

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**

**Annual Financial Statements**

**For the Year Ended December 31, 2011**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen  
Town of Goffstown, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Goffstown, New Hampshire, as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Goffstown's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Goffstown, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis appearing on the following pages, and the information appearing on page 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Additional Offices:*

Andover, MA • Greenfield, MA • Ellsworth, ME • Manchester, NH

In addition, the Schedule of Revenues and Expenditures – Budget and Actual for the annually budgeted Special Revenue Funds (Emergency Medical Services) appearing on page 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Goffstown, New Hampshire. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Melanson, Heath + Company P.C.*

Nashua, New Hampshire  
June 8, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Town of Goffstown, we offer readers this narrative overview and analysis of the financial activities of the Town of Goffstown for the fiscal year ended December 31, 2011.

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include sewer enterprise activities.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for sewer operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to financial statements.** The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 47,827,769 (i.e., net assets), a change of \$ 2,389,189 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 6,127,260, a change of \$ 667,822 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 3,468,260, a change of \$ 790,492 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 2,097,777, a change of \$ (531,397) in comparison to the prior year.

## **C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 16,676	\$ 16,940	\$ 3,511	\$ 3,348	\$ 20,187	\$ 20,288
Capital assets	<u>32,052</u>	<u>31,305</u>	<u>7,461</u>	<u>7,179</u>	<u>39,513</u>	<u>38,484</u>
Total assets	48,728	48,245	10,972	10,527	59,700	58,772
Long-term liabilities outstanding	3,007	3,131	352	482	3,359	3,613
Other liabilities	<u>8,103</u>	<u>9,164</u>	<u>410</u>	<u>557</u>	<u>8,513</u>	<u>9,721</u>
Total liabilities	11,110	12,295	762	1,039	11,872	13,334
Net assets:						
Invested in capital assets, net	30,434	29,390	6,981	6,464	37,415	35,854
Restricted	779	810	-	-	779	810
Unrestricted	<u>6,405</u>	<u>5,750</u>	<u>3,229</u>	<u>3,024</u>	<u>9,634</u>	<u>8,774</u>
Total net assets	<u>\$ 37,618</u>	<u>\$ 35,950</u>	<u>\$ 10,210</u>	<u>\$ 9,488</u>	<u>\$ 47,828</u>	<u>\$ 45,438</u>

(continued)

(continued)

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,109	\$ 1,137	\$ 1,427	\$ 1,429	\$ 2,536	\$ 2,566
Operating grants and contributions	280	898	-	140	280	1,038
Capital grants and contributions	516	1,001	988	1,356	1,504	2,357
General revenues:						
Property taxes	12,855	12,447	-	-	12,855	12,447
Motor vehicle permits	2,302	2,282	-	-	2,302	2,282
Penalties and interest on taxes	525	227	-	-	525	227
Grants and contributions not restricted to specific programs	869	1,025	-	-	869	1,025
Investment income	33	96	2	-	35	96
Miscellaneous	331	355	2	29	333	384
Total revenues	<u>18,820</u>	<u>19,468</u>	<u>2,419</u>	<u>2,954</u>	<u>21,239</u>	<u>22,422</u>
Expenses:						
General government	2,207	2,092	-	-	2,207	2,092
Public safety	7,391	7,308	-	-	7,391	7,308
Public works	6,340	6,535	-	-	6,340	6,535
Health and welfare	78	64	-	-	78	64
Library and recreation	1,209	1,441	-	-	1,209	1,441
Interest on long-term debt	88	57	-	-	88	57
Sewer	-	-	1,539	1,564	1,539	1,564
Total expenses	<u>17,313</u>	<u>17,497</u>	<u>1,539</u>	<u>1,564</u>	<u>18,852</u>	<u>19,061</u>
Change in net assets before transfers and permanent fund contributions	1,507	1,971	880	1,390	2,387	3,361
Transfers in (out)	158	180	(158)	(180)	-	-
Permanent fund contributions	<u>3</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>8</u>
Change in net assets	1,668	2,159	722	1,210	2,390	3,369
Net assets - beginning of	<u>35,950</u>	<u>33,791</u>	<u>9,488</u>	<u>8,278</u>	<u>45,438</u>	<u>42,069</u>
Net assets - end of year	<u>\$ 37,618</u>	<u>\$ 35,950</u>	<u>\$ 10,210</u>	<u>\$ 9,488</u>	<u>\$ 47,828</u>	<u>\$ 45,438</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 47,827,769, a change of \$ 2,389,189 from the prior year.

The largest portion of net assets \$ 37,414,980 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 778,229 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 9,634,560 may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities for the year resulted in a change in net assets of \$ 1,667,484. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 760,438
Nonmajor funds	(92,616)
Depreciation expense in excess of principal debt service	(989,315)
Capital assets acquired	2,032,987
OPEB liability	(192,813)
Other	<u>148,803</u>
Total	<u>\$ 1,667,484</u>

**Business-type activities.** Business-type activities (Sewer Fund) for the year resulted in a change in net assets of \$ 721,705.

#### **D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 6,127,260, a change of \$ 667,822 in comparison to the prior year. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 760,438
Nonmajor funds	<u>(92,616)</u>
Total	<u>\$ 667,822</u>

In fiscal year 2011, the Town implemented *Governmental Accounting Standards Board Statement #54 Fund Balance Reporting and Governmental Fund Type Definitions*. In general, amounts previously reported as undesignated fund balance, are now reported as unassigned fund balance. Full definitions of all fund balance classifications can be found in the notes to the financial statements. Additionally, amounts previously reported in capital reserve funds, are now required to be presented as committed fund balance in the general fund.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 3,468,260, while total fund balance was \$ 4,733,178. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>12/31/11</u>	<u>12/31/10</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 3,468,260	\$ 2,738,331	\$ 729,929	19.7%
Total fund balance <sup>1</sup>	4,733,178	3,972,740	760,438	26.9%

<sup>1</sup>Now includes capital reserve funds. Prior period balances have been revised to conform to current presentation.

The fund balance of the general fund changed by \$ 760,438 during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 357,546
Expenditures less than budget	153,942
Collection of prior year tax revenue	388,600
Current year encumbrance to be expended in subsequent year over prior year encumbrance	111,674
Use of fund balance as a funding source	(100,000)
Change in capital reserves	(141,728)
Other GAAP differences	<u>(9,596)</u>
Total	<u>\$ 760,438</u>

Included in the total general fund balance are the Town's capital reserve accounts with the following balances:

	<u>12/31/11</u>	<u>12/30/10</u>	<u>Change</u>
Capital reserves	\$ <u>269,136</u>	\$ <u>410,864</u>	\$ <u>(141,728)</u>
Total	\$ <u><u>269,136</u></u>	\$ <u><u>410,864</u></u>	\$ <u><u>(141,728)</u></u>

**Proprietary funds.** Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$ 3,229,375, a change of \$ 205,024 in comparison with the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

#### **E. GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no differences between the original budget and the final amended budget.

#### **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental and business-type activities at year end amounted to \$ 39,512,757 (net of accumulated depreciation), a change of \$ 1,028,957 from the prior year. This investment in capital assets includes land, buildings and system improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

Purchase of		
Pumper/tanker	\$	543,333
Police communications	\$	349,351
Ambulance	\$	189,995
Construction in Progress		
Sewer line upgrade	\$	935,538
Drainage project	\$	249,187

Additional information on capital assets can be found in the Notes to the Financial Statements.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$ 2,097,777, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in the Notes to the Financial Statements.

### **REQUESTS FOR INFORMATION**

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

Office of Finance Director  
Town of Goffstown  
16 Main Street  
Goffstown, New Hampshire 03045

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current:			
Cash and short-term investments	\$ 12,331,152	\$ 2,643,400	\$ 14,974,552
Investments	687,709	-	687,709
Restricted cash	269,136	-	269,136
Receivables, net of allowance for uncollectibles:			
Property taxes	1,337,654	-	1,337,654
User fees	114,660	179,254	293,914
Special assessment	-	11,874	11,874
Intergovernmental	364,598	18,770	383,368
Other assets	29,954	509,072	539,026
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	631,197	-	631,197
Special assessment	909,582	-	909,582
Intergovernmental	-	148,403	148,403
Capital assets:			
Land and construction in progress	6,940,229	2,387,506	9,327,735
Other assets, net of accumulated depreciation	<u>25,111,726</u>	<u>5,073,296</u>	<u>30,185,022</u>
<b>TOTAL ASSETS</b>	48,727,597	10,971,575	59,699,172
<b>LIABILITIES</b>			
Current:			
Vouchers payable	1,005,100	146,097	1,151,197
Accrued liabilities	142,924	8,406	151,330
Due to school district	6,695,332	-	6,695,332
Due to other governments	2,942	-	2,942
Other current liabilities	20,666	110,582	131,248
Internal balances	(14,177)	14,177	-
Current portion of long-term liabilities:			
Bonds payable	199,447	130,000	329,447
Other liabilities	51,075	214	51,289
Noncurrent:			
Bonds payable, net of current portion	1,418,330	350,000	1,768,330
Other liabilities, net of current portion	<u>1,588,366</u>	<u>1,922</u>	<u>1,590,288</u>
<b>TOTAL LIABILITIES</b>	11,110,005	761,398	11,871,403
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	30,434,178	6,980,802	37,414,980
Restricted for:			
Permanent funds:			
Nonexpendable	556,477	-	556,477
Expendable	221,752	-	221,752
Unrestricted	<u>6,405,185</u>	<u>3,229,375</u>	<u>9,634,560</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 37,617,592</u>	<u>\$ 10,210,177</u>	<u>\$ 47,827,769</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 2,207,051	\$ 136,360	\$ 83,388	\$ -	\$ (1,987,303)	\$ -	\$ (1,987,303)
Public safety	7,391,155	700,077	133,940	-	(6,557,138)	-	(6,557,138)
Public works	6,340,431	228,904	62,477	515,667	(5,533,383)	-	(5,533,383)
Health and welfare	77,561	-	-	-	(77,561)	-	(77,561)
Library and recreation	1,208,833	43,362	-	-	(1,165,471)	-	(1,165,471)
Debt service	87,972	-	-	-	(87,972)	-	(87,972)
Total Governmental Activities	17,313,003	1,108,703	279,805	515,667	(15,408,828)	-	(15,408,828)
<b>Business-Type Activities:</b>							
Sewer services	1,537,731	1,426,555	-	987,794	-	876,618	876,618
Total Business-Type Activities	1,537,731	1,426,555	-	987,794	-	876,618	876,618
Total	\$ 18,850,734	\$ 2,535,258	\$ 279,805	\$ 1,503,461	(15,408,828)	876,618	(14,532,210)
<b>General Revenues, Interfund, and Contributions:</b>							
Taxes					12,855,463	-	12,855,463
Motor vehicle permits					2,301,928	-	2,301,928
Penalties, interest, and other taxes					524,878	-	524,878
Grants and contributions not restricted to specific programs					868,998	-	868,998
Investment income					32,984	1,678	34,662
Miscellaneous					331,414	1,710	333,124
Interfund					158,301	(158,301)	-
Permanent fund contributions					2,346	-	2,346
Total general revenues, interfund, and contributions					17,076,312	(154,913)	16,921,399
Change in Net Assets					1,667,484	721,705	2,389,189
<b>Net Assets:</b>							
Beginning of year					35,950,108	9,488,472	45,438,580
End of year					\$ 37,617,592	\$ 10,210,177	\$ 47,827,769

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2011

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and short-term investments	\$ 11,625,501	\$ 705,651	\$ 12,331,152
Investments	-	687,709	687,709
Restricted cash	269,136	-	269,136
Receivables:			
Property taxes	2,107,235	-	2,107,235
User fees	24,759	337,053	361,812
Other	29,954	-	29,954
Due from other governments	364,598	-	364,598
Due from other funds	41,410	32,822	74,232
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ <u>14,462,593</u>	\$ <u>1,763,235</u>	\$ <u>16,225,828</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Vouchers payable	\$ 1,000,233	\$ 4,867	\$ 1,005,100
Accrued payroll	118,664	-	118,664
Due to school district	6,695,332	-	6,695,332
Due to other governments	2,942	-	2,942
Due to other funds	32,822	27,233	60,055
Deferred revenues	1,858,756	337,053	2,195,809
Other liabilities	20,666	-	20,666
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	9,729,415	369,153	10,098,568
Fund Balances:			
Nonspendable	-	556,477	556,477
Restricted	-	837,605	837,605
Committed	269,136	-	269,136
Assigned	995,782	-	995,782
Unassigned	3,468,260	-	3,468,260
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND BALANCES	4,733,178	1,394,082	6,127,260
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>14,462,593</u>	\$ <u>1,763,235</u>	\$ <u>16,225,828</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET ASSETS OF GOVERNMENTAL  
ACTIVITIES IN THE STATEMENT OF NET ASSETS

DECEMBER 31, 2011

<b>Total governmental fund balances</b>	\$ 6,127,260
<ul style="list-style-type: none"><li>• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</li></ul>	32,051,955
<ul style="list-style-type: none"><li>• Long-term receivables not yet billed</li></ul>	909,582
<ul style="list-style-type: none"><li>• Revenues are reported on the accrual basis of accounting and are not deferred until collection.</li></ul>	1,810,273
<ul style="list-style-type: none"><li>• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</li></ul>	(24,260)
<ul style="list-style-type: none"><li>• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</li></ul>	<u>(3,257,218)</u>
<b>Net assets of governmental activities</b>	<u>\$ 37,617,592</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 12,770,330	\$ -	\$ 12,770,330
Penalties, interest, and other taxes	524,878	-	524,878
Charges for services	550,653	484,731	1,035,384
Intergovernmental	1,664,470	-	1,664,470
Licenses and permits	2,353,416	-	2,353,416
Investment income	5,475	27,509	32,984
Contributions	-	2,346	2,346
Miscellaneous	303,448	18,384	321,832
Total Revenues	<u>18,172,670</u>	<u>532,970</u>	<u>18,705,640</u>
<b>Expenditures:</b>			
Current:			
General government	2,057,989	56,975	2,114,964
Public safety	6,578,018	324,044	6,902,062
Public works	4,749,143	-	4,749,143
Health and welfare	76,891	-	76,891
Culture and recreation	1,102,802	4,619	1,107,421
Capital outlay	1,848,974	189,995	2,038,969
Debt service	394,637	-	394,637
Prior year encumbrance	812,032	-	812,032
Total Expenditures	<u>17,620,486</u>	<u>575,633</u>	<u>18,196,119</u>
Excess (deficiency) of revenues over expenditures	552,184	(42,663)	509,521
<b>Other Financing Sources (Uses):</b>			
Transfers in	208,254	-	208,254
Transfers out	-	(49,953)	(49,953)
Total Other Financing Sources (Uses)	<u>208,254</u>	<u>(49,953)</u>	<u>158,301</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	760,438	(92,616)	667,822
Fund Equity, at Beginning of Year, as restated	<u>3,972,740</u>	<u>1,486,698</u>	<u>5,459,438</u>
Fund Equity, at End of Year	<u>\$ 4,733,178</u>	<u>\$ 1,394,082</u>	<u>\$ 6,127,260</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011

<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 667,822</b>
<ul style="list-style-type: none"> <li>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: </li> </ul>	
Capital outlay purchases, net of disposals	2,032,987
Depreciation	(1,285,712)
<ul style="list-style-type: none"> <li>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property tax) differ between the two statements. This amount represents the net change in deferred revenue </li> </ul>	
	116,546
<ul style="list-style-type: none"> <li>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: </li> </ul>	
Repayments of debt	296,397
<ul style="list-style-type: none"> <li>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. </li> </ul>	
	10,268
<ul style="list-style-type: none"> <li>Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. </li> </ul>	
	<u>(170,824)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>1,667,484</u></b>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues and Other Sources:</b>				
Taxes	\$ 12,381,730	\$ 12,381,730	\$ 12,381,730	\$ -
Licenses, permits, and fees	2,371,500	2,371,500	2,353,416	(18,084)
Intergovernmental	1,466,271	1,466,271	1,479,739	13,468
Charges for services	480,000	480,000	550,653	70,653
Investment income	-	-	5,203	5,203
Penalties, interest, and other taxes	246,416	246,416	524,878	278,462
Miscellaneous	272,503	272,503	303,448	30,945
Transfers in	373,355	373,355	350,254	(23,101)
Use of fund balance	100,000	100,000	100,000	-
Total Revenues and Other Sources	<u>17,691,775</u>	<u>17,691,775</u>	<u>18,049,321</u>	<u>357,546</u>
<b>Expenditures and Other Uses:</b>				
General government	2,078,635	2,078,635	1,983,320	95,315
Public safety	6,758,456	6,758,456	6,507,955	250,501
Public works	4,907,314	4,907,314	5,055,760	(148,446)
Health and welfare	83,036	83,036	76,891	6,145
Culture and recreation	1,130,858	1,130,858	1,102,802	28,056
Capital outlay	2,458,723	2,458,723	2,416,468	42,255
Debt service	274,753	274,753	394,637	(119,884)
Total Expenditures and Other Uses	<u>17,691,775</u>	<u>17,691,775</u>	<u>17,537,833</u>	<u>153,942</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>511,488</u>	\$ <u>511,488</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Business-Type Activities <u>Enterprise Funds</u> Sewer <u>Fund</u>
<b><u>ASSETS</u></b>	
Current:	
Cash and short-term investments	\$ 2,643,400
User fees, net of allowance for uncollectibles	179,254
Special assessment	11,874
Intergovernmental receivables	18,770
Other assets	<u>509,072</u>
Total current assets	3,362,370
Noncurrent:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental receivable, net of current portion	148,403
Capital assets:	
Land and construction in progress	2,387,506
Other assets, net of accumulated depreciation	<u>5,073,296</u>
Total noncurrent assets	<u>7,609,205</u>
<b>TOTAL ASSETS</b>	10,971,575
<b><u>LIABILITIES</u></b>	
Current:	
Vouchers payable	146,097
Accrued liabilities	8,406
Due to other funds	14,177
Other liabilities	110,582
Current portion of long-term liabilities:	
Bonds payable	130,000
Other liabilities	<u>214</u>
Total current liabilities	409,476
Noncurrent:	
Bonds payable, net of current portion	350,000
Other liabilities, net of current portion	<u>1,922</u>
Total noncurrent liabilities	<u>351,922</u>
<b>TOTAL LIABILITIES</b>	761,398
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	6,980,802
Unrestricted	<u>3,229,375</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 10,210,177</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities <u>Enterprise Funds</u> Sewer <u>Fund</u>
<b>Operating Revenues:</b>	
Charges for services	\$ 1,426,555
Miscellaneous	<u>1,710</u>
Total Operating Revenues	1,428,265
<b>Operating Expenses:</b>	
Sewer treatment	859,184
Depreciation	<u>653,857</u>
Total Operating Expenses	<u>1,513,041</u>
Operating Income (Loss)	(84,776)
<b>Nonoperating Revenues (Expenses):</b>	
Investment income	1,678
Intergovernmental revenue	987,794
Interest expense	<u>(24,690)</u>
Total Nonoperating Revenues (Expenses), Net	<u>964,782</u>
Income (Loss) Before Transfers	880,006
<b>Transfers:</b>	
Transfers out	<u>(158,301)</u>
Change in Net Assets	721,705
Net Assets at Beginning of Year	<u>9,488,472</u>
Net Assets at End of Year	<u>\$ 10,210,177</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities Enterprise Funds Sewer Fund
<b><u>Cash Flows From Operating Activities:</u></b>	
Receipts from customers and users	\$ 1,445,618
Payments to vendors and employees	<u>(1,184,148)</u>
Net Cash Provided By (Used For) Operating Activities	261,470
<b><u>Cash Flows from Noncapital and Related Financing Activities:</u></b>	
Transfers to other funds	<u>(158,301)</u>
Net Cash (Used For) Noncapital and Related Financing Activities	(158,301)
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>	
Acquisition and construction of capital assets	(935,538)
Subsidy from State grants	914,267
Principal payments on bonds and notes	(235,000)
Interest expense	<u>(24,690)</u>
Net Cash (Used For) Capital and Related Financing Activities	(280,961)
<b><u>Cash Flows From Investing Activities:</u></b>	
Investment income	<u>1,678</u>
Net Cash (Used For) Investing Activities	<u>1,678</u>
Net Change in Cash and Short-Term Investments	(176,114)
Cash and Short-Term Investments, Beginning of Year	<u>2,819,514</u>
Cash and Short-Term Investments, End of Year	<u>\$ 2,643,400</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u></b>	
Operating income (loss)	\$ (84,776)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	653,857
Changes in assets and liabilities:	
User fees	1,041
Special assessments	16,312
Other assets	(281,883)
Vouchers payable	(36,880)
Accrued liabilities	(4,495)
Other liabilities	<u>(1,706)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 261,470</u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2011

	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
<b><u>ASSETS</u></b>		
Cash and short term investments	\$ -	\$ 833,544
Investments	<u>412,962</u>	<u>-</u>
Total Assets	412,962	833,544
<b><u>LIABILITIES</u></b>		
Escrow deposits	<u>-</u>	<u>833,544</u>
Total Liabilities	<u>-</u>	<u>833,544</u>
<b><u>NET ASSETS</u></b>		
Total net assets held in trust	\$ <u><u>412,962</u></u>	\$ <u><u>-</u></u>

See notes to financial statements.

TOWN OF GOFFSTOWN, NEW HAMPSHIRE  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Private Purpose Trust Funds</u>
<b>Additions:</b>	
Investment income	\$ <u>19,127</u>
Total additions	19,127
<b>Deductions:</b>	
Other	<u>10,036</u>
Total deductions	<u>10,036</u>
Net increase	9,091
<b>Net assets:</b>	
Beginning of year	<u>403,871</u>
End of year	\$ <u><u>412,962</u></u>

See notes to financial statements.

# TOWN OF GOFFSTOWN, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Goffstown, New Hampshire (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### A. Reporting Entity

The government is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2011, it was determined that no entities met the required GASB-39 criteria of component units.

#### B. Government-Wide and Fund Financial Statements

##### Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

##### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual govern-

mental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with

a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the sewer enterprise fund as a major proprietary fund.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

#### D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

#### E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the Trust Funds consist of marketable securities, bonds, and short-term money market investments. Investments are carried at market value.

*F. Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans).

*G. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (for enterprise funds only) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Infrastructure	30 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

*H. Compensated Absences*

It is the government’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

J. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net assets”.

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town’s fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government (i.e., the Board of Selectmen).
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt,

consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

K. Use of Estimates

The preparation of basic 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 and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. **Stewardship, Compliance, and Accountability**

A. Budgetary Information

The Town's budget is originally prepared by the Selectmen's office with the cooperation of the various department heads. It is then submitted to the Budget Committee, in accordance with the Municipal Budget Law. After reviewing the budget, the Committee holds a public hearing for discussion.

The final version of the budget is then submitted for approval at the annual Town meeting. The approved budget is subsequently reported to the State of New Hampshire on the statement of appropriation form in order to establish the current property tax rate.

The Selectmen cannot increase the total of the approved budget, however, they have the power to reclassify its components when necessary.

B. Budgetary Basis

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 18,172,670	\$ 17,620,486
Other financing sources/uses (GAAP basis)	<u>208,254</u>	<u>-</u>
Subtotal (GAAP Basis)	18,380,924	17,620,486
Adjust tax revenue to accrual basis	(388,600)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(823,545)
Add end-of-year appropriation carryforwards from expenditures	-	935,219
To reverse the effect of non- budgeted State contributions for police retirement	(80,545)	(80,545)
Recognize use of fund balance as funding source	100,000	-
GAAP timing differences	(104,186)	(113,782)
To eliminate capital reserve activity	<u>141,728</u>	<u>-</u>
Budgetary basis	<u>\$ 18,049,321</u>	<u>\$ 17,537,833</u>

### 3. Cash and Short-Term Investments

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. RSA 48:16 limits "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a Town with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank." Although the Town has an investment policy, it does not discuss custodial credit risk.

As of December 31, 2011, \$110,990 of the Town's bank balance of \$ 17,319,612 was exposed to custodial credit risk as uninsured or uncollateralized.

#### 4. Investments

##### A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year end for each investment of the Town:

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				Aaa	Aa	Not Rated
U.S. Treasury notes	\$ 234,543	N/A	\$ -	\$ 178,051	\$ 56,492	\$ -
Corporate equities	614,032	N/A	614,032	-	-	-
Federal agency securities	<u>252,096</u>		<u>-</u>	<u>252,096</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 1,100,671</u>		<u>\$ 614,032</u>	<u>\$ 430,147</u>	<u>\$ 56,492</u>	<u>\$ -</u>

##### B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Although the Town has an investment policy, it does not discuss custodial credit risk.

All of the investments are subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and held by the Town's brokerage firm, which is also the counterparty to these securities.

##### C. Concentration of Credit Risk

Since the Town's investments all relate to trust funds, the Trustees of Trust Funds determines investment allocations for the Town's current investments. The Trustees have not placed a limit on the amount the Town may invest in any one issuer.

##### D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Although the Trustees of Trust Funds have an investment policy, the policy does not limit investment maturities as a means of managing the Town's exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>
Debt Related Securities:			
U.S. Treasury notes	\$ 234,543	\$ 45,043	\$ 189,500
Federal agency securities	<u>252,096</u>	<u>51,006</u>	<u>201,090</u>
Total	<u>\$ 486,639</u>	<u>\$ 96,049</u>	<u>\$ 390,590</u>

**5. Restricted Cash**

Restricted cash represents capital reserve funds held by the trustees of trust funds as of December 31, 2011.

**6. Taxes Receivable**

The Town bills property taxes semi-annually, in May and November. Property tax revenues are recognized in the fiscal year for which taxes have been levied. Property taxes are due on July 1 and December 1. Delinquent accounts are charged 12% interest. In March of the next year, a lien is recorded on delinquent property at the Registry of Deeds. The Town purchases all the delinquent accounts by paying the delinquent balance, recording costs, and accrued interest. The accounts that are liened by the Town will be reclassified from property taxes receivable to unredeemed tax liens receivable. After this date, delinquent accounts will be charged interest at a rate of 18%. The Town annually budgets amounts (overlay for abatements) for property tax abatements and refunds.

Taxes receivable at December 31, 2011 consist of the following:

Real estate:	
2011 levy	\$ 1,455,680
Current use tax:	
2011 levy	20,358
Unredeemed taxes	
2010 levy	357,006
2009 levy	199,692
2008 levy	15,053
2007 and prior levy	11,052
Elderly liens	<u>48,394</u>
Total	<u>\$ 2,107,235</u>

**7. Allowance for Doubtful Accounts**

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 138,384	\$ -
Emergency Medical Services	\$ 247,152	\$ -
Utilities	\$ -	\$ 21,189

**8. Intergovernmental Receivables**

This balance in Governmental funds represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2011, while the balance in the Sewer fund represents reimbursements from the State of New Hampshire to help finance future debt service costs on certain bonds payable.

**9. Interfund Fund Receivables/Payables**

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the December 31, 2011 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 41,410	\$ 32,822
Special Revenue Funds:		
Emergency medical services	-	27,233
Conservation	32,822	-
Enterprise Funds	-	14,177
Total	<u>\$ 74,232</u>	<u>\$ 74,232</u>

## 10. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 3,789	\$ -	\$ -	\$ 3,789
Machinery, equipment, and furnishings	8,967	1,167	(315)	9,819
Infrastructure	<u>26,520</u>	<u>627</u>	<u>-</u>	<u>27,147</u>
Total capital assets, being depreciated	39,276	1,794	(315)	40,755
Less accumulated depreciation for:				
Buildings and improvements	(2,191)	(81)	294	(1,978)
Machinery, equipment, and furnishings	(4,959)	(542)	-	(5,501)
Infrastructure	<u>(7,501)</u>	<u>(663)</u>	<u>-</u>	<u>(8,164)</u>
Total accumulated depreciation	<u>(14,651)</u>	<u>(1,286)</u>	<u>294</u>	<u>(15,643)</u>
Total capital assets, being depreciated, net	24,625	508	(21)	25,112
Capital assets, not being depreciated:				
Land	5,442	11	-	5,453
Construction in progress	<u>1,238</u>	<u>249</u>	<u>-</u>	<u>1,487</u>
Total capital assets, not being depreciated	<u>6,680</u>	<u>260</u>	<u>-</u>	<u>6,940</u>
Governmental activities capital assets, net	<u>\$ 31,305</u>	<u>\$ 768</u>	<u>\$ (21)</u>	<u>\$ 32,052</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Machinery, equipment, and furnishings	\$ 31	\$ -	\$ -	\$ 31
Infrastructure	<u>13,077</u>	<u>-</u>	<u>-</u>	<u>13,077</u>
Total capital assets, being depreciated	13,108	-	-	13,108
Less accumulated depreciation for:				
Machinery, equipment, and furnishings	(31)	-	-	(31)
Infrastructure	<u>(7,350)</u>	<u>(654)</u>	<u>-</u>	<u>(8,004)</u>
Total accumulated depreciation	<u>(7,381)</u>	<u>(654)</u>	<u>-</u>	<u>(8,035)</u>
Total capital assets, being depreciated, net	5,727	(654)	-	5,073
Capital assets, not being depreciated:				
Construction in progress	<u>1,452</u>	<u>936</u>	<u>-</u>	<u>2,388</u>
Total capital assets, not being depreciated	<u>1,452</u>	<u>936</u>	<u>-</u>	<u>2,388</u>
Business-type activities capital assets, net	<u>\$ 7,179</u>	<u>\$ 282</u>	<u>\$ -</u>	<u>\$ 7,461</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 21,156
Public safety	282,444
Highway and streets	958,901
Culture and recreation	<u>23,211</u>
Total depreciation expense - governmental activities	<u>\$ 1,285,712</u>
Business-Type Activities:	
Sewer	<u>\$ 653,857</u>
Total depreciation expense - business-type activities	<u>\$ 653,857</u>

**11. Vouchers Payable**

Vouchers payable represent 2011 expenditures paid after December 31, 2011.

**12. Deferred Revenue**

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund *deferred revenues* account is equal to the total of all December 31, 2011 receivable balances, except property taxes that are accrued for subsequent 60 day collections and an amount deferred for a grant that has been awarded and not yet requested.

**13. Long-Term Debt**

A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
	Through		as of
			<u>12/31/11</u>
<u>Governmental Activities:</u>			
State revolving loan program	06/16/16	2.78%	\$ 820,000
State revolving loan program	10/01/17	3.47%	25,863
Lynchvill/Danis Park	07/01/20	2.86%	<u>771,914</u>
Total Governmental Activities:			<u>\$ 1,617,777</u>

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 12/31/11</u>
07/98 Sewer Bond	08/15/13	3.90-5.00%	\$ 105,000
08/01 Sewer Bond	08/15/16	4.50%	<u>375,000</u>
Total Business-Type Activities:			<u>\$ 480,000</u>

**B. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding as of December 31, 2011 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 199,447	\$ 53,571	\$ 253,018
2013	200,339	46,416	246,755
2014	201,256	39,237	240,493
2015	202,200	32,030	234,230
2016	203,170	24,946	228,116
2017 - 2021	194,162	76,362	270,524
2022 - 2026	266,203	53,261	319,464
Thereafter	<u>151,000</u>	<u>8,731</u>	<u>159,731</u>
Total	<u>\$ 1,617,777</u>	<u>\$ 334,554</u>	<u>\$ 1,952,331</u>

The general fund has been designated as the sole source to repay the governmental-type general obligation long-term debt outstanding as of December 31, 2011.

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 130,000	\$ 22,706	\$ 152,706
2013	125,000	16,581	141,581
2014	75,000	10,631	85,631
2015	75,000	7,163	82,163
2016	<u>75,000</u>	<u>3,600</u>	<u>78,600</u>
Total	<u>\$ 480,000</u>	<u>\$ 60,681</u>	<u>\$ 540,681</u>

**C. Changes in General Long-Term Liabilities**

During the year ended December 31, 2011, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 1/1/11	Additions	Reductions	Total Balance 12/31/11	Less Current Portion	Equals Long-Term Portion 12/31/11
<u>Governmental Activities</u>						
Bonds payable	\$ 1,914	\$ -	\$ (296)	\$ 1,618	\$ (199)	\$ 1,419
Other:						
Landfill closure	748	-	(34)	714	(34)	680
OPEB liability	562	193	-	755	-	755
Accrued employee benefits	159	12	-	171	(18)	153
Totals	<u>\$ 3,383</u>	<u>\$ 205</u>	<u>\$ (330)</u>	<u>\$ 3,258</u>	<u>\$ (251)</u>	<u>\$ 3,007</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 715	\$ -	\$ (235)	\$ 480	\$ (130)	\$ 350
Other:						
Accrued employee benefits	2	-	-	2	-	2
Totals	<u>\$ 717</u>	<u>\$ -</u>	<u>\$ (235)</u>	<u>\$ 482</u>	<u>\$ (130)</u>	<u>\$ 352</u>

#### 14. Landfill Closure and Postclosure Care Costs

The Town is required by state and federal laws and regulations to construct a final capping system on its landfill site and perform certain maintenance and monitoring functions at the site for 30 years.

The final capping of the landfill site was completed in September, 2002. The Town has reflected \$ 714,000 as the estimate of the remaining postclosure care liability at December 31, 2011 in the Governmental Activities Statement of Net Assets. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

#### 15. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

Permanent fund restricted net assets are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

## 16. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

In fiscal year 2011, the Town implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at December 31, 2011:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting, capital reserve funds set aside by Town Meeting vote for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54), and various special revenue funds.

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned - Represents amounts that are available to be spent in future periods.

**17. General Fund Unassigned Fund Balance**

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how unassigned fund balance is reported in accordance with the budgetary basis for reporting for the State of New Hampshire for tax rate setting purposes. The major difference is the State of New Hampshire considers revenues in connection with property tax receivables to be available to liquidate liabilities when billed rather than received.

The following summarizes the specific differences between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 3,468,260
Accrued payroll	118,664
Deferred revenue	1,858,756
Allowance for doubtful accounts	(162,800)
Deferred grant	<u>(324,064)</u>
Tax Rate Setting Balance	<u>\$ 4,958,816</u>

**18. Commitments and Contingencies**

Outstanding Legal Issues - There are several pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**19. Post-Employment Healthcare and Life Insurance Benefits**

**Other Post-Employment Benefits**

The Town implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their

actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

A. Plan Description

The Town provides its eligible retirees, including in some cases their beneficiaries (as govern by RSA 100-A:50), the ability to purchase health, dental, and prescription insurance at the Town's group rates. Although the Town does not supplement the cost of these plans, GASB Statement 45 requires the Town to recognize the liability for the inclusion of any implicit rate subsidies afforded its retirees. This subsidy is generated as a result of the basic nature of insurance - one risk group subsidizes another to arrive at a blended premium, therefore current employees who are young and healthy subsidized the older retirees. As of December 31, 2011, there were 30 retiree subscribers, including eligible spouses and dependents, and 24 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The Town provides medical, prescription drug, mental health/substance abuse, and life insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

C. Funding Policy

Retirees contribute 100% of the cost of the health plan, as determined by the Town. The Town contributes the remainder of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The Town's fiscal 2011 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the Town's annual OPEB cost for the year ending December 31, 2011, the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of January 1, 2008.

Annual Required Contribution (ARC)	\$ 254,544
Interest on net OPEB obligation	14,762
Adjustment to ARC	<u>(15,867)</u>
Annual OPEB cost	253,439
Contributions made	<u>(60,626)</u>
Increase in net OPEB obligation	192,813
Net OPEB obligation - beginning of year	<u>561,874</u>
Net OPEB obligation - end of year	<u><u>\$ 754,687</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 253,439	23.9%	\$ 754,687
2010	\$ 253,439	23.9%	\$ 561,874

*E. Funded Status and Funding Progress*

The funded status of the plan as of January 1, 2008, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 2,065,337
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 2,065,337</u></u>
Funded ratio (actuarial value of plan assets/AAL)	<u><u>0.0%</u></u>
Covered payroll (active plan members)	<u><u>\$ 5,745,877</u></u>
UAAL as a percentage of covered payroll	<u><u>35.9%</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial

value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*F. Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Town and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the Town has not advanced funded its obligation. The actuarial assumptions included a 4.25% investment rate of return and an initial annual healthcare cost trend rate of 10% which decreases to a 5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 3.5%.

**20. Retirement System**

The Town follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

*A. Plan Description*

Full-time employees participate in the State of New Hampshire Retirement System (the System), a multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The 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 system. 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 New Hampshire Retirement System, a Public Employees Retirement system (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters

belong to *Group II*. All assets are held in a single trust and are available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

**B. Funding Policy**

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees, 11.55% for police and 11.80% for fire. The Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, for January – June 2011, 9.16% for employees, 14.63% for police, and 18.52% for fire, for July – August 2011, 11.09% for employees, 25.57% for police, and 30.90% for fire and then August – December 31, 2011, 8.80% for employees, 19.95% for police, and 22.89% for fire. The Town's contributions to the System for the years ended December 31, 2011, 2010, and 2009 were \$ 957,429, \$ 842,459, and \$ 761,277, respectively, which were equal to its annual required contributions for each of these years.

The payroll for employees covered by the System for the year ended December 31, 2011 was \$ 7,157,774.

**21. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

**22. Beginning Fund Balance Reclassification**

The Town's major governmental funds for fiscal year 2011, as defined by GASB Statement 54, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity 12/31/10 (as previously reported)	<u>Reclassification</u>	Fund Equity 12/31/10 (as restated)
General Fund	\$ 3,561,876	\$ 410,864	\$ 3,972,740
Nonmajor Funds	<u>1,897,562</u>	<u>(410,864)</u>	<u>1,486,698</u>
Total	<u>\$ 5,459,438</u>	<u>\$ -</u>	<u>\$ 5,459,438</u>

The reclassification was due to reclassifying Capital Reserve Funds from the Non Major Funds into the General Fund per GASB 54. Accordingly, the following table is provided to reflect a bridge of the ending balances of the current year under GASB 54:

	<u>Non Spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General Fund						
Reserve for:						
Encumbrance	\$ -	\$ -	\$ -	\$ 935,219	\$ -	\$ 935,219
Special purposes	-	-	-	60,563	-	60,563
Capital Reserve	-	-	269,136	-	-	269,136
Undesignated	-	-	-	-	3,468,260	3,468,260
sub total	<u>-</u>	<u>-</u>	<u>269,136</u>	<u>995,782</u>	<u>3,468,260</u>	<u>4,733,178</u>
Non Major						
Special Revenue	-	443,641	-	-	-	443,641
Permanent Funds	<u>556,477</u>	<u>393,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>950,441</u>
sub total	<u>556,477</u>	<u>837,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,394,082</u>
Grand Total	<u>\$ 556,477</u>	<u>\$ 837,605</u>	<u>\$ 269,136</u>	<u>\$ 995,782</u>	<u>\$ 3,468,260</u>	<u>\$ 6,127,260</u>

TOWN OF GOFFSTOWN, NEW HAMPSHIRE  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 ANNUALLY BUDGETED SPECIAL REVENUE FUNDS (EMERGENCY MEDICAL SERVICES)  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues:</b>				
Charges for services	\$ 372,932	\$ 372,932	\$ 416,686	\$ 43,754
Investment income	-	-	107	107
Use of fund balance	<u>238,000</u>	<u>238,000</u>	<u>238,000</u>	<u>-</u>
Total Revenues	610,932	610,932	654,793	43,861
<b>Expenditures:</b>				
Public safety	<u>610,932</u>	<u>610,932</u>	<u>563,350</u>	<u>47,582</u>
Total Expenditures	<u>610,932</u>	<u>610,932</u>	<u>563,350</u>	<u>47,582</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,443</u>	<u>\$ 91,443</u>

See Independent Auditors' Report.

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE  
SCHEDULE OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2011  
(Unaudited)**

**Other Post-Employment Benefits**

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Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percent- age of Covered Payroll <u>[(b-a)/c]</u>
01/01/08	\$ -	\$ 2,065,337	\$ 2,065,337	0.0%	\$ 5,745,877	35.9%

See Independent Auditors' Report.