5 years of usage and estimated future usage costs.

**OPERATIONAL ACCOUNTS**

**R&M Motor Vehicle (72300)**

	Actual <u>2022-2023</u>	Actual <u>2023-2024</u>	Actual <u>2024-2025</u>	Approved <u>2025-2026</u>	Proposed <u>2026-2027</u>
	\$35,129	\$33,915	\$15,000	\$14,000	\$18,500

Budget has been updated due to increase of preventative maintenance of our fleet vehicles, e.g. carriage oiling to prevent rust and increase in wheel alignments to decrease tire wear.

**Chemicals (66000)**

Chemical costs can vary due to weather conditions, hot, dry or even a drought. Conditions can drive up the water usage using more chemicals needed for treatment, or less in wetter years. For these reasons projections are difficult. We need to budget for worse case scenarios. Chemical are purchased for all 3 Treatment Facilities.

	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Approved	\$488,900	\$758,098	\$701,000	\$747,600	\$675,700
Actual	\$333,301	\$279,475	\$278,328		

**Property Taxes (67250)**

MVD budgets for taxes on Water Treatment Facility 7 & 8. This located is in the town of Hollis. By law a water district is required to pay taxes on the land if the water source is in a different town. MVD is not taxed on the buildings on this land. The valuation of that land is currently set at \$339,400. Depending on the Town of Hollis tax rate, each year's tax bill may vary. MVD has budgeted \$6,700 for 2026-2027.

	Actual <u>2022-2023</u>	Actual <u>2023-2024</u>	Actual <u>2024-2025</u>	Approved <u>2025-2026</u>	Proposed <u>2026-2027</u>
	\$5,123	\$5,910	\$3,191	\$6,700	\$6,700

(OPERATIONAL ACCOUNTS CONTINUED)

**Engineering (68250)**

The proposed budget for the engineering account is \$175,000 for 2026-2027. MVD's outside Engineers will continue to monitor sodium and chloride levels as well as track and plot quarterly sample data along with PFAS data. MVD has also designated funds within this account for additional Engineering costs for PFAS including investigation into PFAS polluters. Additional projects needed in this account are related to Salt Mitigation and the Design of Sewer Ejection from MVD's Distribution Warehouse.

**New Meters & Entrances and Enhancements to Water System (69000-69030)**

MVD will continue upgrades to our existing main lines that are old, problematic and those that may need to be looped. MVD has budgeted that 50 new dwellings will have finished construction and need meters to be added to the water system in 2026-2027. MVD is also diligently monitoring hydrants through the valve exercising program. This budget includes \$26,000 for these purposes. Our Entrance fees offset these costs, and are not part of the Water Rate appropriations.

**R & M Treatment Facilities (76000-76129)**

This account is for our 3 Treatment Facilities and the repair and maintenance throughout the year. The amount of \$176,450 is proposed for both the structure and equipment associated with and around all the treatment Facilities.

**CAPITAL BUDGET DETAIL**

**Capital Budget Expense (49000)**

The Capital Budget Expenses being proposed for 2026-2027 are:

Town CIP Projects - Waterline Relocation\* \$15,000\*

*\*The \$15,000 in this account is due to the Town Ordinance change which requires that the District pay the first \$15,000 of a Town Capital Improvement Plan (CIP) project that involves water line relocation.*

**DEBT SERVICES**

	Actual <u>2022-2023</u>	Actual <u>2023-2024</u>	Actual <u>2024-2025</u>	Approved <u>2025-2026</u>	Proposed <u>2026-2027</u>
Principal (47001)	\$683,091	\$432,052	\$722,584	\$838,438	\$774,569
Interest (47002)	\$143,705	\$127,235	\$329,686	\$278,507	\$213,689
	<b>\$826,796</b>	<b>\$559,287</b>	<b>\$1,052,270</b>	<b>\$1,116,945</b>	<b>\$988,258</b>

One of our Bonds has ended in FY2026

**REVENUE**

Actual revenues for 2024-2025 was \$7,303,910. This was \$1,596,260 over the projected \$5,707,649 for that fiscal year. The sources of revenues are summarized below.

	Actual <u>2022-2023</u>	Actual <u>2023-2024</u>	Actual <u>2024-2025</u>	BOC Projected <u>2025-2026</u>	BOC Projected <u>2026-2027</u>
Water Sales & Service Charges	\$5,404,964	\$6,207,525	\$6,811,603	\$6,356,953	\$6,558,522
Budgeted Grants	\$22,500	\$22,410	\$49,541	\$0	\$1
Miscellaneous*	\$213,359	\$235,093	\$336,524	\$132,000	\$189,239
Interest	\$69,628	\$111,281	\$106,242	\$50,000	\$50,000
	<b>\$5,710,451</b>	<b>\$6,576,309</b>	<b>\$7,303,910</b>	<b>\$6,538,953</b>	<b>\$6,797,762</b>

\*This includes MVD's Operations & Maintenance payment for the Treatment Facility 4&5 from St. Gobain as part of the PFAS Settlement, last payment was in FY2025. As Merrimack grows and new residents join our water system, along with existing residents moving from private wells to our system, revenues will increase.

## GLOSSARY

<u>TERM</u>	<u>DEFINITION</u>
Account(s):	Defines a Financial Category within the Budget for Tracking
Appropriations:	The expenditure side of the budget, and it is the legal authority for the governing body to provide a given level of service granted by the legislative body granted by the legislative body.
Capital Budget:	Funds that are used to acquire, repair, update, or improve MVD's Fixed Assets. Funds from the Capital Expense Budget are specific and may not be used for operating costs.
Capital Improvements Plan (CIP)	A document that outlines a community's long-term infrastructure needs and how to pay for them. It's a key tool for local governments to manage their finances and build community trust
Encumbered:	A commitment to spend money for a particular purpose at some point in the future.
Fixed Asset(s):	Items that have a long-term use, such as buildings, vehicles, equipment, and the like.
Fund Balance	<p>In government accounting, fund balance is the difference between assets and liabilities resulting in a surplus or a deficit. A common misconception is that fund balance is a cash account, associated with or correlated to a government's bank account balance. But unlike a personal bank account, a general fund balance is not a "cash-account;" it is a measure of equity between revenues and expenditures.</p> <p>Government fund accounting is unique to the public sector (i.e. cities, towns, schools) and requires separate self-balancing accounting entries to track each fund's revenues and expenditures. In the private sector it would be defined as a company's working capital, but in public sector, it is referred to as fund balance. In government finance, the retention and use of unassigned fund balance assists in measuring the financial health of an individual fund, such as the general fund.</p>
Fund Types = Assets <i>LESS</i> Liabilities	
Assigned:	Assets reserved for an intended purposes, e.g. Encumbered prior year purchases
Committed:	Assets constrained for specific purposes as approved by the Board of Commissioners, e.g. Capital Trust Accounts
General Fund:	Assets used for operational purposes, e.g. Operating Checking account
Non-Spendable:	Assets that are NOT in a spendable format, e.g. Inventory
Restricted:	Assets that can ONLY be spent on a designated specific purpose, e.g. System Development Fees collected
Unassigned:	This amount has not been categorized into an above category, e.g. Net Income
Offset Revenue	Money received from Grants or Specialized Fees
Operating Budget:	Expenses needed for MVD to operate, such as payment of taxes, utility costs, office supplies, postage, payroll, maintenance and repairs. Also known as the General Fund.
R&M	Repair and Maintenance
Total Budget:	Total of both the Operating Budget and the Capital Budget.
Warrant Articles:	Items to be voted on during MVD's Annual Meeting. There are multiple types of Warrant Articles such as Election, Financial, and Petitioned.



**BUDGET SUMMARY  
TOTALS  
FY 2026-2027**

**MERRIMACK VILLAGE DISTRICT  
2026/2027 BUDGET SUMMARY TOTALS**

<i>X = NOT PART OF WATER RATE APPROPRIATIONS</i>		ACTUAL	APPROVED BUDGET	BOC RECOMMENDED	ANNUAL MEETING
<i>X</i>	Account # Description	2024 / 2025	2025 / 2026	2026 / 2027	2026 / 2027
	40000 Officers Salaries	\$11,876	\$12,995	\$12,970	
	41000 Administrative Salaries	\$561,048	\$575,293	\$604,043	
	42000 Field Staff Salaries	\$718,053	\$823,946	\$965,791	
	42110 Sick Pay Out - CY	\$18,200	\$24,035	\$21,953	
	42120 Salary Merit Pool (All Depts)		\$32,500	\$48,116	
	42130 Employee Recognition	\$350	\$850	\$950	
	42200 Turnover Costs	\$7,684	\$10,583	\$0	
	43000 Employee Wellness Program	\$5,653	\$6,500	\$6,500	
	43050 Hiring Costs	\$0	\$0	\$500	
	44000 Social Security/Medicare Employer Taxes	\$100,506	\$111,672	\$126,506	
	45001 Health Insurance	\$512,620	\$584,067	\$724,618	
	45002 Health Insurance - Buyout	\$0	\$0	\$8,794	
	45003 Dental Insurance	\$24,337	\$28,732	\$31,710	
	45004 Flexible Spending Account Fees	\$198	\$300	\$300	
	45005 Retirement - Employer Contribution	\$170,211	\$181,909	\$200,154	
	45006 Short / Long Term & Life Insurance	\$10,266	\$11,672	\$12,640	
	45007 Unemployment Compensation	\$500	\$500	\$500	
	45008 Workers Compensation	\$13,520	\$14,286	\$14,556	
	47001 Debt Service Principal	\$722,584	\$838,438	\$774,569	
	47002 Debt Service Interest	\$329,686	\$278,507	\$213,689	
	49000 Capital Budget Expense	\$0	\$68,000	\$15,000	
	60000 Electricity	\$347,515	\$410,435	\$492,522	
	61000 Telephone	\$33,944	\$32,260	\$37,260	
	62000 Uniforms	\$9,219	\$6,770	\$7,480	
	62250 Education/Seminars	\$8,702	\$7,500	\$7,500	
	62500 Testing/Licensing	\$568	\$4,300	\$4,300	
	63000 Water Purchase	\$322,849	\$75,000	\$75,000	
	64000 Heating Fuel LPG/Propane	\$39,249	\$26,735	\$26,500	
	64500 Gasoline	\$35,609	\$35,600	\$35,600	
	64550 Diesel	\$4,937	\$4,000	\$5,000	

**MERRIMACK VILLAGE DISTRICT  
2026/2027 BUDGET SUMMARY TOTALS**

<i>X = NOT PART OF WATER RATE APPROPRIATIONS</i>		ACTUAL	APPROVED BUDGET	BOC RECOMMENDED	ANNUAL MEETING
<i>X</i>	<i>Account # Description</i>	2024 / 2025	2025 / 2026	2026 / 2027	2026 / 2027
66000	Chemicals	\$278,328	\$747,600	\$675,700	
66500	Filtration - PFAS	\$341,949	\$265,000	\$219,000	
67000	Security & Safety	\$7,999	\$11,425	\$68,030	
67200	Lease	\$7,651	\$7,151	\$8,286	
67250	Property Taxes	\$3,191	\$6,700	\$6,700	
67300	Office Equipment & Software	\$22,403	\$6,800	\$4,600	
67350	Software Subscriptions	\$53,191	\$125,870	\$140,820	
67400	Communication Equipment	\$0	\$0	\$1,600	
67450	Tools & Equipment	\$15,721	\$23,600	\$23,600	
67480	Rentals	\$4,514	\$5,500	\$5,500	
67500	Town Sewer / Septic Pump	\$4,121	\$3,950	\$4,088	
67550	Office Supplies	\$18,213	\$18,000	\$18,000	
67600	Postage	\$49,932	\$50,500	\$51,000	
67620	Shipping / Freight / Fuel Charge	\$3,841	\$5,700	\$4,200	
67650	Fees Miscellaneous	\$15,162	\$34,500	\$34,500	
67700	Dues/Subscriptions	\$2,412	\$3,855	\$4,035	
67750	Meeting Expense	\$4,465	\$4,500	\$4,500	
67800	Travel Expense	\$667	\$1,700	\$1,100	
67850	Advertising & Public Information	\$944	\$5,000	\$4,500	
67860	Public Education	\$1,771	\$2,000	\$2,000	
67900	Printing	\$28,267	\$20,000	\$25,000	
68000	Insurance General	\$48,711	\$55,924	\$56,656	
68150	Outside Services	\$42,990	\$5,900	\$5,900	
68250	Engineering	\$63,810	\$180,000	\$175,000	
68280	Inspections / Plan Reviews	\$0	\$500	\$500	
68300	Professional Fees	\$55,865	\$75,000	\$86,500	
68400	Compliance Sampling	\$143,457	\$146,827	\$148,297	
<i>X</i>	69010 New Entrance Costs	\$44,459	\$26,000	\$26,000	
<i>X</i>	69020 Enhancements to Water System	\$2,215	\$32,000	\$27,500	
72300	R & M Motor Vehicles	\$24,975	\$14,000	\$18,500	

**MERRIMACK VILLAGE DISTRICT  
2026/2027 BUDGET SUMMARY TOTALS**

<i>X = NOT PART OF WATER RATE APPROPRIATIONS</i>		ACTUAL	APPROVED BUDGET	BOC RECOMMENDED	ANNUAL MEETING
<i>X</i> Account #	Description	2024 / 2025	2025 / 2026	2026 / 2027	2026 / 2027
72360	R & M Communications Equipment	\$1,786	\$5,260	\$2,550	
<i>X</i> 74000	R & M Backflows	\$1,728	\$1,500	\$1,500	
74100	R & M Entrances	\$8,054	\$40,025	\$31,100	
74200	R & M Hydrants	\$17,697	\$26,400	\$25,000	
74300	R & M Main Lines	\$24,355	\$30,000	\$30,000	
74400	R & M Meters	\$120,575	\$60,000	\$75,000	
74450	R & M Booster Stations	\$0	\$5,000	\$5,000	
74500	R & M Structures	\$22,093	\$33,152	\$29,250	
76000	R & M Treatment Plants	\$121,267	\$171,250	\$176,450	
76300	R & M Tanks	\$9,990	\$9,000	\$10,000	
76325	R & M Monitoring Wells	\$0	\$0	\$20,000	
77500	R & M Watershed	\$26,861	\$2,500	\$1,000	
78000	R & M Tools, Equipment & Software	\$51,904	\$60,978	\$63,278	
91000	Bad Debts	\$232	\$1,000	\$1,000	
91001	Reconciliation Discrepancies	\$0	\$1	\$1	
<b>Total Operating Budget/Expense</b>		<b>\$5,707,649</b>	<b>\$6,538,953</b>	<b>\$6,797,762</b>	<b><i>TBD</i></b>
<i>% Difference to FY26</i>				<b><i>3.96%</i></b>	
<i>Petitioned Warrant Articles</i>		\$0	\$0	\$0	
<i>Contingency Fund</i>		\$0	\$0	\$0	
<i>Special Warrant Articles - Transfers to Capital Reserve Funds</i>					
	<i>10303 - System Development Capital (from 40600)</i>	\$99,943	\$68,490	\$151,312	
	<i>10302 - Equipment &amp; Facilities</i>	\$800,000	\$800,000	\$800,000	
	<i>10305 - Water &amp; WTP O&amp;M</i>	\$200,000	\$200,000	\$200,000	
<b>TOTAL APPROPRIATIONS:</b>		<b>\$6,807,592</b>	<b>\$7,607,443</b>	<b>\$7,949,074</b>	<b><i>TBD</i></b>
<b>These amounts are taken from Unassigned Funds from fiscal year ending:</b>		<b>FY2022-2023</b>	<b>FY2023-2024</b>	<b>FY2024-2025</b>	
<i>Voted to move in March of year</i>		<i>2024</i>	<i>2025</i>	<i>2026</i>	



**ACTUAL & PROJECTED  
REVENUES FY 2019 THROUGH FY 2027**

**MERRIMACK VILLAGE DISTRICT**  
**ACTUAL & PROJECTED REVENUE FY2019 - FY2027**

	<u>ACTUAL</u>	<b>EXPECTED</b>	<b>BOC</b>						
	<u>2018 / 2019</u>	<u>2019 / 2020</u>	<u>2020 / 2021</u>	<u>2021 / 2022</u>	<u>2022 / 2023</u>	<u>2023 / 2024</u>	<u>2024 / 2025</u>	<b>REVENUE</b>	<b>PROJECTED</b>
								<u>2025 / 2026</u>	<u>2026 / 2027</u>
<b>Not Part of Rates</b>									
Domestic Water Sales	\$1,436,141	\$1,896,631	\$1,957,028	\$2,129,609	\$2,345,033	\$2,687,691	\$3,098,398	\$2,837,653	\$3,020,222
Mercantile Water Sales	\$262,934	\$290,966	\$254,704	\$354,023	\$423,257	\$508,670	\$590,371	\$510,000	\$580,000
Industrial Water Sales	\$19,122	\$26,588	\$21,872	\$25,753	\$23,263	\$29,420	\$31,443	\$32,000	\$31,000
Meter Charges	\$550,682	\$668,983	\$722,092	\$868,604	\$989,969	\$1,142,041	\$1,205,989	\$1,170,000	\$1,190,000
Hydrant Charges	\$663,735	\$811,468	\$873,074	\$1,040,212	\$1,168,370	\$1,376,135	\$1,443,336	\$1,350,000	\$1,350,000
Sprinkler Charges	\$124,832	\$147,624	\$171,816	\$196,983	\$232,742	\$261,006	\$285,541	\$276,000	\$280,000
x Service Charge Backflow Tests (offsets acct 70050)	\$40,000	\$37,850	\$22,730	\$22,188	\$42,650	\$39,700	\$35,810	\$40,000	\$35,000
x Service Charge Hydrant Hook-Ups	\$225	\$444	\$1,032	\$791	\$511	\$319	\$368	\$500	\$500
x Service Charge Mains	\$55,500	\$23,000	\$0	\$0	\$35,500	\$6,751	\$16,410	\$1,000	\$2,000
Service Charge Transfer Fee	\$13,610	\$12,620	\$14,950	\$12,680	\$9,350	\$9,890	\$9,690	\$9,800	\$9,800
x Service Charge Turn On/Off Water	\$22,136	\$7,595	\$7,160	\$7,185	\$4,388	\$4,800	\$6,899	\$5,000	\$5,000
x Service Charge Entrances (offsets account 70040)	\$52,385	\$95,006	\$72,354	\$17,822	\$62,935	\$48,046	\$75,843	\$50,000	\$45,000
Miscellaneous Service Charges	\$11,534	\$15,161	\$9,511	\$14,158	\$10,990	\$11,019	\$11,505	\$10,000	\$10,000
x Interest	\$23,514	\$15,875	\$1,679	\$1,286	\$69,628	\$111,281	\$106,242	\$50,000	\$50,000
x Communication Tower Rental	\$112,936	\$108,083	\$99,507	\$110,914	\$103,750	\$118,220	\$120,501	\$120,000	\$120,000
x Fines	\$28,941	\$39,212	\$7,998	\$56,236	\$43,068	\$82,037	\$69,353	\$65,000	\$65,000
Miscellaneous Income	\$13,926	\$22,433	\$16,794	\$60,347	\$2,709	\$5,397	\$2,213	\$6,000	\$2,000
x O&M from St. Gobains (Offsets Acct 60650)			\$106,900	\$106,900	\$106,900	\$106,900	\$106,900	\$0	
x Merchandise Sales	\$3,446	\$3,477	\$8,501	\$17,255	\$12,940	\$4,576	\$14,696	\$6,000	\$2,239
Gain on Asset Disposal / Sale	\$28,223	\$0	\$0	\$0	\$0	\$0	\$22,860	\$0	
Legal Fee Reimbursements	\$0	\$0	\$0	\$0	\$0	\$5,800		\$0	
Inspection / Plan Reviews	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
Income Received from Grants	\$0	\$20,000	\$13,756	\$20,000	\$22,500				\$1
Offsets account 70010 (NHDES - Lead Service Line)						\$16,610	\$22,680		
Offsets account 70750 (NHDES - Fencing)							\$26,861		
Offsets account 81900 (EPA - PFAS Polishing)									
	\$3,463,821	\$4,243,016	\$4,383,457	\$5,062,946	\$5,710,451	\$6,576,309	\$7,303,910	\$6,538,953	\$6,797,762



# **TRUST FUND ACTIVITY**

**FY 2025**

**MERRIMACK VILLAGE DISTRICT  
TRUST FUND ACTIVITY**

	Fiscal Year		2021			2022			2023			2024			2025		
	Est.	Balance end of 2019	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total	Withdrawn	Added Funds	Total
LAND	1996	\$1,510,666		\$15,252	<b>\$1,556,052</b>		\$7,119	<b>\$1,563,171</b>		\$34,383	<b>\$1,597,554</b>	-\$100,000	\$62,534	<b>\$1,560,088</b>		\$55,857	<b>\$1,615,945</b>
EQUIPMENT/FACILITIES	1996	\$3,601,590		\$635,746	<b>\$3,724,314</b>	-\$816,211	\$14,394	<b>\$2,922,497</b>		\$469,006	<b>\$3,391,503</b>	-\$289,192	\$931,046	<b>\$4,033,357</b>	-\$124,320	\$945,410	<b>\$4,854,447</b>
SYSTEM DEV	2020	\$609,662		\$470,147	<b>\$828,177</b>		\$240,742	<b>\$1,068,919</b>		\$76,255	<b>\$1,145,174</b>		\$145,467	<b>\$1,290,641</b>		\$115,050	<b>\$1,405,691</b>
LEGAL	2019	\$100,451		\$1,014	<b>\$103,447</b>		\$473	<b>\$103,920</b>		\$2,286	<b>\$106,206</b>		\$4,175	<b>\$110,381</b>		\$3,952	<b>\$114,333</b>
WATER O&M	2021	\$0		\$100,224	<b>\$100,224</b>		\$100,459	<b>\$200,683</b>		\$154,809	<b>\$355,492</b>		\$214,990	<b>\$570,482</b>		\$221,444	<b>\$791,926</b>
<b>What was done:</b>						WTP 4&5 (Grant Match) Replace Well #4 WTP 4&5 (MVD Portion)						Land for possible New Well Replacement Trucks			Replacement Dump Truck		

*Note - Added Funds includes interest and voted warrant article amounts*

**Up Coming Projects:**

- 101A & Continental Blvd & Boston Post Rds - \$620K
- Everett Turnpike Widening - \$275K
- Wire Rd & Baboosic Bridges - Unknown \$
- Planned Infrastructure R&M - \$1.2 M
- Meter Project - \$2.2 M
- Additional GAC Replacements - \$400K/yr
- Parker Tank - \$500K
- Replace Existing Piping that's 50+ yrs old - Unknown \$
- Possible new Treatment Plant for New Source - Unknown \$
- New Water Source Land - Unknown \$



# **FUND BALANCE**

**FY 2025**

## MERRIMACK VILLAGE DISTRICT MVD FUND BALANCE

		FY2022	FY2023	FY2024	FY2025
<b>ASSETS</b>					
	<b>Operating Cash</b>	\$2,675,769	\$2,439,122	\$2,263,516	\$3,621,572
	Committed Cash (Projects & Capital Reserves)	\$8,130,633	\$7,729,332	\$8,457,649	\$9,217,136
	<b>Not Cash</b>				
	Accounts Receivable	\$1,681,099	\$1,686,432	\$1,674,498	\$1,132,579
	Inventory	\$115,769	\$149,323	\$269,292	\$271,962
	Prepaid Expenses	\$67,692	\$35,089	\$51,582	\$76,173
	Fixed Assets (Infrastructure)	\$32,796,620	\$35,963,477	\$36,074,016	\$35,580,370
	<b>Total Assets</b>	<b>\$45,467,583</b>	<b>\$48,002,775</b>	<b>\$48,790,553</b>	<b>\$49,899,791</b>
<b>LIABILITIES</b>					
	Current	-\$2,362,566	-\$307,402	-\$145,885	-\$1,395,392
	Long Term	-\$16,066,970	-\$15,708,766	-\$15,458,372	-\$13,628,172
	<b>Total Liabilities</b>	<b>-\$18,429,535</b>	<b>-\$16,016,168</b>	<b>-\$15,604,257</b>	<b>-\$15,023,564</b>
<b>FUND BALANCES</b>					
	Non-Spendable	-\$194,065	-\$149,323	-\$269,292	-\$271,962 <Inventory
	Assigned	\$0	-\$221,950	-\$24,087	-\$86,286 <Encumbered
	Restricted	\$0	-\$99,943	-\$68,490	-\$151,312 <System Dev.
	Committed	-\$5,699,009	-\$6,526,703	-\$7,559,176	-\$8,836,601 <Trusts
	Committed		-\$1,986,490	-\$2,072,847	-\$2,157,854 <Fund Reserve
	<b>Total</b>	<b>-\$5,893,074</b>	<b>-\$8,984,409</b>	<b>-\$9,993,892</b>	<b>-\$11,504,016</b>
	Net Income	-\$1,395,044	-\$4,946,802	-\$1,218,442	-\$1,688,914
	Unassigned	-\$19,749,930	-\$18,055,396	-\$21,973,962	-\$21,683,297
	<b>Total Funds</b>	<b>-\$27,038,048</b>	<b>-\$31,986,607</b>	<b>-\$33,186,296</b>	<b>-\$34,876,227</b>
	<b>Total Liabilities &amp; Funds</b>	<b>-\$45,467,583</b>	<b>-\$48,002,775</b>	<b>-\$48,790,553</b>	<b>-\$49,899,791</b>
	<b>% of Total that is Actual Cash</b>	<b>9.9%</b>	<b>7.6%</b>	<b>6.8%</b>	<b>10.4%</b>
	<b>% of Total that is considered Fund Balance</b>	<b>59.5%</b>	<b>66.6%</b>	<b>68.0%</b>	<b>69.9%</b>

### Reasons for Healthy Fund Balance:

Adequate fund balance allows MVD to maintain a consistent set of public services throughout an entire budget cycle because a typical municipal cash flow cycle will have cash on hand amounts decreasing throughout the year. Unlike a business, municipalities do not have the ability to raise additional revenues during the fiscal year. A local government relies on drawing down existing fund balance (excess capital) to ensure adequate cash on hand is available to meet expenses before collections arrive. A municipality's ability to use Fund balance can be seen as a driving factor behind maintaining stable rates.

Understanding that the natural revenue cycle within a local government is closely linked to fund balance reserves facilitates the prudent management of financial resources throughout the year. When cash flow experiences strain, a municipality may resort to issuing short-term debt to bridge the gap.

This necessitates interest costs to maintain consistent operations and introduces associated risks. Maintaining an adequate fund balance eliminates this necessity, thereby conserving resources that would otherwise be allocated to debt servicing. A robust fund balance empowers the municipality to address cash flow requirements, complete scheduled projects, and establish a contingency plan for emergencies or disruptions in revenue streams. Furthermore, fund balance considerations have credit rating implications. According to the local government rating methodology published by Moody's Investors Service, "a fund balance between 15% and 30% of revenues is required to achieve a scorecard value of A."

This underscores the significance of each municipality implementing a policy that emphasizes a strong fund balance strategy to successfully meet both short-term and long-term financial objectives.

### Advantages to moving funds out of Unassigned:

- Money moved to Capital Reserve Trusts earns significantly more interest, than MVD's checking account
 

NHPDIP - 0.3%	(NHPDIP - MVD's prior bank where a large portion of Operating Funds were held)
TD BANK - 2.2%	(TD Bank - MVD's current bank where all Operating Funds are held.)
Cambridge Trust - 4.4%	(Cambridge Trust - MVD's current bank where the Capital Reserve Trusts are held)
- The Board of Commissioners (BOC) are Agent to Expend from Trusts. No Special Meeting required to spend from Unassigned Funds
- No need to use Bonds/Loans for Unexpected Projects and incur interest