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*TOWN OF ATKINSON,
NEW HAMPSHIRE*

FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITOR'S
REPORT THEREON)

FOR THE YEAR ENDED
DECEMBER 31, 2010

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AND SUPPLEMENTAL SCHEDULES**

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Roberts, Greene & Drolet, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of Atkinson
Atkinson, New Hampshire

We have audited the accompanying financial statements of the governmental activities, general fund, and the aggregate remaining fund information of the Town of Atkinson as of and for the year ended December 31, 2010, 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 Atkinson's management. 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 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, general fund, and the aggregate remaining fund information of the Town of Atkinson, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Atkinson has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

October 5, 2011

Roberts, Greene & Drolet, PLLC

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BASIC FINANCIAL STATEMENTS

TOWN OF ATKINSON, NEW HAMPSHIRE
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and Equivalents	\$ 7,365,660
Temporary Investments	1,148,619
Taxes Receivable	894,906
Accounts Receivable	3,512
Due from Other Governments	7,367
Property by Tax Deed and Title	<u>884</u>
Capital Assets:	
Land and Improvements	4,411,327
Buildings and Improvements	5,731,133
Infrastructure	2,027,313
Furniture, Equipment and Vehicles	1,793,328
Less: Accumulated Depreciation	<u>(2,950,732)</u>
Total Capital Assets, Net of Depreciation	<u>11,012,369</u>
 TOTAL ASSETS	 <u><u>\$ 20,433,317</u></u>
	(Continued)

TOWN OF ATKINSON, NEW HAMPSHIRE
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	<u>Governmental Activities</u>
LIABILITIES	
Accounts Payable	\$ 68,953
Due to Other Governments	6,095,936
Accrued Liabilities	81,029
Deferred Revenues - Bond Premium	16,575
Noncurrent Liabilities:	
Portion Due or Payable Within One Year:	
Obligations Under Capital Leases	10,043
Bonds and Notes	85,000
Portion Due or Payable After One Year:	
Bonds and Notes	1,360,000
Compensated Absences	10,097
Total Liabilities	<u>7,727,633</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	9,557,326
Restricted for:	
Capital Reserves	608,886
Conservation Commission	427,446
Permanent Funds:	
Nonexpendable	83,013
Expendable	73,149
Unrestricted	1,955,864
Total Net Assets	<u>\$ 12,705,684</u>

The Accompanying Notes are an Integral Part of This Financial Statement

TOWN OF ATKINSON, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
General Government	\$ 1,030,112	\$ 1,297,426	\$ 7,367	\$ -	\$ 274,681	\$ 274,681
Fire Department	367,045	-	-	10,230	(356,815)	(356,815)
Police	779,899	61,258	-	14,117	(704,524)	(704,524)
Highways and Streets	633,698	-	-	567,392	(66,306)	(66,306)
Sanitation	603,673	-	-	-	(603,673)	(603,673)
Health and Welfare	76,384	-	-	-	(76,384)	(76,384)
Culture and Recreation	195,720	45,570	-	25,000	(125,150)	(125,150)
Conservation	2,728	22,815	-	-	20,087	20,087
Library	434,096	-	-	-	(434,096)	(434,096)
Intergovernmental:						
School District	12,131,936	-	-	-	(12,131,936)	(12,131,936)
County	895,947	-	-	-	(895,947)	(895,947)
Interest on Long-term Debt	70,132	-	-	-	(70,132)	(70,132)
Total	\$ 17,221,370	\$ 1,427,069	\$ 7,367	\$ 616,739	(15,170,195)	(15,170,195)
General Revenues:						
Taxes:						
Property Taxes:						
Levied for General Purposes					2,301,881	2,301,881
Levied for Education					12,131,936	12,131,936
Levied for the County					895,947	895,947
Other Taxes					55,134	55,134
Grants and Contributions Not Restricted to Specific Programs					462,478	462,478
Interest and Investment Earnings					11,354	11,354
Gain (Loss) on Disposal of Capital Assets					(8,131)	(8,131)
Miscellaneous					23,035	23,035
Transfers						
Total General Revenues, Special Items and Transfers					15,873,634	15,873,634
Change in Net Assets					703,439	703,439
Net Assets, Beginning of Year, Restated					12,002,245	12,002,245
Net Assets, End of Year					\$ 12,705,684	\$ 12,705,684

The Accompanying Notes are an Integral Part of This Financial Statement

TOWN OF ATKINSON, NEW HAMPSHIRE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Major Funds General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Equivalents	\$ 7,279,816	\$ 85,844	\$ 7,365,660
Temporary Investments	7,066	1,141,553	1,148,619
Taxes Receivable	894,906	-	894,906
Accounts Receivable	-	3,512	3,512
Due From Other Governments	7,367	-	7,367
Due From Other Funds	-	26,915	26,915
Property by Tax Deed or Title	884	-	884
TOTAL ASSETS	\$ 8,190,039	\$ 1,257,824	\$ 9,447,863
LIABILITIES			
Accounts Payable	\$ 68,953	\$ -	\$ 68,953
Accrued Liabilities	48,981	6,677	55,658
Due to Other Governments	6,095,936	-	6,095,936
Due to Other Funds	26,915	-	26,915
Deferred Revenue - Property Taxes	613,327	-	613,327
TOTAL LIABILITIES	6,854,112	6,677	6,860,789
FUND BALANCES			
Reserved for Encumbrances	92,972	-	92,972
Permanent Fund	-	83,013	83,013
Undistributed Net Revenues of Permanent Fund	-	73,149	73,149
Undesignated Reported In:			
General Fund	1,242,955	-	1,242,955
Special Revenue Funds	-	1,094,985	1,094,985
Capital Projects Funds	-	-	-
TOTAL FUND BALANCES	1,335,927	1,251,147	2,587,074
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,190,039	\$ 1,257,824	\$ 9,447,863

(Continued)

TOWN OF ATKINSON, NEW HAMPSHIRE
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2010

Total Governmental Fund Balances (Previous Page) \$ 2,587,074

Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because of the Following Items:

Capital Assets Used in Governmental Activities Are NOT Financial Resources and Therefore Are NOT Reported in the Funds.

11,012,369

Long-term Liabilities, Including Bonds Payable and Unmatured Compensated Absences, Are NOT Due and Payable in the Current Period and Therefore Are NOT Reported in the Funds.

(1,507,086)

Long-term Assets, such as Property Taxes Not Collected Within Sixty Days of Year End, Are NOT Available to Pay for Current-period Expenditures and Therefore Are Deferred in the Funds.

613,327

\$ 12,705,684

Net Assets of Governmental Activities - Statement 1

TOWN OF ATKINSON, NEW HAMPSHIRE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General			
Revenues				
Taxes	\$ 15,289,553	\$ -	-	\$ 15,289,553
Licenses, Permits and Fees	1,291,633	-	-	1,291,633
Intergovernmental	502,161	-	-	502,161
Charges for Services	42,735	69,883	-	112,618
Interest and Dividends	7,943	3,411	-	11,354
Miscellaneous	161,212	43,691	-	204,903
Total Revenues	17,295,237	116,985		17,412,222
Expenditures				
Town:				
General Government	884,436	54,970	-	939,406
Public Safety	1,029,379	68,165	-	1,097,544
Highways and Streets	350,559	-	-	350,559
Sanitation	603,673	-	-	603,673
Health	73,478	-	-	73,478
Welfare	2,906	-	-	2,906
Culture and Recreation	183,702	368,518	-	552,220
Conservation	2,728	-	-	2,728
Debt Service	161,388	-	-	161,388
Capital Outlay	235,832	-	-	235,832
Total Town Expenditures	3,528,081	491,653		4,019,734

(Continued)

The Accompanying Notes are an Integral Part of This Financial Statement

TOWN OF ATKINSON, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General			
<i>Other Governmental Units:</i>				
School District Assessment	\$ 12,131,936	\$ -	-	\$ 12,131,936
County Taxes	895,947	-	-	895,947
<i>Total Other Governmental Units</i>	<u>13,027,883</u>	<u>-</u>	<u>-</u>	<u>13,027,883</u>
<i>Total Expenditures</i>	<u>16,555,964</u>	<u>491,653</u>	<u>491,653</u>	<u>17,047,617</u>
Excess (Deficiency) of Revenues Over Expenditures	739,273	(374,668)		364,605
<i>Other Financing Sources (Uses)</i>				
Capital Lease Proceeds	-	-	-	-
Operating Transfers In	-	474,214	474,214	474,214
Operating Transfers (Out)	(472,428)	(1,786)	(1,786)	(474,214)
Total Other Financing Sources (Uses)	<u>(472,428)</u>	<u>472,428</u>	<u>472,428</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	266,845	97,760		364,605
Fund Balances, Beginning of Year, Restated	1,069,082	1,153,387		2,222,469
Fund Balances, End of Year	<u>\$ 1,335,927</u>	<u>\$ 1,251,147</u>		<u>\$ 2,587,074</u>

(Continued)

The Accompanying Notes are an Integral Part of This Financial Statement

TOWN OF ATKINSON, NEW HAMPSHIRE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (STATEMENT 2)
FOR THE YEAR ENDED DECEMBER 31, 2010

Net Change in Fund Balances - Total Governmental Funds \$ 364,605

Amounts Reported for Government Activities in the Statement of Activities Are Different Because of the Following Items:

Governmental Funds Report Capital Outlays as Expenditures. In the Statement of Activities the Cost of Those Capital Outlay Items is Capitalized and the Cost of Those Capitalized Assets is Then Charged Over Their Estimated Useful Lives as Depreciation Expense. This is the Amount by Which Depreciation Expense Exceeded Capital Outlay Expenditures in the Current Period. 149,686

The Repayment of Bond or Capital Lease Principal is an Expenditure (Debt Service) in the Governmental Funds. The Repayment of Principal Reduces Long-term Liabilities in the Statement of Net Assets. 99,524

Payment of Interest is Reported as an Expenditure When Due in the Governmental Funds. Interest is Accrued at Year End in the Statement of Activities. 1,348

In the Statement of Activities (Statement 2), Only the Loss on the Disposal of Capital Assets is Reported, Whereas in the Governmental Funds (Statement 4) There is No Use of Financial Resources. As a Result, the Change in Net Assets Differs From the Change in Fund Balance by the Net Book Value of the Disposed Capital Assets. (17,255)

Donations or Contributions of Capitalized Assets on the Statement of Activities Are Recognized as a Capital Contribution Revenue Whereas the Donation of Contribution is NOT Recorded on the Fund Statements. 10,230

Revenues Reported in the Statement of Activities That do NOT Provide Current Financial Resources, Such as Property Tax Revenues Not Collected Within Sixty Days of Year End, Are NOT Reported as Current Year's Revenues in the Funds Statement. 95,345

Some Revenues Reported in the Governmental Funds, Such as Bond Premiums, Are Capitalized and Amortized Over the Life of the Bond in the Statement of Activities. 975

Some Expenses Reported in the Statement of Activities, Such as Compensated Absences, Do NOT Require the Use of Current Financial Resources. Accordingly, They Have NOT Been Reported as Expenditures in the Governmental Funds. (1,019)

Change in Net Assets of Governmental Funds - Statement 2 \$ 703,439

TOWN OF ATKINSON, NEW HAMPSHIRE
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2010

	<u>Agency Funds</u>
<i>ASSETS</i>	
Cash and Equivalents	\$ 70,560
Temporary Investments	-
<i>TOTAL ASSETS</i>	<u>\$ 70,560</u>
<i>LIABILITIES</i>	
Accounts Payable	\$ -
Due to Other Governments	39,019
Due to Specific Individuals	31,541
<i>TOTAL LIABILITIES</i>	<u>\$ 70,560</u>

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

I | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Atkinson, New Hampshire (the Town) is a municipal corporation governed by an elected three member Board of Selectmen. The Town was incorporated in 1767. The Town's annual budget is approved by the voters at the Town Meeting held in March each year and the Selectmen, with the assistance of the Town Administrator, are then responsible for managing the Town's day to day operations during the year within the constraints of the budget that was approved. The Town engages in a comprehensive range of municipal services, including general government administration, public safety, health, welfare, human service programs, planning, community development, recreation, cultural, and library activities.

The accompanying financial statements include the transactions of all funds of the Town and other governmental organizations included in the Town's reporting entity because of the significance of their operations or financial relationships with the Town in accordance with the criteria set forth by the Governmental Accounting Standards Board. The funds' operations as reflected in the financial statements are those under the control of the Town. There are no agencies or entities which should be presented with the Town reporting standards for governmental units.

B. Government-wide and Fund 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 non-fiduciary activities of the Town. 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 is 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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.

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reported as deferred revenues. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purposes of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. 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 Town's fiduciary funds are presented in the fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

The Town reports the following major governmental funds:

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

Non-Major Governmental Fund Types:

Special Revenue Funds – accounts for specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes. Non-major special revenue funds include the Kimball Library, Conservation Commission, Police Special Duty, Mosquito Control Expendable Trust, Capital Reserves and DARE Program.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

Capital Projects Funds – account for financial resources segregated for the acquisition or construction of major capital facilities.

Permanent Funds – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the programs—that is, for the benefit of the Town or its citizenry. Permanent funds report trust arrangements in which the Town is the beneficiary, including public-purpose funds previously classified as nonexpendable trust funds. Permanent funds are used for resources legally restricted to cemeteries, libraries, parks, public land maintenance and social services. Non-major permanent funds include Cemetery, Todd, Le Bosquet and Whittaker Trust Funds.

Additionally, the government reports the following funds:

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments. The fiduciary funds of the Town are the private purpose trusts and agency funds (road bonds and school impact fees). For accounting measurement purposes, the private purpose trust funds are accounted for in essentially the same manner as proprietary funds. Private purpose trust funds account for assets of which the principal may not be spent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are NOT included in the government-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB).

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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Town Treasurer is authorized by State statutes to invest excess funds "in obligations of the U.S. Government, in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under laws of the State of New Hampshire or in certificates of deposit of banks incorporated under the laws of the State of New Hampshire or in national banks located within the States of New Hampshire or Massachusetts."

The Town participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24. At year end the Town's total funds on deposit with the Pool were \$1,075,975 and are reported as temporary investments of the General Fund (\$7,066) and Non-Major Governmental Funds (\$1,068,909). At this time, the Pool's investments are limited to "short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire and New Hampshire municipal obligations, certificates of deposit from A1/P1-rated banks, money market mutual funds (maximum 20% portfolio), overnight to 30-day repurchase agreements (no limit, but collateral level at 102% in U.S. Treasury and Government Agency instruments delivered to the Custodian of the Pool) and reverse overnight repurchase agreements with primary dealers or dealer banks."

Under New Hampshire law, the Trustees of Trust Funds may invest:

"Only by deposit in savings bank or in the savings department of a national bank or trust company in this State or in shares of any building and loan association or co-operative bank, incorporated and doing business under the laws of this State or in the shares of any federal savings and loan association, located and doing business in this State or in bonds, notes or other obligations of the United States government or in state, county, town, city, school district, water and sewer district bonds and the notes of towns or cities in this State; and such stocks and bonds as are legal for investment by New Hampshire savings banks and when so invested, the trustees shall not be liable for the loss thereof; and in any common trust fund established by the New Hampshire Charitable Fund in accordance with RSA 292.23."

2. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

The Town semiannually, in May and November, bills and collects its own property taxes as well as property taxes for the School District and for the County. Property tax revenue is recognized in the fiscal year for which taxes have been levied.

Property taxes billed or collected in advance of the fiscal year for which they are levied are recorded as deferred revenue.

Property taxes are due by December. If the taxes are not paid by the following March, a lien is recorded on the property at the Register of Deeds. The lien is a priority tax lien which accrues interest at the rate of 18% per annum. If the delinquent taxes (“redemptions”) are not paid within two years of the tax lien date, the property is conveyed to the Town by deed and may be subsequently sold at public sale.

The Town budgets, following New Hampshire budget procedures, an amount (\$32,625 in the current year) for property tax abatements and refunds. All abatements and refunds are charged to the account and they are reported net of property tax revenues. The actual total for the current year was \$34,334.

The tax rate for the year was \$15.21; \$2.48 Town, \$.87 County, \$9.67 School District and \$2.19 State Education Tax.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Property by Tax Lien and Title

Elderly Tax Liens – Under New Hampshire Revised Statutes Annotated (RSA) 72:38A, elderly property owners in the Town may request that the Town file a tax lien against their property for the amount of their annual property taxes. Interest accrues annually at 5% and is payable along with the property taxes from the individual’s estate.

Other Tax Liens – Under New Hampshire Revised Statutes Annotated, if property taxes have not been paid within two years of the tax lien date, the property may be conveyed to the Town by deed.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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>
Land Improvements	20
Building and Improvements	15-40
Infrastructure - Roads	15
Infrastructure - Bridges	50
Furniture, Equipment and Vehicles	3-20

Pursuant to GASB Statement #34, Phase 3 governments “are encouraged but are NOT required to report major infrastructure assets retroactively.” Accordingly, the Town had elected to report its general infrastructure assets beginning with the effective date of the Statement – the year ended December 31, 2004.

6. Compensated Absences

The Town allows employees to accumulate vacation leave to a maximum of 10 days. Upon termination, leave will be paid to the employee. Accrued vacation time (prior year carryover and current year pro-rated) is paid upon termination.

All compensated absences are accrued when incurred in the government-wide 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.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- Encumbrances – These monies have been reserved for goods and services encumbered, or ordered before the end of the fiscal year, for which delivery of goods and services had not been made prior to the close of the fiscal year.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation.

- Prepaids – These monies have been reserved for reported prepaids in the General Fund to comply with accounting standards.

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of any debt used for the acquisition, construction or improvement of those capital assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provision or enabling legislation or through external restrictions imposed by creditors, grantors or law or regulations of other governments. The Town reports the following restricted net asset categories:

Capital Reserves – Under New Hampshire RSA 35:1, the Town may raise and appropriate funds for the “construction, reconstruction or acquisition of a specific capital improvement, or the acquisition of a specific item or specific items of equipment.” Amounts that have been appropriated at Town Meeting are reported as restricted net assets at year end.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

Conservation Commission – Under New Hampshire RSA 36-A: 5 the Town may place funds “in a conservation fund and allowed to accumulate from year to year. Money may be expended from said fund by the conservation commission.” The Conservation Commission fund is reported as restricted net assets at year end.

Permanent Funds: Nonexpendable – The nonexpendable and expendable portions of permanent funds are reported as a component of restricted net assets.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

10. Restatement of Beginning Fund Balance/ Net Assets

Fund Balance and Net Assets have been restated as follows:

	General Fund Fund Balance	Governmental Activities Net Assets
Fund Balance/Net Assets as previously reported	\$ 1,587,064	\$ 11,984,318
Correction of Beginning Cost – Infrastructure	-	33,614
Correction of Beginning Accumulated – Infrastructure	-	(15,687)
Restatement for Deferred Property Taxes – Not Collected Within Sixty Days of Year End	(517,982)	-
Fund Balance/Net Assets as Restated	<u>\$ 1,069,082</u>	<u>\$ 12,002,245</u>

II | RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable and unmatured compensated absences, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ (1,445,000)
Add: Accrued Interest Payable on Bonds and Capital Leases at Year End	(25,371)
Capital Leases Payable	(10,043)
Bond Premium	(16,575)
Compensated Absences	(10,097)
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Assets – Governmental Activities	<u>\$ (1,507,086)</u>

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those ASSETS is then charged over their estimated useful lives as depreciation expense." The details of this difference are as follows:

Capital Outlay	\$ 496,891
Depreciation Expense	<u>(347,205)</u>
Net Adjustment to Increase Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 149,686</u>

Another element of that reconciliation states that "the repayment of bond and capital lease principal is an expenditure (debt service) in the governmental funds. The repayment of principal reduces long-term liabilities in the statement of net assets." The details of this difference are as follows:

Debt Issued or Incurred:	
Capital Lease Financing	\$ -
Issuance of General Obligation Bonds	-
Principal Repayments:	
General Obligation Debt	90,000
Payments of Capital Lease	<u>9,524</u>
Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 99,524</u>

III | STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town observes the following procedures in establishing the budgetary data reflected in the financial statements:

Expenditures in budgetary funds are limited to the Town's budget adopted at the annual or special Town meeting subject to RSA Chapter 32. The Selectmen are required by statute to properly enter and record expenditure. They may transfer budget amounts between appropriations, but no new purpose may be introduced that was not contained in the adopted budget. No amounts may be transferred from special warrant articles. Total expenditures may not exceed the total amount approved at the annual or special Town meeting, with certain statutory exceptions.

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

All appropriations lapse at year end unless 1) the expenditure has been legally committed by an outstanding contract or purchase order, 2) the amount is in a special non-lapsing fund such as a Capital Reserve, Special Revenue or Trust Funds, 3) the amount has been raised by a bond issue or is to be received as part of a grant, or 4) is a special warrant article. A special warrant article may be encumbered by the Selectmen for one additional year, or for up to five years, if the original adopted article so states.

Under rules adopted by the Department of Revenue Administration, beginning General Fund fund balance may be used at the discretion of the Selectmen as a revenue source in establishing the tax rate. The General Fund is budgeted.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

IV | DETAILED NOTES ON ALL FUNDS

A. Deposits and Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the Town's deposits was \$7,508,864. At year end, \$7,228,060 of the Town's bank balance of \$7,570,235 was exposed to custodial credit risk as follows:

Collateralized by an Irrevocable Standby Letter of Credit at the Federal Home Loan Bank of Pittsburgh	\$ 4,250,000
Uninsured and Uncollateralized	<u>2,978,060</u>
Total	<u>\$ 7,228,060</u>

B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Other Funds	Total
Receivables:			
Taxes	\$ 703,302	\$ -	\$ 703,302
Tax Liens	213,404	-	213,404
Accounts	-	3,512	3,512
Intergovernmental	-	-	-
Gross Receivables	916,706	3,512	920,218
Less: Allowance for Uncollectibles	<u>(21,800)</u>	<u>-</u>	<u>(21,800)</u>
Net Total Receivables	<u>\$ 894,906</u>	<u>\$ 3,512</u>	<u>\$ 898,418</u>

(Continued on next page)

TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

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. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

C. Capital Assets

Capital asset activity for the year was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,361,917	\$ 14,200	\$ -	\$ 4,376,117
Total Capital Assets, Not Being Depreciated	<u>4,361,917</u>	<u>14,200</u>	<u>-</u>	<u>4,376,117</u>
Capital Assets Being Depreciated:				
Land Improvements	25,250	9,960	-	35,210
Building and Improvements	5,731,133	-	-	5,731,133
Infrastructure – Roads - Restated	1,603,049	424,264	-	2,027,313
Equipment and Vehicles	<u>1,777,884</u>	<u>58,696</u>	<u>(43,252)</u>	<u>1,793,328</u>
Total Capital Assets Being Depreciated	<u>9,137,316</u>	<u>492,920</u>	<u>(43,252)</u>	<u>9,586,984</u>
Less: Accumulated Depreciation for:				
Land Improvements	(6,313)	(1,511)	-	(7,824)
Buildings and Improvements	(1,267,916)	(141,269)	-	(1,409,185)
Infrastructure – Roads - Restated	(402,037)	(112,661)	-	(514,698)
Equipment and Vehicles	<u>(953,259)</u>	<u>(91,764)</u>	<u>25,998</u>	<u>(1,019,025)</u>
Total Accumulated Depreciation	<u>(2,629,525)</u>	<u>(347,205)</u>	<u>25,998</u>	<u>(2,950,732)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,507,791</u>	<u>145,715</u>	<u>(17,254)</u>	<u>6,636,252</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,869,708</u>	<u>\$ 159,915</u>	<u>\$ (17,254)</u>	<u>\$ 11,012,369</u>

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TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

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

Governmental Activities:	Amount
General Government	\$ 35,001
Fire Department	87,924
Police Department	29,896
Highways and Streets	122,192
Culture and Recreation	6,614
Library	<u>65,578</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 347,205</u>

a. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of year end is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Total
Nonmajor Governmental Funds	General	\$ 26,915
Total		<u>\$ 26,915</u>

Interfund Transfers:

Transfer Out:	Transfer In:		Total
	General	Nonmajor	
General	\$ -	\$ 472,428	\$ 472,428
Nonmajor Governmental Funds	-	1,786	1,786
Total	<u>\$ -</u>	<u>\$ 474,214</u>	<u>\$ 474,214</u>

E. Leases

Capital Leases

The Town has entered into lease agreements for financing the acquisition of various vehicles. The lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

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TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

Assets acquired through capital lease are as follows:

	Governmental Activities
Asset:	
Vehicle	\$ 56,838
Less: Accumulated Depreciation	<u>(11,367)</u>
Total	<u>\$ 45,471</u>

The following is a summary of capital lease agreements for the year:

Year Ended December 31,	Amount
2011	\$ 10,590
Less: Amount Representing Interest	<u>(547)</u>
Present Value of Minimum Lease Payments	<u>\$ 10,043</u>

F. Long-Term Debt

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds currently outstanding are as follows:

Bonds Payable	Amount
\$1,714,500 – Library Project, Due in Annual Installments of \$90,000, Plus Interest Which Varies from 4.00% to February 2012, 4.250% to February 2014, 5.00% to February 2020 and 4.75% to August 2027, Final Payment Due August, 2027.	\$ 1,445,000
Total	<u>\$ 1,445,000</u>

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TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2011	\$ 85,000	\$ 67,788
2012	85,000	64,388
2013	85,000	60,775
2014	85,000	57,163
2015	85,000	53,550
2016-2020	425,000	203,996
2021-2025	425,000	100,938
2026-2027	<u>170,000</u>	<u>12,113</u>
Total	<u>\$ 1,445,000</u>	<u>\$ 620,711</u>

Changes in Long-term Liabilities

Long-term liability activity for the year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 1,535,000	\$ -	\$ (90,000)	\$ 1,445,000	\$ 85,000
Capital Leases	19,074	-	(9,031)	10,043	10,043
Compensated Absences	<u>9,078</u>	<u>1,019</u>	<u>-</u>	<u>10,097</u>	<u>-</u>
Governmental Activity - Long-term Liabilities	<u>\$ 1,563,152</u>	<u>\$ 1,019</u>	<u>\$ (99,031)</u>	<u>\$ 1,465,140</u>	<u>\$ 95,043</u>

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

The Town may issue tax anticipation notes annually in advance of the property tax collections in May and December of each year. These notes are necessary to meet the Town's cash flow needs during the year which include the Town's normal operating budget as well as payment to the School District for the School District Assessment. There was no short-debt activity for the year.

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TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

V | OTHER INFORMATION

A. 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; injuries to employees; and natural disasters. The Town, along with numerous other municipalities in the State, is a member of a public entity risk pool in the State currently operating as a common risk management and insurance program for which all political subdivisions in the State are eligible to participate. The pool provides coverage for workers' compensation, property/liability and unemployment insurance. The total premiums paid to the pool for the fiscal year amounted to \$116,761. The member participation agreement permits the pool to make additional assessments to members, should there be a deficiency in contributions for any member year. At this time, the pool foresees no likelihood of an assessment for the current or any prior fiscal year.

B. Contingent Liabilities

Amounts received or receivable from grant 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, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

C. Employee Retirement Systems and Pension Plans

Plan Description - Substantially all Town employees participate in the State of New Hampshire's Retirement System (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All Town full-time employees are eligible to participate in the System. The System is divided into two employee groups: Group I which includes all employees except fire fighters and police officers and Group II which is for fire fighters and police officers (including County Sheriff's Departments). The New Hampshire Retirement System issues annually a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New Hampshire Retirement System, Four Chenell Drive, Concord, NH.

Group I employees who retire at or after age 60 but before age 65 are entitled to retirement benefits equal to 1.667% of the average of their three highest paid years of compensation, multiplied by their years of service. At age 65 the benefit is recalculated at 1.50% of AFC multiplied by their years of service credit. Earlier retirement allowances at reduced rates are available after age 50 with 10 years of service. Benefits fully vest upon reaching 10 years of service or attaining age 60.

Group II employees who attain age 45 with 20 years or more of service are entitled to retirement benefits equal to 2.5% of the average of their three highest paid years of service, multiplied by their years of service, not to exceed 40. Benefits vest ratably beginning after 10 years of service.

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TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

The System also provides death and disability benefits. Cost-of-living increases have been periodically granted to retirees by the State Legislature.

Funding Policy - The System is funded by contributions from both the employees and employers. Group I employees are required by State statute to contribute 5.9% of gross earnings. Group II employees are required to contribute 9.3% of their gross earnings. The employer must, under the same statute, contribute monthly at an actuarially determined rate. The current rates are 8.74% for regular employees, 13.66% for police officers and 17.28% for firefighters) of covered payroll. The contribution requirement for the year was \$77,070, which consisted of \$47,522 from the Town and \$29,548 from employees. The Town's contributions to the System for the years 2009 and 2008 were \$51,815 and \$47,452, respectively. The Town's annual contributions for the three years were equal to the amount required under State statute to be contributed for each year.

D. GASB #45 and Postemployment Benefits

GASB # 45 addresses the reporting of postemployment benefits other than pensions. This includes the healthcare costs that arise from the implicit rate subsidy when current and retired employees are rated together by the insurance provider to determine the health insurance premium cost. New Hampshire RSA 100-A:50 requires that the insurance premiums be rated together ("retired employees shall be deemed to be part of the same group of active employees.....for purposes of determining medical insurance premiums"). This results in the blended insurance rate that is an increased cost for current employees and a lower cost for retired employees, even if the retiree pays 100% of their health insurance premium. The Town currently is a member of a group, along with many other municipalities in the State, that operates a public entity pool that provides health insurance for the municipalities. The Town does NOT currently pay any portion of the health insurance premiums for its retirees.

The Town was required to implement the provisions of GASB #45 for its fiscal year beginning after December 15, 2008, i.e., the year end December 31, 2009. The Town believes that the amount of time and expense required to implement the requirements of GASB #45 are excessive, especially since the Town does NOT pay for retiree health insurance. In addition, the requirement to provide health insurance to retirees is mandated by State RSA's and not by a vote of the Town Meeting. Implementing the requirements of GASB #45 would result in the Town carrying a liability on its full accrual statements (Statement 1) that would never be liquidated. At year end the Town has 17 current employees on its health insurance plan and 4 retirees.

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TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENT

The following is provided for the year end December 31, 2010 for informational purposes only:

- a) Plan Type: The Town provides medical benefits to eligible retirees.
- b) Benefit Costs: The retiree is responsible for the full price of the medical premium.
- c) Premium Costs: At year end, there were seventeen full-time employees covered by the insurance plan and four retired employees on the plan. Monthly premiums were as follows:

<u>Single</u>	<u>Married</u>	<u>Family</u>	<u>Retiree</u>
\$707.44	\$1,414.89	\$1,910.00	\$242.88 to \$707.44

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF ATKINSON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Adopted Budget	Prior Year's Encumbrances	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
<i>Taxes</i>					
Property, Net of Overlay	\$ 15,331,378	\$ -	\$ 15,331,378	\$ 15,329,764	\$ (1,614)
Yield	60	-	60	1,152	1,092
Interest and Penalties	33,500	-	33,500	53,982	20,482
<i>Total Taxes</i>	<u>15,364,938</u>	<u>-</u>	<u>15,364,938</u>	<u>15,384,898</u>	<u>19,960</u>
<i>Licenses and Permits</i>					
Business Licenses and Permits	150	-	150	105	(45)
Motor Vehicle Permit Fees	1,075,712	-	1,075,712	1,211,616	135,904
Building Permits	19,791	-	19,791	54,728	34,937
Other Licenses, Permits and Fees	107,271	-	107,271	25,184	(82,087)
<i>Total Licenses and Permits</i>	<u>1,202,924</u>	<u>-</u>	<u>1,202,924</u>	<u>1,291,633</u>	<u>88,709</u>
<i>Intergovernmental</i>					
Rooms and Meals	287,013	-	287,013	287,013	-
Highway Block Grant	143,130	-	143,130	143,130	-
FEMA	54,685	-	54,685	-	(54,685)
Other State	131	-	131	72,018	71,887
<i>Total Intergovernmental</i>	<u>484,959</u>	<u>-</u>	<u>484,959</u>	<u>502,161</u>	<u>17,202</u>
<i>Charges for Services</i>					
Income from Departments	44,590	-	44,590	42,735	(1,855)
<i>Interest and Dividends</i>					
Interest on Deposits	6,700	-	6,700	7,943	1,243
<i>Miscellaneous</i>					
Sale of Town Property	10,312	-	10,312	9,123	(1,189)
Cable TV Commissions	110,813	-	110,813	110,814	1
Miscellaneous	41,000	-	41,000	41,275	275
<i>Total Miscellaneous</i>	<u>162,125</u>	<u>-</u>	<u>162,125</u>	<u>161,212</u>	<u>(913)</u>
<i>Total Revenues</i>	<u>17,266,236</u>	<u>-</u>	<u>17,266,236</u>	<u>17,390,582</u>	<u>124,346</u>
<i>Other Financing Sources</i>					
Operating Transfers In:					
From Capital Reserves	-	-	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance Used:</i>					
To Reduce the Tax Rate	105,000	-	105,000	-	(105,000)
Appropriated from Fund Balance	15,000	-	15,000	-	(15,000)
For Prior Year's Encumbrances	-	21,550	21,550	-	(21,550)
<i>Total Fund Balance Used</i>	<u>120,000</u>	<u>21,550</u>	<u>141,550</u>	<u>-</u>	<u>(141,550)</u>
<i>Total Revenues and Other Financing Sources</i>	<u>\$ 17,386,236</u>	<u>\$ 21,550</u>	<u>\$ 17,407,786</u>	<u>\$ 17,390,582</u>	<u>\$ (17,204)</u>

(Continued)

TOWN OF ATKINSON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Adopted Budget	Prior Year's Encumbrances	Revised Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
<i>Town:</i>					
<i>General Government</i>					
Executive	\$ 189,785	\$ -	\$ 189,785	\$ 145,389	\$ 44,396
Elections and Registrations	151,635	-	151,635	142,235	9,400
Financial Administration	288,965	-	288,965	292,973	(4,008)
Legal	40,000	-	40,000	37,348	2,652
Personnel Administration	48,413	-	48,413	47,413	1,000
Planning and Zoning	25,623	-	25,623	17,191	8,432
General Government Buildings	87,744	-	87,744	83,451	4,293
Cemeteries	41,881	-	41,881	41,726	155
Insurance	70,348	-	70,348	70,718	(370)
Advertising and Regional Associations	5,992	-	5,992	5,992	-
<i>Total General Government</i>	<u>950,386</u>	<u>-</u>	<u>950,386</u>	<u>884,436</u>	<u>65,950</u>
<i>Public Safety</i>					
Police Department	772,581	-	772,581	701,135	71,446
Ambulance	1	-	1	-	1
Fire Department	265,552	-	265,552	241,720	23,832
Dispatch	37,158	-	37,158	36,830	328
Emergency Management	650	-	650	570	80
Building Inspection	47,060	-	47,060	49,124	(2,064)
<i>Total Public Safety</i>	<u>1,123,002</u>	<u>-</u>	<u>1,123,002</u>	<u>1,029,379</u>	<u>93,623</u>
<i>Highways, Streets, Bridges</i>					
Highways and Streets	403,132	-	403,132	314,940	88,192
Street Lighting	34,100	-	34,100	35,619	(1,519)
<i>Total Highways, Streets, Bridges</i>	<u>437,232</u>	<u>-</u>	<u>437,232</u>	<u>350,559</u>	<u>86,673</u>
<i>Sanitation</i>					
Solid Waste Disposal	573,501	-	573,501	576,489	(2,988)
Recycling	30,671	-	30,671	27,184	3,487
<i>Total Sanitation</i>	<u>604,172</u>	<u>-</u>	<u>604,172</u>	<u>603,673</u>	<u>499</u>
<i>Health</i>					
Administration	6,859	-	6,859	4,952	1,907
Animal Control	22,643	-	22,643	19,578	3,065
Health Agencies and Hospitals	48,948	-	48,948	48,948	-
<i>Total Health</i>	<u>78,450</u>	<u>-</u>	<u>78,450</u>	<u>73,478</u>	<u>4,972</u>
<i>Welfare</i>					
Direct Assistance	12,480	-	12,480	2,906	9,574
<i>Total Welfare</i>	<u>12,480</u>	<u>-</u>	<u>12,480</u>	<u>2,906</u>	<u>9,574</u>
<i>Culture and Recreation</i>					
Parks and Recreation	160,808	-	160,808	147,290	13,518
Cable TV	41,920	-	41,920	34,376	7,544
Patriotic Purposes	2,400	-	2,400	2,036	364
<i>Total Culture and Recreation</i>	<u>\$ 205,128</u>	<u>\$ -</u>	<u>\$ 205,128</u>	<u>\$ 183,702</u>	<u>\$ 21,426</u>

(Continued)

TOWN OF ATKINSON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Adopted Budget	Prior Year's Encumbrances	Revised Budget	Actual	Variance Favorable (Unfavorable)
Conservation					
Conservation Commission	\$ 6,102	\$ -	\$ 6,102	\$ 2,728	\$ 3,374
Total Conservation	6,102	-	6,102	2,728	3,374
Debt Service					
Principal - Long-Term Debt	90,000	-	90,000	90,000	-
Total Principal	90,000	-	90,000	90,000	-
Interest - Long-Term Debt	69,588	-	69,588	71,388	(1,800)
Total Interest	69,588	-	69,588	71,388	(1,800)
Total Debt Service	159,588	-	159,588	161,388	(1,800)
Capital Outlay					
Prior Year's Encumbrances:					
Police Department Generator	-	9,000	9,000	3,373	5,627
Cemetery Development	-	6,200	6,200	4,750	1,450
Seal Coating	-	6,350	6,350	6,350	-
Article #10 - Elderly Affairs Vehicle	19,500	-	19,500	19,115	385
Article #11 - Elderly Affairs Director	100	-	100	100	-
Articles #14 to #20 - Road Paving	166,606	-	166,606	166,606	-
Article #21 - East Road Recreation Area	80,000	-	80,000	35,388	44,612
Article #26 - Kimball House Repairs	20,000	-	20,000	-	20,000
Article #27 - Televised Conservation Meeting	1,000	-	1,000	150	850
Article #30 - Cable Technical Room	18,000	-	18,000	-	18,000
Total Capital Outlay	305,206	21,550	326,756	235,832	90,924
Total Town Expenditures	3,881,746	21,550	3,903,296	3,528,081	375,215
Other Governmental Units:					
School District Assessment	12,131,936	-	12,131,936	12,131,936	-
County Taxes	895,947	-	895,947	895,947	-
Total Other Governmental Units	13,027,883	-	13,027,883	13,027,883	-
Total Expenditures	16,909,629	21,550	16,931,179	16,555,964	375,215
Other Financing Uses					
Operating Transfers Out:					
To Kimball Library	355,147	-	355,147	350,968	4,179
To Mosquito Control Expendable Trust	46,460	-	46,460	46,460	-
To Capital Reserves	75,000	-	75,000	75,000	-
Total Other Financing Uses	476,607	-	476,607	472,428	4,179
Total Expenditures and Other Financing Uses	17,386,236	21,550	17,407,786	17,028,392	379,394
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) Budgetary Basis (Uses) (Budgetary Basis)	-	-	-	362,190	362,190
Adjustments:					
To Adjust Revenues for Deferred Property Taxes	-	-	-	(95,345)	(95,345)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) (GAAP Basis)	-	-	-	266,845	266,845
Fund Balance, Beginning of Year, Restated	1,069,082	-	1,069,082	1,069,082	-
Fund Balance, End of Year	\$ 1,069,082	\$ -	\$ 1,069,082	\$ 1,335,927	\$ 266,845