

**TOWN OF HANOVER
AFFORDABLE HOUSING TRUST FUND**

Basic Financial Statements

For the Year Ended June 30, 2017

(With Independent Auditors' Report Thereon)

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS:	
Balance Sheet	3
Statement of Revenues and Expenses	4
Notes to Basic Financial Statements	5

INDEPENDENT AUDITORS' REPORT

To the Trustees
Town of Hanover Affordable Housing Trust Fund

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying balance sheet and statement of revenues and expenses of Town of Hanover Affordable Housing Trust Fund (a trust fund of the Town of Hanover, Massachusetts) as of and for the year ended June 30, 2017. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

The Town's 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 auditors' 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 of the Town of Hanover Affordable Housing Trust fund present fairly, in all material respects, the financial position as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Melanson Heath

March 27, 2018

TOWN OF HANOVER AFFORDABLE HOUSING TRUST FUND

Balance Sheet

June 30, 2017

Assets:

Cash held by Town	\$ 774,550
Accounts receivable	<u>246,153</u>
Total Assets	1,020,703

Liabilities:

Due to Town	<u>28,461</u>
	<u>28,461</u>

Fund Balance:

Unassigned fund balance	<u><u>\$ 992,242</u></u>
-------------------------	--------------------------

See accompanying notes to the financial statements.

TOWN OF HANOVER AFFORDABLE HOUSING TRUST FUND

Statement of Revenues and Expenses

For the Year Ended June 30, 2017

Revenues:

Transfers from Town Community Preservation Fund:

5/2/16 Article 43 \$ 110,091

Donations 9,231

Interest income 1,292

Total revenues 120,614

Expenses:

Audit fees 1,600

Other 857

Total expenses 2,457

Excess of Revenues over (under) Expenses 118,157

Fund Balance, beginning of year 874,085

Fund Balance, end of year \$ 992,242

See accompanying notes to the financial statements.

TOWN OF HANOVER AFFORDABLE HOUSING TRUST FUND

Notes to Financial Statements

1. **Organization**

The Hanover Affordable Housing Trust was authorized by approval of Article 69 of the May 11, 2009 Town of Hanover, Massachusetts Town Meeting to accept Chapter 44, Section 55C of the Massachusetts General laws.

The purpose of the Trust is to provide for the creation and preservation of affordable housing in the Town of Hanover for low- and moderate-income households. As used in this act, the term “low or moderate income housing” shall mean “low income housing” or “moderate income housing” as defined in Massachusetts General Laws Chapter 44B, Section 2.

2. **Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies of the Trust used in preparing and presenting the accompanying financial statements.

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, and expenses are reported when incurred, without regard to the date of receipt or payment of cash.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

3. **Accounts Receivable**

The accounts receivable of \$246,153 is in connection with an agreement between the Affordable Housing Trust and Kennedy Building LLC signed April 2013 and amended May 2017. Total expected loan is \$296,000 with the remaining balance of loan to be dispersed after specific permits have been issued. As of the date of the financial statements, the repayment schedule has not been finalized.