

TOWN OF ATKINSON, NEW HAMPSHIRE

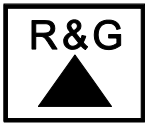
FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

**TOWN OF ATKINSON, NEW HAMPSHIRE
FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

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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 as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 fair 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Atkinson, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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's basic financial statements. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

August 10, 2015

Roberts & Greene, PLLC

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,164,664
Investments	1,078,388
Other receivables, net of allowance for uncollectibles	757,779
Prepaid items	17,504
Tax deeded property held for resale	885
Capital assets, not being depreciated:	
Land	4,511,917
Capital assets, net of accumulated depreciation:	
Land improvements	159,530
Buildings and building improvements	3,994,983
Machinery, vehicles and equipment	904,697
Infrastructure	2,343,484
Total assets	<u>20,933,831</u>
LIABILITIES	
Accounts payable	42,574
Accrued payroll and benefits	48,675
Accrued interest payable	20,081
Intergovernmental payable	6,151,620
Performance and escrow deposits	2,807
Noncurrent obligations:	
Due within one year:	
Bond payable	85,000
Unamortized bond premium	975
Due in more than one year:	
Bond payable	1,020,000
Unamortized bond premium	11,700
Compensated absences	12,421
Total liabilities	<u>7,395,853</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	<u>18,297</u>
NET POSITION	
Net investment in capital assets	10,809,611
Restricted for:	
Endowments:	
Nonexpendable	83,313
Expendable	68,337
Other purposes	46,234
Unrestricted	2,512,186
Total net position	<u><u>\$ 13,519,681</u></u>

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, 2014

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Changes in
	Expenses	Services	Contributions	Net Position
Governmental activities:				
General government	\$ 1,060,203	\$ 5,403	\$ 18,514	\$ (1,036,286)
Public safety	1,535,124	79,846	32,324	(1,422,954)
Highways and streets	717,918	-	136,404	(581,514)
Sanitation	443,599	-	-	(443,599)
Health	106,925	-	-	(106,925)
Welfare	12,915	-	-	(12,915)
Culture and recreation	731,721	65,735	-	(665,986)
Conservation	2,801	-	-	(2,801)
Interest on long-term debt	54,833	-	-	(54,833)
Capital outlay	81,530	-	-	(81,530)
Total governmental activities	<u>\$ 4,747,569</u>	<u>\$ 150,984</u>	<u>\$ 187,242</u>	<u>(4,409,343)</u>
General revenues:				
Property taxes				2,342,193
Other taxes				46,877
Licenses and permits				1,530,753
Grants and contributions not restricted to specific programs				324,555
Miscellaneous				<u>250,137</u>
Total general revenues				<u>4,494,515</u>
Change in net position				85,172
Net position, beginning				<u>13,434,509</u>
Net position, ending				<u>\$ 13,519,681</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, 2014

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,042,629	\$ 122,035	\$ 7,164,664
Investments	23,802	1,054,586	1,078,388
Receivables, net of allowance for uncollectibles:			
Taxes	719,829	-	719,829
Accounts	19,447	18,503	37,950
Interfund receivable	-	3,721	3,721
Prepaid items	10,839	6,665	17,504
Tax deeded property held for resale	885	-	885
Total assets	<u>\$ 7,817,431</u>	<u>\$ 1,205,510</u>	<u>\$ 9,022,941</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 42,574	\$ -	\$ 42,574
Accrued salaries and benefits	46,407	2,268	48,675
Intergovernmental payable	6,151,620	-	6,151,620
Interfund payable	3,400	321	3,721
Escrow and performance deposits	2,807	-	2,807
Total liabilities	<u>6,246,808</u>	<u>2,589</u>	<u>6,249,397</u>
Deferred inflows of resources:			
Deferred revenue	<u>610,633</u>	<u>-</u>	<u>610,633</u>
Fund balances:			
Nonspendable	11,724	89,978	101,702
Restricted	16,720	124,194	140,914
Committed	65,287	988,749	1,054,036
Unassigned	866,259	-	866,259
Total fund balances	<u>959,990</u>	<u>1,202,921</u>	<u>2,162,911</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,817,431</u>	<u>\$ 1,205,510</u>	<u>\$ 9,022,941</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, 2014

Total fund balances of governmental funds (Exhibit 3)		\$ 2,162,911
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	\$ 16,200,479	
Less accumulated depreciation	<u>(4,285,868)</u>	
		11,914,611
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (3,721)	
Payables	<u>3,721</u>	
		-
Long-term revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Deferred tax revenue		592,336
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(20,081)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bond outstanding	\$ 1,105,000	
Unamortized bond premium	12,675	
Compensated absences payable	<u>12,421</u>	
		<u>(1,130,096)</u>
Total net position of governmental activities (Exhibit 1)		<u>\$ 13,519,681</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, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 2,304,475	\$ -	\$ 2,304,475
Licenses, permits and fees	1,530,753	-	1,530,753
Intergovernmental	487,492	23,959	511,451
Charges for services	57,931	93,053	150,984
Miscellaneous	190,079	62,506	252,585
Total revenues	<u>4,570,730</u>	<u>179,518</u>	<u>4,750,248</u>
Expenditures:			
Current:			
General government	1,017,173	4,338	1,021,511
Public safety	1,294,537	160,867	1,455,404
Highways and streets	516,818	-	516,818
Sanitation	443,599	-	443,599
Health	106,925	-	106,925
Welfare	12,915	-	12,915
Culture and recreation	627,257	25,867	653,124
Conservation	2,801	-	2,801
Debt service:			
Principal	85,000	-	85,000
Interest	57,163	-	57,163
Capital outlay	376,015	47,717	423,732
Total expenditures	<u>4,540,203</u>	<u>238,789</u>	<u>4,778,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,527</u>	<u>(59,271)</u>	<u>(28,744)</u>
Other financing sources (uses):			
Transfers in	9,713	145,380	155,093
Transfers out	(145,000)	(10,093)	(155,093)
Total other financing sources and uses	<u>(135,287)</u>	<u>135,287</u>	<u>-</u>
Net change in fund balances	(104,760)	76,016	(28,744)
Fund balances, beginning, as restated, see Note III.E.	1,064,750	1,126,905	2,191,655
Fund balances, ending	<u>\$ 959,990</u>	<u>\$ 1,202,921</u>	<u>\$ 2,162,911</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, 2014

Net change in fund balances of governmental funds (Exhibit 5)			\$ (28,744)
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 depreciation expense exceeded capitalized capital outlay in the current period.			
	Capitalized capital outlay	\$ 389,839	
	Depreciation expense	<u>(443,463)</u>	
			(53,624)
The net effect of the disposal of capital assets at less than book value is to decrease net position.			(2,102)
Transfers in and out between governmental funds are eliminated on the operating statement.			
	Transfers in	\$ (155,093)	
	Transfers out	<u>155,093</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		84,595
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>(2,283)</u>	
			<u>(928)</u>
Change in net position of governmental activities (Exhibit 2)			<u>\$ 85,172</u>

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

EXHIBIT 7
TOWN OF ATKINSON, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in
Unassigned Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 2,421,824	\$ 2,389,070	\$ (32,754)
Licenses, permits and fees	1,644,256	1,530,753	(113,503)
Intergovernmental	478,659	487,492	8,833
Charges for services	59,330	57,931	(1,399)
Miscellaneous	24,863	176,816	151,953
Total revenues	<u>4,628,932</u>	<u>4,642,062</u>	<u>13,130</u>
EXPENDITURES			
Current:			
General government	1,038,377	1,017,173	21,204
Public safety	1,363,883	1,294,537	69,346
Highways and streets	508,320	516,818	(8,498)
Sanitation	476,025	443,599	32,426
Health	58,454	58,535	(81)
Welfare	22,470	11,354	11,116
Culture and recreation	639,352	627,257	12,095
Conservation	9,227	2,801	6,426
Debt service:			
Principal	85,000	85,000	-
Interest	57,162	57,163	(1)
Capital outlay	<u>378,672</u>	<u>376,302</u>	<u>2,370</u>
Total expenditures	<u>4,636,942</u>	<u>4,490,539</u>	<u>146,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,010)</u>	<u>151,523</u>	<u>159,533</u>
Other financing sources (uses):			
Transfers in	20,400	9,713	(10,687)
Transfers out	<u>(195,390)</u>	<u>(195,390)</u>	<u>-</u>
Total other financing sources and uses	<u>(174,990)</u>	<u>(185,677)</u>	<u>(10,687)</u>
Net change in fund balance	<u>\$ (183,000)</u>	<u>(34,154)</u>	<u>\$ 148,846</u>
Increase in nonspendable fund balance		(10,839)	
Unassigned fund balance, beginning, as restated, see Note III.E.		1,503,588	
Unassigned fund balance, ending		<u>\$ 1,458,595</u>	

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

EXHIBIT 8
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ -	\$ 55,014
Investments	9,927	-
Total assets	<u>9,927</u>	<u>55,014</u>
Liabilities:		
Accounts payable	1,000	34,402
Due to other governmental units	-	20,612
Total liabilities	<u>1,000</u>	<u>55,014</u>
Net position:		
Held in trust for specific purposes	<u>\$ 8,927</u>	<u>\$ -</u>

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

EXHIBIT 9
TOWN OF ATKINSON, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2014

	Private Purpose Trust
Additions:	
Investment earnings:	
Interest	\$ 2
Deductions:	
Trust distributions	<u>1,000</u>
Change in net position	(998)
Net position, beginning	<u>9,925</u>
Net position, ending	<u><u>\$ 8,927</u></u>

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, 2014**

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, 2014.

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 position 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; and (2) operating grants and contributions, which finance annual operating activities including restricted investment income. 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, 2014**

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
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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 seven 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
AS OF AND FOR THE YEAR ENDED
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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:

	<u>Years</u>
Land improvements	25
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
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

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 prepaid items and tax deeded property.
- Restricted, which represents the expendable income from permanent funds and the library fund and drug forfeiture 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
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DECEMBER 31, 2014**

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 2014, \$183,000 of the fund balance from 2013 was used.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as commitments of fund balances and do not constitute expenditures or liabilities because they 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.

The notes continue on the following page.

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General Fund GAAP to Budgetary Basis Reconciliation

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 4,651,775
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	507,741
Tax revenue deferred in the current year	(592,336)
Perspective difference:	
Revenue of Expendable Trust Funds	13,263
Per Exhibit 5 (GAAP basis)	<u><u>\$ 4,580,443</u></u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 4,685,929
Adjustments:	
Basis difference:	
Encumbrances, beginning	65,000
Encumbrances, ending	(65,287)
Perspective difference:	
Transfer to Expendable Trust Funds	(50,390)
Expenditures of Expendable Trust Funds	49,951
Per Exhibit 5 (GAAP basis)	<u><u>\$ 4,685,203</u></u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 1,458,595
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(592,336)
Per Exhibit 3 (GAAP basis)	<u><u>\$ 866,259</u></u>

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. 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 lien

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taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2013 property taxes on May 28th.

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, 2014, upon which the 2014 property tax levy was based was:

For the New Hampshire education tax	\$ 837,186,893
For all other taxes	\$ 846,344,193

The tax rates and amounts assessed for the year ended December 31, 2014 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$3.04	\$ 2,567,442
School portion:		
State of New Hampshire	\$2.48	2,079,827
Local	\$12.50	10,578,793
County portion	\$1.08	916,401
Total property taxes assessed		<u>\$ 16,142,463</u>

The following details the taxes receivable at year-end:

Property:	
Levy of 2014	\$ 499,807
Unredeemed (under tax lien):	
Levy of 2013	110,939
Levy of 2012	62,618
Levy of 2011	44,060
Levies of 2010 and prior	127,405
Less: allowance for estimated uncollectible taxes	<u>(125,000)</u>
Net taxes receivable	<u>\$ 719,829</u>

Deferred Revenue

Deferred revenue of \$610,633 at December 31, 2014 represents \$592,336 of 2014 property taxes that were not collected within 60 days of year-end, and therefore, are deferred in accordance with

TOWN OF ATKINSON, NEW HAMPSHIRE
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generally accepted accounting principles, and \$18,297 in prepayments collected in advance of the 2015 property tax levy. In the governmental activities, only the prepayments are recorded as unearned revenue.

III.A.2. 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	5,995,018	-	-	5,995,018
Machinery, vehicles and equipment	1,920,483	73,824	(25,025)	1,969,282
Infrastructure	3,215,300	316,015	-	3,531,315
Total capital assets being depreciated	11,323,748	389,839	(25,025)	11,688,562
Total all capital assets	15,835,665	389,839	(25,025)	16,200,479
Less accumulated depreciation:				
Land improvements	(25,992)	(7,425)	-	(33,417)
Buildings and building improvements	(1,848,595)	(151,440)	-	(2,000,035)
Machinery, vehicles and equipment	(992,772)	(94,736)	22,923	(1,064,585)
Infrastructure	(997,969)	(189,862)	-	(1,187,831)
Total accumulated depreciation	(3,865,328)	(443,463)	22,923	(4,285,868)
Net book value, capital assets being depreciated	7,458,420	(53,624)	(2,102)	7,402,694
Net book value, all capital assets	\$ 11,970,337	\$ (53,624)	\$ (2,102)	\$ 11,914,611

Depreciation Expense

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

Governmental activities:	
General government	\$ 38,516
Public safety	124,932
Highways and streets	201,100
Culture and recreation	78,915
Total depreciation expense	<u>\$ 443,463</u>

**TOWN OF ATKINSON, NEW HAMPSHIRE
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III.A.3. *Restricted Net Position*

The government-wide statement of net position includes restricted net position of \$151,650 for public trust funds reported as restricted to reflect purpose restrictions contained in trust indentures.

III.B. *Liabilities*

III.B.1 *Intergovernmental Payable*

The amount due to other governments at December 31, 2014 consists of \$6,151,620 due to the Timberlane Regional School District for the balance of the 2014-2015 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:

	<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at 12/31/2014</u>	<u>Current Portion</u>
General obligation bond payable:						
Library project	\$ 1,714,500	2007	2027	4.0-5.0	\$ 1,105,000	\$ 85,000
Unamortized bond premium					12,675	975
Compensated absences payable:						
Accrued vacation leave					12,421	-
					<u>\$ 1,130,096</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, 2014:

	<u>General Obligation Bond Payable</u>	<u>Unamortized Bond Premium</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance, beginning	\$ 1,190,000	\$ 13,650	\$ 10,138	\$ 1,213,788
Additions	-	-	2,283	2,283
Reductions	(85,000)	(975)	-	(85,975)
Balance, ending	<u>\$ 1,105,000</u>	<u>\$ 12,675</u>	<u>\$ 12,421</u>	<u>\$ 1,130,096</u>

**TOWN OF ATKINSON, NEW HAMPSHIRE
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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,	Principal	Interest	Total
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	85,000	36,550	121,550
2020-2024	425,000	121,125	546,125
2025-2027	255,000	24,225	279,225
Totals	<u>\$ 1,105,000</u>	<u>\$ 370,600</u>	<u>\$ 1,475,600</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.”

There is \$321 due to the Nonmajor Funds from the Nonmajor Funds, representing accrued interest on the Permanent Fund that will be paid to the Library Fund when the investment matures, and there is \$3,400 in grant proceeds deposited in to the General Fund that is due to the Conservation Commission Fund.

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
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The following schedule reports transfers within the reporting entity:

	Transfers In:		
	General Fund	Nonmajor Funds	Total
Transfers out:			
General fund	\$ -	\$ 145,000	\$ 145,000
Nonmajor funds	9,713	380	10,093
	<u>\$ 9,713</u>	<u>\$ 145,380</u>	<u>\$ 155,093</u>

The amount transferred to the nonmajor Capital Reserves Fund of \$145,000 from the General Fund, and the amount transferred to the General Fund from the Capital Reserves Fund of \$9,713 represent voted appropriations. The \$380 transferred to the Kimball Library Fund 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
Prepaid items	10,839	6,665
Tax deeded property	885	-
Total nonspendable	<u>11,724</u>	<u>89,978</u>
Restricted:		
General government	16,720	68,248
Public safety	-	9,711
Culture and recreation	-	46,235
Total restricted	<u>16,720</u>	<u>124,194</u>
Committed:		
Public safety	-	21,952
Culture and recreation	-	11,244
Conservation	-	278,614
Capital outlay	65,287	676,939
Total committed	<u>65,287</u>	<u>988,749</u>
Unassigned	866,259	-
Total fund balance	<u>\$ 959,990</u>	<u>\$ 1,202,921</u>

**TOWN OF ATKINSON, NEW HAMPSHIRE
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III.E. Restatement of Beginning Equity

Beginning equity at January 1, 2014 was restated as follows:

	General Fund	Nonmajor Funds
To move drug forfeiture cash to a separate fund	\$ (38,293)	\$ 38,293
To move grant proceeds to conservation commission fund	(3,400)	3,400
Net position/fund balance, as previously reported	<u>1,106,443</u>	<u>1,085,212</u>
Net position/fund balance, as restated	<u><u>\$ 1,064,750</u></u>	<u><u>\$ 1,126,905</u></u>

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 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.

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 2014 for fiscal year 2015, ending June 30, 2015, to be recorded as an insurance expenditure/expense totaled \$58,407. There were no unpaid contributions for the year ending June 30, 2015 and due in 2014. The Town paid \$50,309 for workers' compensation for the year ended December 31, 2014. The Town also paid \$6,437 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

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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 rates of contribution for police officers and other employees were 11.55% and 7% of gross salaries, respectively. The rates of contribution for pension and the medical subsidy from the Town were 25.30% for police and 10.77% for other employees. Employer contributions from the Town during the years 2012, 2013 and 2014 were \$82,538, \$105,412 and \$116,660 respectively. The amounts are paid on a monthly basis as due.

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.

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 10
TOWN OF ATKINSON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2014

	Special Revenue Funds					Capital Project Fund		
	Kimball Library	Police Special Duty	Conservation Commission	Recreation Revolving	Drug Forfeiture	Capital Reserves	Permanent Fund	Total
ASSETS								
Cash and cash equivalents	\$ 45,914	\$ 5,717	\$ 49,449	\$ 11,244	\$ 9,711	\$ -	\$ -	\$ 122,035
Investments	-	-	225,765	-	-	676,939	151,882	1,054,586
Accounts receivable	-	18,503	-	-	-	-	-	18,503
Interfund receivable	321	-	3,400	-	-	-	-	3,721
Prepaid items	-	-	-	6,665	-	-	-	6,665
Total assets	<u>\$ 46,235</u>	<u>\$ 24,220</u>	<u>\$ 278,614</u>	<u>\$ 17,909</u>	<u>\$ 9,711</u>	<u>\$ 676,939</u>	<u>\$ 151,882</u>	<u>\$ 1,205,510</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accrued salaries and benefits	\$ -	\$ 2,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,268
Interfund payable	-	-	-	-	-	-	321	321
Total liabilities	<u>-</u>	<u>2,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>	<u>2,589</u>
Fund balances:								
Nonspendable	-	-	-	6,665	-	-	83,313	89,978
Restricted	46,235	-	-	-	9,711	-	68,248	124,194
Committed	-	21,952	278,614	11,244	-	676,939	-	988,749
Total fund balances	<u>46,235</u>	<u>21,952</u>	<u>278,614</u>	<u>17,909</u>	<u>9,711</u>	<u>676,939</u>	<u>151,561</u>	<u>1,202,921</u>
Total liabilities and fund balances	<u>\$ 46,235</u>	<u>\$ 24,220</u>	<u>\$ 278,614</u>	<u>\$ 17,909</u>	<u>\$ 9,711</u>	<u>\$ 676,939</u>	<u>\$ 151,882</u>	<u>\$ 1,205,510</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, 2014

	Special Revenue Funds					Capital Project Fund	Permanent Fund	Total
	Kimball Library	Police Special Duty	Conservation Commission	Recreation Revolving	Drug Forfeiture	Capital Reserves		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 23,959	\$ -	\$ -	\$ 23,959
Charges for services	-	79,846	-	13,207	-	-	-	93,053
Miscellaneous	61,911	-	83	-	-	116	396	62,506
Total revenues	<u>61,911</u>	<u>79,846</u>	<u>83</u>	<u>13,207</u>	<u>23,959</u>	<u>116</u>	<u>396</u>	<u>179,518</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	4,338	4,338
Public safety	-	108,326	-	-	52,541	-	-	160,867
Culture and recreation	14,316	-	-	11,551	-	-	-	25,867
Capital outlay	<u>47,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,717</u>
Total expenditures	<u>62,033</u>	<u>108,326</u>	<u>-</u>	<u>11,551</u>	<u>52,541</u>	<u>-</u>	<u>4,338</u>	<u>238,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(122)</u>	<u>(28,480)</u>	<u>83</u>	<u>1,656</u>	<u>(28,582)</u>	<u>116</u>	<u>(3,942)</u>	<u>(59,271)</u>
Other financing sources (uses):								
Transfers in	380	-	-	-	-	145,000	-	145,380
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,713)</u>	<u>(380)</u>	<u>(10,093)</u>
Total other financing sources and uses	<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,287</u>	<u>(380)</u>	<u>135,287</u>
Net change in fund balances	258	(28,480)	83	1,656	(28,582)	135,403	(4,322)	76,016
Fund balances, beginning, as restated, see Note III.E.	<u>45,977</u>	<u>50,432</u>	<u>278,531</u>	<u>16,253</u>	<u>38,293</u>	<u>541,536</u>	<u>155,883</u>	<u>1,126,905</u>
Fund balances, ending	<u>\$ 46,235</u>	<u>\$ 21,952</u>	<u>\$ 278,614</u>	<u>\$ 17,909</u>	<u>\$ 9,711</u>	<u>\$ 676,939</u>	<u>\$ 151,561</u>	<u>\$ 1,202,921</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, 2014

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 2,368,536	\$ 2,342,193	\$ (26,343)
Timber	762	762	-
Interest and penalties on delinquent taxes	52,526	46,115	(6,411)
Total taxes	<u>2,421,824</u>	<u>2,389,070</u>	<u>(32,754)</u>
Licenses, permits and fees:			
Business licenses and permits	15	39	24
Motor vehicle permits	1,372,315	1,416,136	43,821
Building permits	48,968	48,552	(416)
Other	222,958	66,026	(156,932)
Total licenses, permits and fees	<u>1,644,256</u>	<u>1,530,753</u>	<u>(113,503)</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	324,555	324,555	-
Highway block grant	135,916	136,404	488
Miscellaneous	18,188	18,118	(70)
Federal sources:			
Public safety	-	8,415	8,415
Total intergovernmental	<u>478,659</u>	<u>487,492</u>	<u>8,833</u>
Charges for services:			
Income from departments	<u>59,330</u>	<u>57,931</u>	<u>(1,399)</u>
Miscellaneous:			
Sale of property	13,382	11,952	(1,430)
Interest on investments	3,066	2,839	(227)
Insurance dividends and reimbursements	-	16,741	16,741
Other	8,415	145,284	136,869
Total miscellaneous	<u>24,863</u>	<u>176,816</u>	<u>151,953</u>
Other financing sources:			
Transfers in:			
Nonmajor funds	<u>20,400</u>	<u>9,713</u>	<u>(10,687)</u>
Total revenues and other financing sources	4,649,332	<u>\$ 4,651,775</u>	<u>\$ 2,443</u>
Use of fund balance to reduce taxes	<u>183,000</u>		
Total revenues, other financing sources and use of fund balance	<u><u>\$ 4,832,332</u></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, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 153,294	\$ 144,697	\$ -	\$ 8,597
Election and registration	-	155,141	149,302	-	5,839
Financial administration	-	354,742	357,095	-	(2,353)
Legal	-	36,500	61,436	-	(24,936)
Personnel administration	-	49,134	57,399	-	(8,265)
Planning and zoning	-	21,256	14,859	-	6,397
General government buildings	-	92,552	111,845	-	(19,293)
Cemeteries	-	44,905	46,664	-	(1,759)
Insurance, not otherwise allocated	-	56,700	58,407	-	(1,707)
Advertising and regional associations	-	6,470	6,469	-	1
Other	-	67,683	9,000	-	58,683
Total general government	-	1,038,377	1,017,173	-	21,204
Public safety:					
Police	-	938,792	824,437	-	114,355
Ambulance	-	1	86,359	-	(86,358)
Fire	-	299,365	294,540	-	4,825
Building inspection	-	54,621	48,672	-	5,949
Emergency management	-	650	75	-	575
Other	-	70,454	40,454	-	30,000
Total public safety	-	1,363,883	1,294,537	-	69,346
Highways and streets:					
Administration	-	117,955	99,382	-	18,573
Highways and streets	-	348,865	378,699	-	(29,834)
Street lighting	-	41,500	38,737	-	2,763
Total highways and streets	-	508,320	516,818	-	(8,498)
Sanitation:					
Administration	-	35,324	25,887	-	9,437
Solid waste disposal	-	440,701	417,712	-	22,989
Total sanitation	-	476,025	443,599	-	32,426
Health:					
Pest control	-	19,355	19,436	-	(81)
Health agencies and hospitals	-	39,099	39,099	-	-
Total health	-	58,454	58,535	-	(81)
Welfare	-	22,470	11,354	-	11,116

(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, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	123,787	163,667	-	(39,880)
Public library	-	410,683	411,885	-	(1,202)
Patriotic purposes	-	2,930	2,585	-	345
Other	-	101,952	49,120	-	52,832
Total culture and recreation	-	639,352	627,257	-	12,095
Conservation	-	9,227	2,801	-	6,426
Debt service:					
Principal	-	85,000	85,000	-	-
Interest	-	57,162	57,163	-	(1)
Total debt service	-	142,162	142,163	-	(1)
Capital outlay:					
Machinery, vehicles and equipment	65,000	60,000	60,000	65,287	(287)
Improvements other than buildings	-	318,672	316,015	-	2,657
Total capital outlay	65,000	378,672	376,015	65,287	2,370
Other financing uses:					
Transfers out:					
Nonmajor funds	-	195,390	195,390	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 65,000	\$ 4,832,332	\$ 4,685,642	\$ 65,287	\$ 146,403

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, 2014

Unassigned fund balance, beginning		\$ 1,503,588
Changes:		
Unassigned fund balance used to reduce tax rate		(183,000)
Budget summary:		
Revenue surplus (Exhibit 12)	\$ 2,443	
Unexpended balance of appropriations (Exhibit 13)	<u>146,403</u>	
Budget surplus		148,846
Increase in nonspendable fund balance		<u>(10,839)</u>
Unassigned fund balance, ending		<u><u>\$ 1,458,595</u></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, 2014, 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 audit procedures that are appropriate in the circumstances 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 a 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 first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

We do want to discuss the following matter:

Atkinson Basketball Club

The Town acts as custodian of funds for the Atkinson Basketball Club. Whenever the Town holds funds for outside purposes not related to the operations of the Town, it increases risks of misappropriation, as well as increasing the resources needed to maintain proper controls over those funds. We recommend that the Town consider remitting those funds to the Club's treasurer, and refrain from handling cash for outside entities in the future.

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

August 10, 2015

Roberts & Greene, PLLC