

TOWN OF ATKINSON, NEW HAMPSHIRE

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013

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Roberts & Greene, 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, the major fund, and the aggregate remaining fund information of the Town of Atkinson, New Hampshire as of and for the year ended December 31, 2013, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Atkinson, New Hampshire as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 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 and economic 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Atkinson's basic financial statements. The combining nonmajor and individual general fund financial schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor and individual general fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

August 29, 2014

Roberts & Acum, PLLC

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Net Position
December 31, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,484,995
Investments	934,605
Intergovernmental receivable	3,400
Other receivables, net of allowance for uncollectibles	748,247
Prepaid items	6,280
Tax deeded property held for resale	885
Capital assets, not being depreciated:	
Land	4,511,917
Capital assets, net of accumulated depreciation:	
Land improvements	166,955
Buildings and building improvements	4,146,423
Machinery, vehicles and equipment	927,711
Infrastructure	2,217,331
Total assets	21,148,749
LIABILITIES	
Accounts payable	16,706
Accrued payroll and benefits	45,060
Accrued interest payable	21,436
Intergovernmental payable	6,385,208
Performance and escrow deposits	3,853
Noncurrent obligations:	
Due within one year:	
Bond payable	85,000
Unamortized bond premium	975
Due in more than one year:	
Bond payable	1,105,000
Unamortized bond premium	12,675
Compensated absences	10,138
Total liabilities	7,686,051
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	28,189
NET POSITION	
Net investment in capital assets	10,780,337
Restricted for:	
Endowments:	
Nonexpendable	83,313
Expendable	72,570
Other purposes	45,977
Unrestricted	2,452,312
Total net position	\$ 13,434,509

The notes to the financial statements are an integral part of this statement.

EXHIBIT 2
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2013

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,093,235	\$ 137,670	\$ 3,570	\$ -	\$ (951,995)
Public safety	1,507,934	135,506	12,224	-	(1,360,204)
Highways and streets	657,927	-	26,761	-	(631,166)
Sanitation	459,868	-	-	-	(459,868)
Health	61,312	-	-	-	(61,312)
Welfare	18,220	-	-	-	(18,220)
Culture and recreation	617,790	50,011	-	-	(567,779)
Conservation	4,539	-	3,400	-	(1,139)
Interest on long-term debt	58,445	-	-	-	(58,445)
Capital outlay	158,151	-	-	133,864	(24,287)
Total governmental activities	<u>\$ 4,637,421</u>	<u>\$ 323,187</u>	<u>\$ 45,955</u>	<u>\$ 133,864</u>	<u>(4,134,415)</u>
General revenues:					
Property taxes					1,959,249
Other taxes					87,326
Licenses and permits					1,437,049
Grants and contributions not restricted to specific programs					299,941
Miscellaneous					253,162
Total general revenues					<u>4,036,727</u>
Change in net position					(97,688)
Net position, beginning					<u>13,532,197</u>
Net position, ending					<u>\$ 13,434,509</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 3
TOWN OF ATKINSON, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2013

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,344,333	\$ 140,662	\$ 7,484,995
Investments	10,099	924,506	934,605
Receivables, net of allowance for uncollectibles:			
Taxes	725,487	-	725,487
Accounts	8,547	14,213	22,760
Intergovernmental	3,400	-	3,400
Interfund receivable	-	1,364	1,364
Prepaid items	-	6,280	6,280
Tax dedeed property held for resale	885	-	885
Total assets	<u>\$ 8,092,751</u>	<u>\$ 1,087,025</u>	<u>\$ 9,179,776</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 16,706	\$ -	\$ 16,706
Accrued salaries and benefits	44,611	449	45,060
Intergovernmental payable	6,385,208	-	6,385,208
Interfund payable	-	1,364	1,364
Escrow and performance deposits	3,853	-	3,853
Total liabilities	<u>6,450,378</u>	<u>1,813</u>	<u>6,452,191</u>
Deferred inflows of resources:			
Deferred revenue	<u>535,930</u>	<u>-</u>	<u>535,930</u>
Fund balances:			
Nonspendable	885	83,313	84,198
Restricted	38,293	118,547	156,840
Committed	68,018	883,352	951,370
Unassigned	999,247	-	999,247
Total fund balances	<u>1,106,443</u>	<u>1,085,212</u>	<u>2,191,655</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,092,751</u>	<u>\$ 1,087,025</u>	<u>\$ 9,179,776</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 4
TOWN OF ATKINSON, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2013

Total fund balances of governmental funds (Exhibit 3)		\$ 2,191,655
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 15,835,665	
Less accumulated depreciation	<u>(3,865,328)</u>	11,970,337
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (1,364)	
Payables	<u>1,364</u>	-
Long-term revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Deferred tax revenue		507,741
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(21,436)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond outstanding	\$ 1,190,000	
Unamortized bond premium	13,650	
Compensated absences payable	<u>10,138</u>	<u>(1,213,788)</u>
Total net position of governmental activities (Exhibit 1)		<u>\$ 13,434,509</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 5
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 2,017,903	\$ -	\$ 2,017,903
Licenses, permits and fees	1,437,049	-	1,437,049
Intergovernmental	479,760	-	479,760
Charges for services	180,053	142,387	322,440
Miscellaneous	73,040	15,856	88,896
Total revenues	<u>4,187,805</u>	<u>158,243</u>	<u>4,346,048</u>
Expenditures:			
Current:			
General government	1,122,582	-	1,122,582
Public safety	1,277,532	104,891	1,382,423
Highways and streets	473,456	-	473,456
Sanitation	459,868	-	459,868
Health	61,312	-	61,312
Welfare	18,220	-	18,220
Culture and recreation	583,469	24,410	607,879
Conservation	4,539	-	4,539
Debt service:			
Principal	85,000	-	85,000
Interest	60,775	-	60,775
Capital outlay	577,494	-	577,494
Total expenditures	<u>4,724,247</u>	<u>129,301</u>	<u>4,853,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(536,442)</u>	<u>28,942</u>	<u>(507,500)</u>
Other financing sources (uses):			
Transfers in	231,401	101,364	332,765
Transfers out	<u>(100,000)</u>	<u>(232,765)</u>	<u>(332,765)</u>
Total other financing sources and uses	<u>131,401</u>	<u>(131,401)</u>	<u>-</u>
Net change in fund balances	(405,041)	(102,459)	(507,500)
Fund balances, beginning	1,511,484	1,187,671	2,699,155
Fund balances, ending	<u>\$ 1,106,443</u>	<u>\$ 1,085,212</u>	<u>\$ 2,191,655</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 6
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
For the Year Ended December 31, 2013

Net change in fund balances of governmental funds (Exhibit 5)		\$ (507,500)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 739,509	
Depreciation expense	<u>(428,139)</u>	
		311,370
The net effect of the disposal of capital assets at less than book value is to decrease net position.		(16,275)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (332,765)	
Transfers out	<u>332,765</u>	
		-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in deferred tax revenue		28,672
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of bond principal	85,000	
Amortization of bond premium	<u>975</u>	
		85,975
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 1,355	
Increase in compensated absences payable	<u>(1,285)</u>	
		<u>70</u>
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ (97,688)</u></u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 7
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ -	\$ 68,564
Investments	10,925	-
Total assets	10,925	68,564
Liabilities:		
Accounts payable	1,000	-
Due to other governmental units	-	36,213
Due to developers	-	32,351
Total liabilities	1,000	68,564
Net position:		
Held in trust for specific purposes	\$ 9,925	\$ -

The notes to the financial statements are an integral part of this statement.

EXHIBIT 8
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

	Private Purpose Trust
Additions:	
New funds	\$ 10,922
Investment earnings:	
Interest	3
Total additions	10,925
Deductions:	
Trust distributions	1,000
Change in net position	9,925
Net position, beginning	-
Net position, ending	\$ 9,925

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Atkinson (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended December 31, 2013.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. Entity Defined

The Town of Atkinson is a municipal corporation governed by a board of selectmen consisting of three members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the Town's financial statements do not include any component units.

I.B.2. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. The major governmental fund is reported in separate columns with composite columns for nonmajor funds.

I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met. The agency funds are custodial in nature and do not measure results of operations.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. However, for purposes of setting the tax rate, property tax revenues are recognized when committed, and no deferral is made.

Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest which are reported as expenditures in the year due.

Major revenues susceptible to accrual are property taxes, intergovernmental amounts, charges for services, and investment income. In general, other revenues are recognized when cash is received.

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 needed.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

I.B.4. Fund Types and Major Funds

Governmental Funds

The Town reports the following major governmental fund:

General Fund – Reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

The Town also reports six nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

Private Purpose Trust Funds – Account for financial resources of the Town used only for the benefit of other entities or individuals.

Agency Funds – Account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town’s agency funds are used to account for performance bonds held in escrow; amounts held on behalf of the Atkinson Basketball Program; and amounts held for school impact fees belonging to the Timberlane Regional School District.

I.C. Assets, Liabilities, and Net Position or Fund Equity

I.C.1. Cash and Investments

The laws of the State of New Hampshire require that the Town’s treasurer have custody of all monies belonging to the Town, other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383.22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Investments are stated at fair value based on quoted market prices. Investments include amounts held by the New Hampshire Public Deposit Investment Pool, which is an external investment pool regulated by the New Hampshire Bank Commissioner and the Commissioner’s Advisory Committee. Participation in the Pool is voluntary and the fair value of its investments is the same as the value of pool shares. The Town library also has an investment in a 24-month certificate of deposit held at Pentucket Bank, a mutual chartered bank of New Hampshire and Massachusetts.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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New Hampshire law authorizes the Town to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

I.C.2. Capital Assets and Depreciation

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Town generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	Years
Land improvements	20
Buildings and building improvements	15-40
Machinery, vehicles and equipment	3-20
Infrastructure	15-50

I.C.3. Long-Term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is not reported in the governmental funds.

I.C.4. Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums based on the number of years in employment. Employees are only permitted to accrue an amount equal to ten days over their annual entitlement. Employees are entitled to their vacation leave upon termination.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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Compensated absences are reported as accrued in the governmental activities' financial statements. Governmental funds report only matured compensated absences payable to currently terminated employees which are included in wages and benefits expenditures.

I.C.5. *Equity*

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, which consists of the balance of the permanent funds whose principal balance is required to be retained in perpetuity and whose income balance is to be used for Town purposes in accordance with trust specifications.
- Restricted for other purposes, which consists of the balance of the library funds.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent funds, and tax deeded property.
- Restricted, which represents the expendable income from permanent funds and the library fund, whose use is limited by law.
- Committed, which consists of balances for which the intended use has been established by Town Meeting vote, or by the Board of Selectmen, and would require an equally formal action to remove those commitments.
- Unassigned, which represents the remaining fund balance in the General Fund in excess of the nonspendable, restricted and committed balances.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

I.D. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2013, \$457,502 of the fund balance from 2012 was used.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Cash

Custodial Credit Risk for Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2013, \$89,755 of the Town of Atkinson's bank balances of \$5,915,137 was exposed to custodial credit risk as uninsured and uncollateralized.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

III.A.2. Receivables, Uncollectible Accounts and Deferred Revenue

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year's billing. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of liened taxes. Properties not redeemed within two years of the date of the tax lien are deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2012 property taxes on June 3rd.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Timberlane Regional School District, and Rockingham County. The Town is responsible for the collection of all these taxes. During the annual tax rate setting process, the Town sets an amount for potential abatements and tax deedings, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

The net assessed valuation as of April 1, 2013, upon which the 2013 property tax levy was based was:

For the New Hampshire education tax	\$ 833,205,847
For all other taxes	\$ 841,711,347

The tax rates and amounts assessed for the year ended December 31, 2013 were as follow:

	<u>Per \$1,000 of Assessed Valuation</u>	
Municipal portion	\$2.61	\$ 2,198,322
School portion:		
State of New Hampshire	\$2.44	2,034,606
Local	\$12.85	10,815,602
County portion	\$1.10	923,232
Total property taxes assessed		<u><u>\$ 15,971,762</u></u>

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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The following details the taxes receivable at year-end:

Property:	
Levy of 2013	\$ 525,829
Unredeemed (under tax lien):	
Levy of 2012	106,567
Levy of 2011	50,641
Levies of 2010 and prior	132,450
Less: allowance for estimated uncollectible taxes	<u>(90,000)</u>
Net taxes receivable	<u><u>\$ 725,487</u></u>

Deferred Revenue

Deferred revenue of \$535,930 at December 31, 2013 represents \$507,741 of 2013 property taxes that were not collected within 60 days of year-end, and therefore, are deferred in accordance with generally accepted accounting principles, and \$28,189 collected in advance of the 2014 property tax levy.

The notes continue on the following page.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

III.A.3. Capital Assets

Changes in Capital Assets

The following table provides a summary of changes in capital assets:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 4,511,917	\$ -	\$ -	\$ 4,511,917
Being depreciated:				
Land improvements	192,947	-	-	192,947
Buildings and building improvements	5,847,834	147,184	-	5,995,018
Machinery, vehicles and equipment	1,909,427	270,409	(259,353)	1,920,483
Infrastructure	2,893,384	321,916	-	3,215,300
Total capital assets being depreciated	<u>10,843,592</u>	<u>739,509</u>	<u>(259,353)</u>	<u>11,323,748</u>
Total all capital assets	<u>15,355,509</u>	<u>739,509</u>	<u>(259,353)</u>	<u>15,835,665</u>
Less accumulated depreciation:				
Land improvements	(18,567)	(7,425)	-	(25,992)
Buildings and building improvements	(1,697,155)	(151,440)	-	(1,848,595)
Machinery, vehicles and equipment	(1,140,638)	(95,212)	243,078	(992,772)
Infrastructure	(823,907)	(174,062)	-	(997,969)
Total accumulated depreciation	<u>(3,680,267)</u>	<u>(428,139)</u>	<u>243,078</u>	<u>(3,865,328)</u>
Net book value, capital assets being depreciated	<u>7,163,325</u>	<u>311,370</u>	<u>(16,275)</u>	<u>7,458,420</u>
Net book value, all capital assets	<u>\$ 11,675,242</u>	<u>\$ 311,370</u>	<u>\$ (16,275)</u>	<u>\$ 11,970,337</u>

Depreciation Expense

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

Governmental activities:	
General government	\$ 109,515
Public safety	124,461
Highways and streets	185,298
Culture and recreation	8,865
Total depreciation expense	<u>\$ 428,139</u>

III.A.4. Restricted Net Position

The government-wide statement of net position includes restricted net position of \$155,883 for public trust funds reported as restricted to reflect purpose restrictions contained in trust indentures.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

III.B. Liabilities

III.B.1 Intergovernmental Payable

The amount due to other governments at December 31, 2013 consists of \$6,385,208 due to the Timberlane Regional School District for the balance of the 2013-2014 school district assessment.

III.B.2 Long-Term Debt

General obligation bonds are approved by the voters and repaid with general revenues (property taxes). These bonds are backed by the full faith and credit of the Town. Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2013	Current Portion
General obligation bond payable:						
Library project	\$ 1,714,500	2007	2027	4.0-5.0	\$ 1,190,000	\$ 85,000
Unamortized bond premium					13,650	975
Compensated absences payable:						
Accrued vacation leave					10,138	-
					<u>\$ 1,213,788</u>	<u>\$ 85,975</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2013:

	General Obligation Bond Payable	Unamortized Bond Premium	Compensated Absences Payable	Total
Balance, beginning	\$ 1,275,000	\$ 14,625	\$ 8,853	\$ 1,298,478
Additions	-	-	1,285	1,285
Reductions	(85,000)	(975)	-	(85,975)
Balance, ending	<u>\$ 1,190,000</u>	<u>\$ 13,650</u>	<u>\$ 10,138</u>	<u>\$ 1,213,788</u>

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the bond outstanding as of year-end are as follow:

Fiscal Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 85,000	\$ 57,163	\$ 142,163
2015	85,000	53,550	138,550
2016	85,000	49,300	134,300
2017	85,000	45,050	130,050
2018	85,000	40,800	125,800
2019-2023	425,000	141,524	566,524
2024-2027	340,000	40,374	380,374
Totals	<u>\$ 1,190,000</u>	<u>\$ 427,761</u>	<u>\$ 1,617,761</u>

III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.”

The amount due to the nonmajor funds from the nonmajor funds represents \$1,364 in accrued interest on the Permanent Fund that will be paid to the Library Fund when the investment matures.

III.C.2. *Transfers*

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made, and distributing trust income and certain voted amounts to the applicable fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

The following schedule reports transfers within the reporting entity:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
General fund	\$ -	\$ 100,000	\$ 100,000
Nonmajor funds	231,401	1,364	232,765
	\$ 231,401	\$ 101,364	\$ 332,765

The amount transferred to the nonmajor Capital Reserves Fund (\$100,000) from the General Fund, and the amount transferred to the General Fund from the Capital Reserves Fund (\$231,401) represent voted appropriations. The amount transferred to the Kimball Library (\$1,364) from the Permanent Fund represents accrued interest earned in an endowment fund.

III.D. Fund Equity

The components of fund balance, as described in note I.C.5, are classified for the following purposes:

	General Fund	Nonmajor Funds
Nonspendable:		
Endowments	\$ -	\$ 83,313
Tax deeded property	885	-
Total nonspendable	885	83,313
Restricted:		
General government	-	72,570
Public safety	38,293	-
Culture and recreation	-	45,977
Total restricted	38,293	118,547
Committed:		
Public safety	-	50,432
Culture and recreation	-	16,253
Conservation	3,018	275,131
Capital outlay	65,000	541,536
Total committed	68,018	883,352
Unassigned	999,247	-
Total fund balance	\$ 1,106,443	\$ 1,085,212

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the Town was a member of the Local Government Center Property-Liability Trust, Inc., which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

Local Government Center Property-Liability Trust, Inc. (the Trust) – This Trust is organized to provide certain property and liability protection to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 to June 30.

Contributions paid in 2013 for fiscal year 2014, ending June 30, 2014, to be recorded as an insurance expenditure/expense totaled \$50,153. There were no unpaid contributions for the year ending June 30, 2014 and due in 2013. The Town paid \$42,852 for workers' compensation for the year ended December 31, 2013. The Town also paid \$6,395 for unemployment compensation for the year. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for the members and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution for police officers and other employees was 11.55% and 7% of gross salaries, respectively. The rates of contribution for pension and the medical subsidy between January 1 and June 30 from the Town were 19.95% for police and 8.80% for other employees. The rates of contribution for pension and the medical subsidy effective July 1 from the Town were 25.30% for police and 10.77% for other employees. Employer contributions from the Town during the years 2011, 2012 and 2013 were \$65,273, \$82,538 and \$105,412, respectively. The amounts are paid on a monthly basis as due.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013**

IV.C. Contingent Liabilities

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9
TOWN OF ATKINSON, NEW HAMPSHIRE
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 2,064,969	\$ 2,064,969	\$ 2,046,575	\$ (18,394)
Licenses, permits and fees	1,408,550	1,408,550	1,437,049	28,499
Intergovernmental	519,670	519,670	479,760	(39,910)
Charges for services	190,064	190,064	180,053	(10,011)
Miscellaneous	49,888	49,888	71,951	22,063
Total revenues	<u>4,233,141</u>	<u>4,233,141</u>	<u>4,215,388</u>	<u>(17,753)</u>
EXPENDITURES				
Current:				
General government	1,008,167	1,097,467	1,075,082	22,385
Public safety	1,321,547	1,321,547	1,277,532	44,015
Highways and streets	458,358	458,358	473,456	(15,098)
Sanitation	497,958	497,958	459,868	38,090
Health	63,022	63,022	61,312	1,710
Welfare	14,400	14,400	18,220	(3,820)
Culture and recreation	618,413	618,413	570,007	48,406
Conservation	7,827	7,827	3,299	4,528
Debt service:				
Principal	85,000	85,000	85,000	-
Interest	58,969	58,969	60,775	(1,806)
Capital outlay	562,292	562,292	594,014	(31,722)
Total expenditures	<u>4,695,953</u>	<u>4,785,253</u>	<u>4,678,565</u>	<u>106,688</u>
Deficiency of revenues under expenditures	<u>(462,812)</u>	<u>(552,112)</u>	<u>(463,177)</u>	<u>88,935</u>
Other financing sources (uses):				
Transfers in	242,000	242,000	231,401	(10,599)
Transfers out	(147,390)	(147,390)	(147,390)	-
Total other financing sources and uses	<u>94,610</u>	<u>94,610</u>	<u>84,011</u>	<u>(10,599)</u>
Net change in fund balance	<u>\$ (368,202)</u>	<u>\$ (457,502)</u>	(379,166)	<u>\$ 78,336</u>
Increase in restricted fund balance			(38,293)	
Unassigned fund balance, beginning			1,924,447	
Unassigned fund balance, ending			<u>\$ 1,506,988</u>	

The note to the required supplementary information is an integral part of this statement.

**TOWN OF ATKINSON, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2013**

Reconciliation of General Fund Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 9 (budgetary basis)	\$ 4,446,789
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	479,069
Tax revenue deferred in the current year	(507,741)
Perspective difference:	
Revenue of Expendable Trust Funds	1,089
Per Exhibit 5 (GAAP basis)	<u>\$ 4,419,206</u>
Expenditures and other financing uses:	
Per Exhibit 9 (budgetary basis)	\$ 4,825,955
Adjustments:	
Basis difference:	
Encumbrances, beginning	63,182
Encumbrances, ending	(65,000)
Perspective difference:	
Transfer to Expendable Trust Funds	(47,390)
Expenditures of Expendable Trust Funds	47,500
Per Exhibit 5 (GAAP basis)	<u>\$ 4,824,247</u>
Fund balances:	
Per Exhibit 9 (budgetary basis)	\$ 1,506,988
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(507,741)
Per Exhibit 3 (GAAP basis)	<u>\$ 999,247</u>

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 10
TOWN OF ATKINSON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2013

	Special Revenue Funds				Capital Project Fund	Permanent Fund	Total
	Kimball Library	Police Special Duty	Conservation Commission	Recreation Revolving	Capital Reserves		
ASSETS							
Cash and cash equivalents	\$ 44,613	\$ 36,668	\$ 49,408	\$ 9,973	\$ -	\$ -	\$ 140,662
Investments	-	-	225,723	-	541,536	157,247	924,506
Accounts receivable	-	14,213	-	-	-	-	14,213
Interfund receivable	1,364	-	-	-	-	-	1,364
Prepaid items	-	-	-	6,280	-	-	6,280
Total assets	<u>\$ 45,977</u>	<u>\$ 50,881</u>	<u>\$ 275,131</u>	<u>\$ 16,253</u>	<u>\$ 541,536</u>	<u>\$ 157,247</u>	<u>\$ 1,087,025</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accrued salaries and benefits	\$ -	\$ 449	\$ -	\$ -	\$ -	\$ -	\$ 449
Interfund payable	-	-	-	-	-	1,364	1,364
Total liabilities	<u>-</u>	<u>449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,364</u>	<u>1,813</u>
Fund balances:							
Nonspendable	-	-	-	-	-	83,313	83,313
Restricted	45,977	-	-	-	-	72,570	118,547
Committed	-	50,432	275,131	16,253	541,536	-	883,352
Total fund balances	<u>45,977</u>	<u>50,432</u>	<u>275,131</u>	<u>16,253</u>	<u>541,536</u>	<u>155,883</u>	<u>1,085,212</u>
Total liabilities and fund balances	<u>\$ 45,977</u>	<u>\$ 50,881</u>	<u>\$ 275,131</u>	<u>\$ 16,253</u>	<u>\$ 541,536</u>	<u>\$ 157,247</u>	<u>\$ 1,087,025</u>

EXHIBIT 11
TOWN OF ATKINSON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	Special Revenue Funds				Capital Project Fund	Permanent Fund	Total
	Kimball Library	Police Special Duty	Conservation Commission	Recreation Revolving	Capital Reserves		
REVENUES							
Charges for services	\$ -	\$ 135,506	\$ -	\$ 6,881	\$ -	\$ -	\$ 142,387
Miscellaneous	14,740	-	128	-	241	747	15,856
Total revenues	<u>14,740</u>	<u>135,506</u>	<u>128</u>	<u>6,881</u>	<u>241</u>	<u>747</u>	<u>158,243</u>
EXPENDITURES							
Current:							
Public safety	-	104,891	-	-	-	-	104,891
Culture and recreation	17,677	-	-	6,733	-	-	24,410
Total expenditures	<u>17,677</u>	<u>104,891</u>	<u>-</u>	<u>6,733</u>	<u>-</u>	<u>-</u>	<u>129,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,937)</u>	<u>30,615</u>	<u>128</u>	<u>148</u>	<u>241</u>	<u>747</u>	<u>28,942</u>
Other financing sources (uses):							
Transfers in	1,364	-	-	-	100,000	-	101,364
Transfers out	-	-	-	-	(231,401)	(1,364)	(232,765)
Total other financing sources and uses	<u>1,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,401)</u>	<u>(1,364)</u>	<u>(131,401)</u>
Net change in fund balances	(1,573)	30,615	128	148	(131,160)	(617)	(102,459)
Fund balances, beginning	47,550	19,817	275,003	16,105	672,696	156,500	1,187,671
Fund balances, ending	<u>\$ 45,977</u>	<u>\$ 50,432</u>	<u>\$ 275,131</u>	<u>\$ 16,253</u>	<u>\$ 541,536</u>	<u>\$ 155,883</u>	<u>\$ 1,085,212</u>

EXHIBIT 12
TOWN OF ATKINSON, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,983,806	\$ 1,959,249	\$ (24,557)
Timber	663	663	-
Interest and penalties on delinquent taxes	80,500	86,663	6,163
Total taxes	<u>2,064,969</u>	<u>2,046,575</u>	<u>(18,394)</u>
Licenses, permits and fees:			
Business licenses and permits	60	6,664	6,604
Motor vehicle permits	1,285,931	1,322,446	36,515
Building permits	23,476	57,469	33,993
Other	99,083	50,470	(48,613)
Total licenses, permits and fees	<u>1,408,550</u>	<u>1,437,049</u>	<u>28,499</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	299,941	299,941	-
Highway block grant	134,202	133,864	(338)
Conservation grant	-	3,400	3,400
Miscellaneous	37,793	3,570	(34,223)
Federal sources:			
FEMA	-	26,761	26,761
Public safety	-	12,224	12,224
Other governmental sources	47,734	-	(47,734)
Total intergovernmental	<u>519,670</u>	<u>479,760</u>	<u>(39,910)</u>
Charges for services:			
Income from departments	178,679	180,053	1,374
Other	11,385	-	(11,385)
Total charges for services	<u>190,064</u>	<u>180,053</u>	<u>(10,011)</u>
Miscellaneous:			
Sale of property	22,869	22,255	(614)
Interest on investments	4,352	4,135	(217)
Fines and forfeits	-	43,106	43,106
Other	22,667	2,455	(20,212)
Total miscellaneous	<u>49,888</u>	<u>71,951</u>	<u>22,063</u>
Other financing sources:			
Transfers in:			
Expendable trust fund	242,000	231,401	(10,599)
Total revenues and other financing sources	4,475,141	<u>\$ 4,446,789</u>	<u>\$ (28,352)</u>
Use of fund balance to reduce taxes	457,502		
Total revenues, other financing sources and use of fund balance	<u>\$ 4,932,643</u>		

EXHIBIT 13
TOWN OF ATKINSON, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 154,445	\$ 146,821	\$ -	\$ 7,624
Election and registration	-	149,656	141,897	-	7,759
Financial administration	-	249,071	222,959	-	26,112
Revaluation of property	-	96,874	96,679	-	195
Legal	-	36,500	69,985	-	(33,485)
Personnel administration	-	45,634	49,247	-	(3,613)
Planning and zoning	-	21,390	17,501	-	3,889
General government buildings	-	232,673	236,360	-	(3,687)
Cemeteries	-	48,287	37,211	-	11,076
Insurance, not otherwise allocated	-	56,668	50,153	-	6,515
Advertising and regional associations	-	6,269	6,269	-	-
Total general government	-	<u>1,097,467</u>	<u>1,075,082</u>	-	<u>22,385</u>
Public safety:					
Police	-	870,076	850,992	-	19,084
Ambulance	-	1	56,346	-	(56,345)
Fire	-	317,203	276,048	-	41,155
Building inspection	-	49,662	54,449	-	(4,787)
Emergency management	-	650	230	-	420
Other	-	83,955	39,467	-	44,488
Total public safety	-	<u>1,321,547</u>	<u>1,277,532</u>	-	<u>44,015</u>
Highways and streets:					
Administration	-	82,240	78,547	-	3,693
Highways and streets	-	337,618	352,372	-	(14,754)
Street lighting	-	38,500	42,537	-	(4,037)
Total highways and streets	-	<u>458,358</u>	<u>473,456</u>	-	<u>(15,098)</u>
Sanitation:					
Solid waste disposal	-	497,958	459,868	-	38,090
Health:					
Administration	-	3,970	5,122	-	(1,152)
Pest control	-	19,663	16,801	-	2,862
Health agencies and hospitals	-	39,389	39,389	-	-
Total health	-	<u>63,022</u>	<u>61,312</u>	-	<u>1,710</u>
Welfare	-	14,400	18,220	-	(3,820)
Culture and recreation:					
Parks and recreation	13,462	168,264	167,102	-	14,624
Public library	-	376,576	377,155	-	(579)
Patriotic purposes	-	3,030	2,405	-	625
Other	-	70,543	36,807	-	33,736
Total culture and recreation	<u>13,462</u>	<u>618,413</u>	<u>583,469</u>	-	<u>48,406</u>

(continued)

EXHIBIT 13 (continued)
TOWN OF ATKINSON, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Conservation	1,240	7,827	4,539	-	4,528
Debt service:					
Principal	-	85,000	85,000	-	-
Interest	-	58,969	60,775	-	(1,806)
Total debt service	-	143,969	145,775	-	(1,806)
Capital outlay:					
Machinery, vehicles and equipment	-	284,292	268,693	65,000	(49,401)
Buildings	48,480	-	33,926	-	14,554
Improvements other than buildings	-	278,000	274,875	-	3,125
Total capital outlay	48,480	562,292	577,494	65,000	(31,722)
Other financing uses:					
Transfers out:					
Expendable trust fund	-	147,390	147,390	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 63,182	\$ 4,932,643	\$ 4,824,137	\$ 65,000	\$ 106,688

EXHIBIT 14
TOWN OF ATKINSON, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2013

Unassigned fund balance, beginning		\$ 1,924,447
Changes:		
Unassigned fund balance used to reduce tax rate		(457,502)
Budget summary:		
Revenue shortfall (Exhibit 12)	\$ (28,352)	
Unexpended balance of appropriations (Exhibit 13)	<u>106,688</u>	
Budget surplus		78,336
Increase in restricted fund balance		<u>(38,293)</u>
Unassigned fund balance, ending		<u>\$ 1,506,988</u>



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Atkinson as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the board of selectmen, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

August 29, 2014

Roberts & Greene, PLLC