

**REPORT ON INTERNAL CONTROL BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Selectmen
Town of Amherst, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amherst, New Hampshire (the Town) as of and for the year ended June 30, 2011, 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 Town'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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and the Board of Selectmen and is not intended to be and should not be used by anyone other than these specified parties.

Vachon Clukay & Company PC

May 30, 2012

TOWN OF AMHERST, NEW HAMPSHIRE

Financial Statements

June 30, 2011

and

Independent Auditor's Report

TOWN OF AMHERST, NEW HAMPSHIRE
FINANCIAL STATEMENTS
June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Amherst, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amherst, New Hampshire (the Town) as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amherst, New Hampshire as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, the budgetary comparison information and the schedule of funding progress for other post-employment benefits on pages i-vii and 33-36, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Amherst, New Hampshire's basic financial statements. The combining nonmajor fund and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund and fiduciary fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



May 30, 2012

Town of Amherst Management's Discussion and Analysis

The following is a discussion and analysis of the financial activities of the Town of Amherst, New Hampshire for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

Financial Highlights – Primary Government

- Independent Auditor's issued an unqualified opinion in the Independent Auditor's Report.
- The total assets of the Town exceeded total liabilities at fiscal year ending June 30, 2011 by \$20,646,088.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components:

1. Government-wide financial statements;
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Town's finances. These statements (Statement of Net Assets and the Statement of Activities) provide both short-term and long-term information about the Town's overall financial position. They are prepared using the accrual basis of accounting, which recognizes all revenues and expenses connected with the fiscal year even if cash has not been received or paid.

- The **Statement of Net Assets** presents all of the Town's non-fiduciary assets and liabilities. The *difference* between assets and liabilities is reported as "net assets" instead of fund equity as shown on the Fund Statements. Over time, increases or decreases in the net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- The **Statement of Activities** presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation and sick leave). This statement also presents a comparison between direct expenses and program revenues for each function of the Town and identifies which governmental function is self-financing or draws from the general revenues of the Town.

Both of the government-wide financial statements display information about the Town as a whole and include the financial activities of the primary government and proprietary fund with the exception of the fiduciary funds.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the individual parts of the Town government and report the Town's operations in more detail than the government-wide statements. The Town's funds are divided into three categories—governmental, business-type activities, and fiduciary. For governmental and proprietary (Business-type activity) funds, only those funds that are considered Major Funds are reported in individual columns in the Fund Financial Statements with combining schedules in the Supplementary Section to support the non-major activities for the governmental funds. Fiduciary Funds are reported separately by fiduciary type (private-purpose trusts and agency funds).

- **Governmental Funds:** Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements report using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. See Exhibits C & D.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented in the government-wide financial statements.

The Town's major governmental fund is the General Fund. Individual fund data for each of the Town's non-major governmental funds are provided in the combining statements found on Schedule A, Schedule A-1, Schedule B, and Schedule B-1.

- **Proprietary Funds:** These funds are either classified as enterprise funds or internal service funds and are accounted for in a similar manner as a private business. Unlike the governmental funds, the proprietary fund reporting focuses on the operating income, changes in net assets, financial position, and cash flows. See Exhibits E, F, & G.
- **Fiduciary Funds:** These funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The fiduciary fund category is split into two classifications: 1) private purpose trust funds and 2) agency funds. The private purpose funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments. The Town's agency fund accounts for the capital reserve funds of the Amherst School District and the Souhegan Cooperative School District and developer's performance bonds. The accounting used for fiduciary funds is much like that used for proprietary funds in that they use the accrual basis of accounting. See Exhibits H & I.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the basic financial statements begin on page 10.

On page 23, Note 8 – Other Post-Employment Benefits provides detailed information pertaining to this GASB 45 requirement. GASB 45 requires governments to account for other post-employment benefits on the accrual basis instead of the ‘pay-as-you-go’ basis. In order to calculate the liability, the town utilized an independent company that specializes in actuarial calculations for GASB 45 reporting requirements. Once the net obligation of Other Post Employment Benefits has been calculated the liability is recognized on the Statement of Net Assets.

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes an explanation and information on a budgetary comparison schedule for each of the Town’s major governmental funds and includes reconciliation between the reported activity of the revenues, expenditures and transfers for budgetary purposes (Schedule 1) and the activity as presented in the governmental fund financial statements (Exhibit D).

The notes to required supplementary information provide explanations to the budget to actual reconciliation, budget fund balance breakdown, and carry forward appropriations.

For fiscal 2011 the Town’s only major governmental fund is the General Fund.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental funds (special revenue funds and permanent funds) and fiduciary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets increased by \$70,567. GASB 34 requires the recording of the Town’s investment in capital assets (land, buildings, machinery and equipment, vehicles, etc) at cost, calculating the accumulated depreciation and arriving at net capital assets. The net capital assets at June 30, 2011 amounted to \$15,687,768 for the government funds and \$1,260,409 for the proprietary fund. The recognition of the capital assets, net accumulated depreciation, is required to be reported in the government-wide statements for both governmental activities and business type activities.

The following is a comparative summary of condensed government-wide financial data of net assets for the current fiscal year and 2010.

Statement of Net Assets:	Governmental Activities		Business-type Activities		Total	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Current assets	25,998,805	25,373,506	(40,234)	(189,691)	25,958,571	25,183,815
Capital assets	15,687,768	14,788,419	1,260,409	1,329,782	16,948,177	16,118,201
Other assets	19,292	19,292			19,292	19,292
Total assets	41,705,865	40,181,217	1,220,175	1,140,091	42,926,040	41,321,308

Current and other liabilities:
 Long-term bonds, notes and capital leases payable
 Other liabilities
 Other Post Employment Benefits Payable
 Total liabilities

1,889,139	788,512	649,536	476,642	2,538,675	1,265,154
19,615,606	19,371,248	21,658	59,425	19,637,264	19,430,673
104,013	49,960			104,013	49,960
21,608,758	20,209,720	671,194	536,067	22,279,952	20,745,787

Net assets:

Invested in capital assets, net of related debt
 Restricted
 Unrestricted
 Total net assets

15,687,768	13,999,907	610,873	853,140	16,298,641	14,853,047
1,914,974	2,933,666			1,914,974	2,933,666
2,494,365	3,037,924	(61,892)	(249,116)	2,432,473	2,788,808
20,097,107	19,971,497	548,981	604,024	20,646,088	20,575,521

Total Liabilities and Net Assets

41,705,865	40,181,217	1,220,175	1,140,091	42,926,040	41,321,308
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Statement of Activities

For fiscal year 2011 the Town's governmental activities expenses amounted to \$10,261,896 and business-type activities expenses amounted to \$132,255. Revenues for governmental activities were \$10,387,506 and \$77,212 for business type activities.

The following is a comparative summary of condensed government-wide financial data of the Statement of Activities for the current fiscal year and 2010.

	FY 11		FY 10	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Program revenues:				
Charges for services	710,634	77,212	707,442	72,707
Operating grants and contributions	498,384	498,384	497,103	497,103
Capital grants and contributions	0	0	244,490	144,105
Total program revenues	1,209,018	77,212	1,449,035	216,812
		1,286,230		1,665,847
General revenues:				
Property taxes	6,028,088	6,028,088	6,060,730	6,060,730
Licenses and permits	2,335,719	2,335,719	2,360,378	2,360,378
Grants and contributions	519,389	519,389	519,284	519,284

Interest and investment earnings	238,619	179,109	179,109
Miscellaneous	47,873	87,167	87,167
Contributions to permanent fund	8,800	19,600	19,600
Total general revenues and contributions	9,178,488	9,226,268	9,226,268
Total revenues	10,387,506	10,675,303	10,892,115
Expenses:			
General government	1,798,901	1,738,755	1,738,755
Public safety	3,413,577	3,227,165	3,227,165
Highways and streets	2,827,941	2,380,911	2,380,911
Health and welfare	134,398	130,834	130,834
Sanitation	648,809	755,379	755,379
Culture and recreation	1,402,070	1,460,285	1,460,285
Interest and finance charges	36,200	30,259	30,259
Baboosic Lake Fund		115,588	115,588
Total Activities	10,261,896	9,723,588	9,839,176
Increase (Decrease) in net assets	125,610	951,715	1,052,939
Net assets - beginning of year	19,971,497	19,019,782	19,522,582
Net assets - ending of year	20,097,107	19,971,497	20,575,521

Property and other taxes amounted to \$6,028,088 in revenues. Licenses and permits amounted to \$2,335,719 in revenues. Other revenues consisted of rooms and meals tax distribution, interest and investment earnings, and miscellaneous revenues. Included in the charges for services was \$77,212 in revenues from the Baboosic Lake Septic Proprietary fund.

The Town's \$10,394,151 in expenses covered a range of services. The highway and sanitation department's expenses amounted to \$3,476,750. Public safety amounted to \$3,413,577. General government expenses amounted to \$1,798,901. Culture and recreation amounted to \$1,402,070. Health and welfare, non-capitalized expenses, interest and fiscal charges and intergovernmental expenses accounted for the remaining expenses.

The Baboosic Lake Septic Proprietary fund incurred expenses of \$132,255. This amount includes \$94,897 of depreciation expense.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

During the year ended June 30, 2011, the Town implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. Under Statement 54, the Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. Complete descriptions of the above mentioned classifications may be found on page 16 of the Notes to the Basic Financial Statements. One major example of the effects caused by the implementation of GASB 54 is that the various Capital Reserve Funds and many previously reported Special Revenue Funds are now reported as part of the General Fund.

General Fund

The general fund is the main operating fund of the Town. At the end of the current fiscal year, the general fund had an unassigned (formally referred to as unreserved) fund balance of \$2,059,989 and total fund equity was \$3,259,517, a decrease of \$28,501 from the prior fiscal year.

The goal of the Town of Amherst is to retain an unreserved fund balance of 5%-10% of total appropriations including town, school, and county. For fiscal 2011 total appropriations for town, school, and county totaled \$61,258,840 setting the unassigned fund balance range at \$3,062,942 to \$6,125,884. On the budgetary basis, the Town's unassigned fund balance as of June 30, 2011 is \$2,921,963 (See Note 3 in the Notes to Required Supplementary Information) or 4.77% of total appropriations.

Other Governmental Funds-All Non-major Funds

An increase of \$197,356 in fund balance of the Permanent funds for fiscal 2011 was realized. The fund balance in Special Revenue Funds also increased by \$19,222. The combined funds resulted in a fund balance increase of \$216,578.

Also included in the other governmental funds-all non-major funds is the Library Fund. In 2011, the Library Fund reported revenues of \$45,815 and expended \$37,323 in support of the Amherst Town Library.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the original budget was amended by various supplemental appropriations. Budget to Actual Schedules for the major governmental fund (the General Fund) is in the Required Supplementary Information section on page 33 (Schedule 1).

The final budget for estimated revenues was \$30,001 more than the original revenue budgeted amounts. The final budget for estimated revenues exceeded actual revenues by \$250,838.

The actual budgetary expenditures were less than the final budgeted appropriations by \$19,514,181. This is due to expending only \$951,239 or 4.7% of the final budget for capital outlay. These unexpended capital outlay items also resulted in not issuing long-term bonds or notes to finance the costs.

The financial information of the town was adjusted to reflect all accruals and GAAP requirements that impact the revenues and expenditures. An example of one of these adjustments is the accounting for accrued compensated absences. Though not a cash outlay, the anticipated expenditures for the current year accrual is recorded for reporting purposes. The audited financial statements were also adjusted for prior and current fiscal year carryforwards.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$22,563,800. Accumulated depreciation amounted to \$5,615,623, leaving a net book value of \$16,948,177. This investment in capital assets includes vehicles and equipment, land, land improvements, buildings and improvements, library media, library books, works of art, computer software, and construction.

Additional information on the Town's capital assets can be found in Note 6 – Capital Assets of the Notes to the Basic Financial Statements.

Debt Administration

At the end of fiscal year 2011, the Town had total bonded debt outstanding of \$165,000 and \$1,596,200 for notes payable for governmental activities. Business-type activities notes payable were \$392,868. Capital leases payable amounted to \$127,939.

Additional information on the Town's long-term debt obligations can be found in Note 9-Long Term Obligations of the Notes to the Basic Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all of Amherst's citizens, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Amherst, Department of Finance, 2 Main Street, PO Box 960, Amherst, NH 03031.

EXHIBIT A
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 16,575,619		\$ 16,575,619
Investments	4,657,537		4,657,537
Taxes receivable, net	4,252,925		4,252,925
Accounts receivable, net	137,006	\$ 26,571	163,577
Due from other governments	71,010	5,848	76,858
Internal balances	72,653	(72,653)	-
Prepaid expenses	217,531		217,531
Inventory	14,524		14,524
Total Current Assets	<u>25,998,805</u>	<u>(40,234)</u>	<u>25,958,571</u>
Noncurrent Assets:			
Tax deeded property	10,923		10,923
Restricted cash	8,369		8,369
Capital assets:			
Non-depreciable capital assets	10,730,446		10,730,446
Depreciable capital assets, net	4,957,322	1,260,409	6,217,731
Total Noncurrent Assets	<u>15,707,060</u>	<u>1,260,409</u>	<u>16,967,469</u>
Total Assets	<u>\$ 41,705,865</u>	<u>\$ 1,220,175</u>	<u>\$ 42,926,040</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 160,899	\$ 13,822	\$ 174,721
Accrued expenses	438,363	7,836	446,199
Deferred revenue	18,959,083		18,959,083
Due to other governments	48,892		48,892
Current portion of bonds payable	85,000		85,000
Current portion of notes payable	156,573	36,508	193,081
Current portion of capital leases payable	49,858		49,858
Total Current Liabilities	<u>19,898,668</u>	<u>58,166</u>	<u>19,956,834</u>
Noncurrent Liabilities:			
Payable from restricted assets	8,369		8,369
Bonds payable	80,000		80,000
Notes payable	1,439,627	356,360	1,795,987
Other long-term obligations		256,668	256,668
Capital leases payable	78,081		78,081
Other post-employment benefits payable	104,013		104,013
Total Noncurrent Liabilities	<u>1,710,090</u>	<u>613,028</u>	<u>2,323,118</u>
Total Liabilities	<u>21,608,758</u>	<u>671,194</u>	<u>22,279,952</u>
NET ASSETS			
Invested in capital assets, net of related debt	15,687,768	610,873	16,298,641
Restricted	1,914,974		1,914,974
Unrestricted (deficit)	2,494,365	(61,892)	2,432,473
Total Net Assets	<u>20,097,107</u>	<u>548,981</u>	<u>20,646,088</u>
Total Liabilities and Net Assets	<u>\$ 41,705,865</u>	<u>\$ 1,220,175</u>	<u>\$ 42,926,040</u>

See accompanying notes to the basic financial statements

EXHIBIT B
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	<u>Expenses</u>	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>		
				<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental Activities:						
General government	\$ 1,798,901	\$ 17,234	\$ 908	\$ (1,780,759)		\$ (1,780,759)
Public safety	3,413,577	305,462	168,164	(2,939,951)		(2,939,951)
Highways and streets	2,827,941	4,770	329,312	(2,493,859)		(2,493,859)
Sanitation	648,809	104,655		(544,154)		(544,154)
Health and welfare	134,398			(134,398)		(134,398)
Culture and recreation	1,402,070	278,513		(1,123,557)		(1,123,557)
Debt service	36,200			(36,200)		(36,200)
Total governmental activities	<u>10,261,896</u>	<u>710,634</u>	<u>498,384</u>	<u>(9,052,878)</u>	<u>\$ -</u>	<u>(9,052,878)</u>
Business-type activities:						
Sewer	132,255	77,212			(55,043)	(55,043)
Total business-type activities	<u>132,255</u>	<u>77,212</u>	<u>-</u>	<u>-</u>	<u>(55,043)</u>	<u>(55,043)</u>
Total primary government	<u>\$ 10,394,151</u>	<u>\$ 787,846</u>	<u>\$ 498,384</u>	<u>(9,052,878)</u>	<u>(55,043)</u>	<u>(9,107,921)</u>
General revenues:						
Property and other taxes				6,028,088		6,028,088
Licenses and permits				2,335,719		2,335,719
Grants and contributions:						
Rooms and meals tax distribution				518,586		518,586
State and federal forest land				22		22
Railroad tax				781		781
Interest and investment income				238,619		238,619
Miscellaneous				47,873		47,873
Contributions to permanent fund principal				8,800		8,800
Total general revenues and contributions to permanent fund principal				<u>9,178,488</u>	<u>-</u>	<u>9,178,488</u>
Change in net assets				125,610	(55,043)	70,567
Net assets - beginning				<u>19,971,497</u>	<u>604,024</u>	<u>20,575,521</u>
Net assets - ending				<u>\$ 20,097,107</u>	<u>\$ 548,981</u>	<u>\$ 20,646,088</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF AMHERST, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 16,291,421	\$ 284,198	\$ 16,575,619
Investments	2,581,679	2,075,858	4,657,537
Taxes receivable, net	4,252,925		4,252,925
Accounts receivable, net	132,191	4,815	137,006
Due from other governments	71,010		71,010
Due from other funds	104,023	259,017	363,040
Prepaid expenses	217,531		217,531
Tax deeded property	10,923		10,923
Inventory	14,524		14,524
Restricted cash	8,369		8,369
Total Assets	<u>\$ 23,684,596</u>	<u>\$ 2,623,888</u>	<u>\$ 26,308,484</u>
LIABILITIES			
Accounts payable	\$ 137,210	\$ 23,689	\$ 160,899
Accrued expenses	414,218		414,218
Deferred revenue	19,557,373		19,557,373
Due to other governments	48,892		48,892
Due to other funds	259,017	31,370	290,387
Payable from restricted assets	8,369		8,369
Total Liabilities	<u>20,425,079</u>	<u>55,059</u>	<u>20,480,138</u>
FUND BALANCES			
Nonspendable	232,055	1,503,609	1,735,664
Restricted	154,140	257,225	411,365
Committed	652,262	638,723	1,290,985
Assigned	161,071	169,272	330,343
Unassigned	2,059,989		2,059,989
Total Fund Balances	<u>3,259,517</u>	<u>2,568,829</u>	<u>5,828,346</u>
Total Liabilities and Fund Balances	<u>\$ 23,684,596</u>	<u>\$ 2,623,888</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 15,687,768

Property taxes are recognized on an accrual basis in the statement of net assets, not the modified accrual basis 598,290

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Bonds payable (165,000)
Notes payable (1,596,200)
Capital leases payable (127,939)
Accrued interest on long-term obligations (24,145)
Other post-employment benefits payable (104,013)

Net assets of governmental activities \$ 20,097,107

See accompanying notes to the basic financial statements

EXHIBIT D

TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	
Revenues:				
Taxes	\$ 5,808,834	\$ 16,100	\$ 5,824,934	\$ 188,077
Licenses and permits	2,335,719		2,335,719	
Intergovernmental	1,017,773		1,017,773	
Charges for services	403,231	281,635	684,866	
Interest and investment income	39,143	199,476	238,619	
Miscellaneous	20,371	68,121	88,492	
Total Revenues	<u>9,625,071</u>	<u>565,332</u>	<u>10,190,403</u>	
Expenditures:				
Current operations:				
General government	1,720,867	5,000	1,725,867	914,235
Public safety	3,257,429	24,239	3,281,668	
Highways and streets	2,860,925		2,860,925	203,154
Sanitation	647,494		647,494	
Health and welfare	55,913		55,913	
Culture and recreation	1,186,368	294,015	1,480,383	
Capital outlay	1,068,441		1,068,441	(1,288,247)
Debt service:				
Principal retirement	144,156		144,156	
Interest and fiscal charges	25,726		25,726	
Total Expenditures	<u>10,967,319</u>	<u>323,254</u>	<u>11,290,573</u>	187,620
Excess revenues over (under) expenditures	<u>(1,342,248)</u>	<u>242,078</u>	<u>(1,100,170)</u>	(10,290)
Other financing sources (uses):				
Proceeds from note issuances	1,211,268		1,211,268	
Proceeds from capital lease	76,979		76,979	
Transfers in	50,000	24,500	74,500	
Transfers out	(24,500)	(50,000)	(74,500)	
Total other financing sources (uses)	<u>1,313,747</u>	<u>(25,500)</u>	<u>1,288,247</u>	(14,886)
Net change in fund balances	<u>(28,501)</u>	<u>216,578</u>	<u>188,077</u>	
Fund balances at beginning of year, as restated	<u>3,288,018</u>	<u>2,352,251</u>	<u>5,640,269</u>	
Fund balances at end of year	<u>\$ 3,259,517</u>	<u>\$ 2,568,829</u>	<u>\$ 5,828,346</u>	<u>(54,053)</u>
Change in Net Assets of Governmental Activities				<u>\$ 125,610</u>

Net Change in Fund Balances--Total Governmental Funds

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Proceeds from long-term obligations are other financing sources in the funds, but long-term obligations increase long-term liabilities in the statement of net assets.

Repayment of long-term obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due.

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss of disposed capital assets reduced by the actual proceeds received from the sale of capital assets.

Some expense reported in the statement of activities, such as other post-employment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities
	<u>Baboosic Lake Septic Fund</u>
ASSETS	
Current Assets:	
Accounts receivable, net	\$ 26,571
Due from other governments	5,848
Total Current Assets	<u>32,419</u>
Noncurrent Assets:	
Capital assets:	
Depreciable capital assets, net	<u>1,260,409</u>
Total Noncurrent Assets	<u>1,260,409</u>
Total Assets	<u>\$ 1,292,828</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 13,822
Accrued expenses	7,836
Due to other funds	72,653
Current portion of notes payable	<u>36,508</u>
Total Current Liabilities	<u>130,819</u>
Noncurrent Liabilities:	
Notes payable	356,360
Other long-term obligations	<u>256,668</u>
Total Noncurrent Liabilities	<u>613,028</u>
Total Liabilities	<u>743,847</u>
NET ASSETS	
Invested in capital assets, net of related debt	610,873
Unrestricted (deficit)	<u>(61,892)</u>
Total Net Assets	<u>548,981</u>
Total Liabilities and Net Assets	<u>\$ 1,292,828</u>

See accompanying notes to the basic financial statements

EXHIBIT F
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities Baboosic Lake Septic Fund
Operating revenues:	
Charges for services	\$ 77,212
Total operating revenues	<u>77,212</u>
Operating expenses:	
Cost of operations	22,096
Depreciation	<u>94,897</u>
Total operating expenses	<u>116,993</u>
Operating loss	<u>(39,781)</u>
Non-operating (expenses):	
Interest expense	<u>(15,262)</u>
Net non-operating (expenses)	<u>(15,262)</u>
Change in net assets	(55,043)
Total net assets at beginning of year	<u>604,024</u>
Total net assets at end of year	<u>\$ 548,981</u>

See accompanying notes to the basic financial statements

EXHIBIT G
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities
	<u>Baboosic Lake Septic Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 67,781
Cash paid to suppliers	<u>(9,450)</u>
Net cash provided by operating activities	<u>58,331</u>
Cash flows from capital financing activities:	
Purchases of capital assets	(80,446)
Proceeds from notes issued	170,700
Proceeds from other long-term obligations	126,806
Principal paid on long-term debt	(25,128)
Interest paid on long-term debt	<u>(10,753)</u>
Net cash provided for capital financing activities	<u>181,179</u>
Net increase in cash and cash equivalents	239,510
Cash and cash equivalents (deficiency) at beginning of year	<u>(312,163)</u>
Cash and cash equivalents (deficiency) at end of year	<u>\$ (72,653)</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (39,781)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	94,897
Changes in assets and liabilities:	
Accounts receivable, net	(9,431)
Accounts payable	<u>12,646</u>
Net cash provided by operating activities	<u>\$ 58,331</u>

See accompanying notes to the basic financial statements

EXHIBIT H
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Private- Purpose <u>Trust Funds</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents		\$ 241,089
Investments	\$ 1,062,241	412,925
Total assets	<u>\$ 1,062,241</u>	<u>\$ 654,014</u>
LIABILITIES		
Due to other governments		\$ 412,925
Due to others		241,089
Total liabilities	<u>\$ -</u>	<u>\$ 654,014</u>
NET ASSETS		
Held in trust	1,062,241	
Total net assets	<u>1,062,241</u>	
Total liabilities and net assets	<u>\$ 1,062,241</u>	

See accompanying notes to the basic financial statements

EXHIBIT I
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

	Private- Purpose <u>Trust Funds</u>
ADDITIONS:	
Contributions:	
Private donations	\$ 2,849
Total Contributions	<u>2,849</u>
Investment earnings:	
Interest	25,764
Realized gains on investments	14,597
Net increase in the fair value of investments	<u>107,210</u>
Total Investment Earnings	<u>147,571</u>
Total Additions	<u>150,420</u>
DEDUCTIONS:	
Benefits	<u>18,749</u>
Total Deductions	<u>18,749</u>
Change in net assets	131,671
Net assets - beginning of year	<u>930,570</u>
Net assets - end of year	<u>\$ 1,062,241</u>

See accompanying notes to the basic financial statements

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Amherst, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Town of Amherst, New Hampshire (the “Town”) was incorporated in 1760. The Town operates under the Town Meeting/Board of Selectmen form of government and performs local governmental functions authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The Town’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net assets and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

2. Fund Financial Statements:

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The Town uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the Town's major governmental fund:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

2. Proprietary Funds:

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The Town has no internal service funds. The following is the Town's major proprietary fund:

The *Baboosic Lake Septic Fund* accounts for all revenues and expenses pertaining to the sanitation operations of the Baboosic Lake community septic system.

The Baboosic Lake Septic Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

3. Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town maintains eight private-purpose trust funds, which account for monies designated to benefit individuals within the Town. The Town's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Town's agency funds account for the capital reserve funds of the Amherst School District, Souhegan Cooperative School District and the SAU #39 Capital Facilities Fund, which are held by the Town as required by State law. Other agency funds consist of escrows and developer's performance bonds.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Town are included on the Statement of Net Assets.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

The private-purpose trust funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

In the government-wide financial statements and proprietary fund statements, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 2). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes and interest on investments.

Licenses and permits, charges for services, and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received.

2. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

3. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2011, the Town applied \$250,000 of its unassigned fund balance to reduce taxes.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Encumbrance Accounting

Encumbrance accounting, under which purchase orders and other commitments for expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in Governmental Funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Cash and Cash Equivalents

The Town pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	Baboosic
	Lake Septic
	<u>Fund</u>
Due to other funds	<u>\$ (72,653)</u>

Investments

Investments are stated at their fair value in all funds. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable

Taxes levied during the current fiscal year and prior and uncollected at June 30, 2011 are recorded as receivables net of reserves for estimated uncollectibles of \$65,000.

Accounts Receivable

Accounts receivable are recorded net of reserves for estimated uncollectibles of \$62,000 and \$6,421 in the General Fund and Baboosic Lake Septic Fund, respectively.

Prepaid Expenses

Payments made to the Souhegan Cooperative School District prior to June 30, 2011 in advance of their fiscal year 2012 tax assessments and payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items.

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are accounted for on the consumption method of accounting.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first out basis. Inventory in governmental funds consists of expendable supplies held for consumption.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Restricted Cash

Restricted cash consists of deposits held in escrow accounts.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets, but are not reported in the governmental fund financial statements.

All capital assets including infrastructure are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The Town maintains a capitalization threshold of \$5,000. The Town's infrastructure consists of roads. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction phase of capital assets of business-type activities is also capitalized.

All reported capital assets except for land, library books, works of art and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
Infrastructure		40
Land improvements		15-20
Buildings and improvements		40
Vehicles and equipment		5-10
Library media		10

Compensated Absences

Employees earn vacation and sick leave as they provide services. Pursuant to Town personnel policy and collective bargaining agreements, employees earn vacation at ten to twenty days per year dependent upon length of service and are entitled to two personal days per year. Full time employees are entitled to 7 paid sick days per year. On the anniversary date of hire, an employee is compensated for half of his/her unused sick days and the other half of the unused sick days are accumulated in each employee's sick bank for a maximum of thirty days. Any employee that has accumulated the maximum thirty days in the sick bank is compensated for all of his/her unused sick days from the previous year. All unused sick days will be canceled upon termination for any cause. The Town budgets for these expenditures on a "pay as you go" basis.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year. General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Policy

During the year ended June 30, 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Statement 54 established new fund balance classifications and changes the definition of governmental fund types. Under Statement 54, the Town has segregated fund balance into five classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- Nonspendable Fund Balance: Amounts that are not in a spendable form or are required to be maintained intact.
- Restricted Fund Balance: Amounts that can only be spent for the specific purposes stipulated by external resource providers or the enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers or the enabling legislation.
- Committed Fund Balance: Amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally.
- Assigned Fund Balance: Amounts a government intends to use for a specific purpose.
- Unassigned Fund Balance: Amounts that are not obligated or specifically designated and are available for any purpose.

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned amounts then unassigned amounts.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Pursuant to the Town's policy at year end, if any of the special revenue funds has a deficit unassigned fund balance, the Town Administrator is authorized to transfer funds from the General Fund to cover the deficit, providing the General Fund has the resources to do so.

In accordance with the Town's fund balance policy, the Town will strive to maintain an unassigned fund balance in its General Fund equal to 8-17% of the total appropriations of the community (which includes the Town, Schools, and County). The Board of Selectmen will review this information each year in order to determine the amount, if any, of unassigned fund balance to use to balance the budget and to reduce the property tax rate.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Baboosic Lake Septic Fund, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include depreciation expense, the allowance for uncollectible taxes and receivables, and the liability for other post-employment benefits.

NOTE 2—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$1,859,876,000 as of April 1, 2010) and are due in two installments on July 1, 2010 and December 1, 2010. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property may be tax dedeed to the Town.

In accordance with State law, the Town collects taxes for the Amherst School District, Souhegan Cooperative School District, and Hillsborough County, all independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the school districts. Total taxes appropriated during the year were \$17,789,446, \$11,993,022 and \$1,881,565 for the Amherst School District, Souhegan Cooperative School District and Hillsborough County, respectively. These taxes are not recognized as revenues in these financial statements. The Town bears responsibility for uncollected taxes.

NOTE 3—RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2011 the Town was a member of the New Hampshire Public Risk Management Exchange (PRIMEX). The Town currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with accounting principles generally accepted in the United States of America.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2011.

Property and Liability Insurance

PRIMEX provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of PRIMEX, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000.

Worker's Compensation

PRIMEX provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

NOTE 4—DEPOSITS AND INVESTMENTS

The Town has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

Deposits and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and cash equivalents	\$ 16,575,619
Investments	4,657,537
Restricted cash	8,369
Statement of Fiduciary Net Assets:	
Cash and cash equivalents	241,089
Investments	<u>1,475,166</u>
	<u>\$ 22,957,780</u>

Deposits and investments at June 30, 2011 consist of the following:

Cash on hand	\$ 794
Deposits with financial institutions	18,902,261
Investments	<u>4,054,725</u>
	<u>\$ 22,957,780</u>

The Town requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs for all governmental fund types. The Town limits its investments to demand deposits, money market accounts and repurchase agreements in accordance with New Hampshire State law (RSA 41:29). Responsibility for the investments of the Trust Funds is with the Board of Trustees, who have employed professional banking assistance in accordance with New Hampshire State law (RSA 31:38a). Responsibility for the investments of the library is with the Library Trustees.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town, Trustees of Trust Funds, and the Library Trustees do not have a policy regarding interest rate risk.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

Investment Type	Fair Value	Remaining Maturity (In Years)		
		0-1 Years	1-5 Years	> 5 Years
Corporate bonds	<u>\$ 934,532</u>	<u>\$ -</u>	<u>\$ 386,755</u>	<u>\$ 547,777</u>

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Town's investment policy for its governmental funds addresses credit risk by limiting investments to the safest types of securities. The Town limits its investments to money market accounts, repurchase agreements, the New Hampshire Public Deposit Investment Pool, and obligations fully guaranteed by the United States government.

The Trustees of Trust Funds do not have formal investment policies for managing its investments exposure from credit risk.

The following is the actual rating at year end for each investment type:

	Investment Type					Totals
	Corporate Bonds	Money Market Mutual Funds	Mutual Funds	Foreign Mutual Funds	Foreign Bond Mutual Funds	
Ratings as of Year End						
A1	\$ 386,159					\$ 386,159
A2	437,801					437,801
A3	110,572					110,572
Not Rated		\$ 1,426,021	\$ 240,239	\$ 108,995	\$ 83,577	1,858,832
Fair Value	<u>\$ 934,532</u>	<u>\$ 1,426,021</u>	<u>\$ 240,239</u>	<u>\$ 108,995</u>	<u>\$ 83,577</u>	<u>\$ 2,793,364</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

In accordance with the Town's investment policy for its governmental funds, all security transactions must be secured by collateral having a value at least equal to the amount of funds in excess of the FDIC deposit limits. Such collateral shall be segregated for the exclusive benefit of the Town and may consist of obligations of the United States government, United States government agencies or obligations of the state of New Hampshire.

The Trustees of Trust Funds and the Library Trustees have no policy regarding custodial credit risk.

Of the Town's deposits with financial institutions at year end, \$17,612,671 was collateralized by securities held by the bank in the bank's name.

As of June 30, 2011, Town investments in the following investment types were held by the same counterparty that was used to buy the securities.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

	Reported <u>Amount</u>
Corporate bonds	\$ 934,532
Equity securities	1,177,342
Foreign equity securities	84,019
Money market mutual funds	1,426,021
Mutual funds	240,239
Foreign mutual funds	108,995
Foreign bond mutual funds	83,577
	<u>\$ 4,054,725</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. As of June 30, 2011, the Town held \$108,995, \$83,577 and \$84,019 in foreign mutual funds, bond mutual funds and equity securities, respectively. The Town and the Trustees of Trust Funds do not have an investment policy for assurance against foreign currency risk.

NOTE 5—DUE FROM OTHER GOVERNMENTS

Receivables from other governments at June 30, 2011 consist of reimbursements from local education agencies and various state and federal funding. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables is as follows:

Governmental activities:	
State of New Hampshire	\$ 480
Local education agencies	70,530
Business-type activities:	
State of New Hampshire - State revolving loan funds	5,848
	<u>\$ 76,858</u>

NOTE 6—CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental funds:

	Balance <u>7/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2011</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 7,728,014			\$ 7,728,014
Library books	2,830,353			2,830,353
Works of art	22,079			22,079
Construction in progress		\$ 150,000		150,000
Total capital assets not being depreciated	<u>10,580,446</u>	<u>150,000</u>	<u>\$ -</u>	<u>10,730,446</u>

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Other capital assets:				
Infrastructure	209,877	969,617		1,179,494
Land improvements	565,106			565,106
Buildings and improvements	2,881,639	61,827		2,943,466
Vehicles and equipment	5,173,478	160,361	(70,386)	5,263,453
Library media	238,753	91,083		329,836
Total other capital assets at historical cost	<u>9,068,853</u>	<u>1,282,888</u>	<u>(70,386)</u>	<u>10,281,355</u>
Less accumulated depreciation for:				
Infrastructure	(5,247)	(80,419)		(85,666)
Land improvements	(69,518)	(37,486)		(107,004)
Buildings and improvements	(821,549)	(22,211)		(843,760)
Vehicles and equipment	(3,826,960)	(365,171)	55,500	(4,136,631)
Library media	(137,606)	(13,366)		(150,972)
Total accumulated depreciation	<u>(4,860,880)</u>	<u>(518,653)</u>	<u>55,500</u>	<u>(5,324,033)</u>
Total other capital assets, net	<u>4,207,973</u>	<u>764,235</u>	<u>(14,886)</u>	<u>4,957,322</u>
Total capital assets, net	<u>\$ 14,788,419</u>	<u>\$ 914,235</u>	<u>\$ (14,886)</u>	<u>\$ 15,687,768</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 32,202
Public safety	209,868
Highways and streets	197,348
Sanitation	750
Culture and recreation	78,485
Total governmental activities depreciation expense	<u>\$ 518,653</u>

The balance of the assets acquired through capital leases as of June 30, 2011 is as follows:

Vehicles and equipment	\$ 205,641
Less accumulated depreciation for:	
Vehicles and equipment	<u>(59,073)</u>
	<u>\$ 146,568</u>

The following is a summary of changes in capital assets in the proprietary fund:

	Balance 7/1/2010	Additions	Reductions	Balance 6/30/2011
Business-type activities:				
Capital assets not depreciated:				
Construction in progress	\$ 231,556	\$ 25,524	\$ (257,080)	\$ -
Total capital assets not being depreciated	<u>231,556</u>	<u>25,524</u>	<u>(257,080)</u>	<u>-</u>
Other capital assets:				
Land improvements	<u>1,294,919</u>	<u>257,080</u>		<u>1,551,999</u>
Total other capital assets at historical cost	<u>1,294,919</u>	<u>257,080</u>	<u>-</u>	<u>1,551,999</u>

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Less accumulated depreciation for:

Land improvements	(196,693)	(94,897)		(291,590)
Total accumulated depreciation	(196,693)	(94,897)	-	(291,590)
Total other capital assets, net	1,098,226	162,183	-	1,260,409
Total capital assets, net	<u>\$ 1,329,782</u>	<u>\$ 187,707</u>	<u>\$ (257,080)</u>	<u>\$ 1,260,409</u>

Depreciation expense was charged to the proprietary fund as follows:

Baboosic Lake Septic Fund	<u>\$ 94,897</u>
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NOTE 7—DEFINED BENEFIT PLAN

Plan Description

The Town contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 9.3% of their covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers and fire employees were 14.63% and 18.52%, respectively. The Town contributes 75% of the employer cost for police officers and fire employees, and the State contributes the remaining 25% of the employer cost. In accordance with accounting principles generally accepted in the United States of America (GASB Statement #24), on-behalf fringe benefits contributed by the State of New Hampshire of \$73,963 have been reported as a revenue and expenditure in the General Fund in these financial statements.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the years ending June 30, 2011, 2010, and 2009 were \$222,763, \$188,319, and \$167,762, respectively, equal to the required contributions for each year.

NOTE 8—OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the Town provides dental, medical and pharmacy benefits to its eligible retirees. Dental, medical and pharmacy benefits have three groups of coverage. For group one, general employees covered by the New Hampshire Retirement System (NHRS), the employee must reach the age of 50 with 10 years of service, obtain 70 points (the sum of age and years of service) or reach the age of 60 to qualify for this benefit. For group two, general employees not covered by the NHRS, the employee must reach the age of 60 with 2 years of service or have at least 25 years of service to qualify for this benefit. For group three, public safety officers, the employee must reach the age of 45 with 20

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

years of service or reach the age of 60 to qualify for this benefit. All other retirees and spouses of retirees pay the full cost of the health care coverage. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of July 1, 2009, the actuarial valuation date, approximately 3 retirees and 61 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

Annual OPEB Costs

The Town's fiscal 2011 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined using the alternative measurement method in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid, on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of thirty years. The Town's annual OPEB cost for the fiscal year ending June 30, 2011 including the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of July 1, 2009 is as follows:

Annual Required Contribution (ARC)	\$ 115,902
Interest on Net OPEB obligation (NOO)	1,998
NOO Amortization adjustment to ARC	<u>(1,985)</u>
Annual OPEB cost	115,915
Contributions made	<u>(61,862)</u>
Increase in Net OPEB obligation	54,053
Net OPEB obligation - beginning of year	<u>49,960</u>
Net OPEB obligation - end of year	<u><u>\$ 104,013</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ending June 30, 2011 and 2010 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 115,915	53.4%	\$ 104,013
6/30/2010	\$ 106,198	53.0%	\$ 49,960

The Town's net OPEB obligation as of June 30, 2011 is recognized as a liability in these financial statements.

Funded Status and Funding Progress for OPEB

The funded status of the plan as of July 1, 2009, the date of the most recent actuarial valuation is as follows:

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Actuarial Accrued Liability (AAL)	\$ 1,255,353
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,255,353</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 3,265,756
UAAL as a percentage of covered payroll	38.4%

The alternative measurement valuation involves estimates of the value of reported amounts and assumptions about the probability of events in the future. The total cost of providing post-employment benefits is projected, taking into account assumptions about current claim cost, turnover, mortality, health care trends, and other key assumptions. Internally generated key assumptions, based on recent trends within the Town, include general considerations, expected point at which benefits begin, and marital and dependency status. Mortality assumptions were derived from the RP2000 Mortality Table. Turnover assumptions were based on the Standard Turnover Assumption from pronouncement GASB No. 45. The assumption on health care trends was provided by an independent company that assisted the Town in the preparation of the alternative measurement method for GASB 45. Based on this independent company's help, the health care trends do not reflect potential changes in future health costs due to the passage of the Patient Protection and Affordable Care Act signed on March 23, 2010, as amended by the Health Care and Education Reconciliation Act signed on March 30, 2010 as the impact of these recent legislations are unknown. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions for OPEB

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

In the July 1, 2009 actuarial valuation, the Projected Unit Credit method was used. The actuarial value of assets was not determined as the Town has not advance funded its obligation. The actuarial assumptions included a 4.0% investment rate of return and an annual healthcare cost trend rate of 10.0% initially, and then reduced by .5% decrements to an ultimate rate of 5.0% after 10 years. The amortization costs for the initial Unfunded Actuarial Accrued Liability (UAAL) is a level percentage of payroll for a period of thirty years on an open group basis. This has been calculated assuming the amortization payment increases at a rate of 3.0% per year.

NOTE 9—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town's long-term obligations for the year ended June 30, 2011 are as follows:

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

	<u>Balance</u> <u>7/1/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2011</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 250,000		\$ (85,000)	\$ 165,000	\$ 85,000
Notes payable	444,088	\$ 1,211,268	(59,156)	1,596,200	156,573
Capital leases payable	94,424	76,979	(43,464)	127,939	49,858
Total governmental activities	<u>\$ 788,512</u>	<u>\$ 1,288,247</u>	<u>\$ (187,620)</u>	<u>\$ 1,889,139</u>	<u>\$ 291,431</u>
Business-type activities:					
Notes payable	\$ 247,296	\$ 170,700	\$ (25,128)	\$ 392,868	\$ 36,508
Other long-term obligations	229,346	27,322		256,668	
Total business-type activities	<u>\$ 476,642</u>	<u>\$ 198,022</u>	<u>\$ (25,128)</u>	<u>\$ 649,536</u>	<u>\$ 36,508</u>

Payments on the general obligation bonds, notes payable and capital leases of the governmental activities are paid out of the General Fund. Payments on the notes payable of the business-type activities are paid out of the Baboosic Lake Septic Fund.

General Obligation Bonds

Governmental Activities:

Bonds payable at June 30, 2011 are comprised of the following individual issues:

\$400,000 Lindabury Apple Orchard Bonds due in annual installments of \$40,000 through March 2013; interest at 4.02%	\$ 80,000
\$442,000 Joppa Hill Road Bonds due in annual installments of \$42,000 through December 2003; \$45,000 through December 2011; and \$40,000 through December 2012; interest at 4.02%	85,000
	<u>\$ 165,000</u>

Debt service requirements to retire general obligation bonds outstanding at June 30, 2011 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 85,000	\$ 6,633	\$ 91,633
2013	80,000	3,216	103,921
	<u>\$ 165,000</u>	<u>\$ 9,849</u>	<u>\$ 195,554</u>

As included on the Statement of Activities (Exhibit B), interest for the year ended June 30, 2011 was \$8,744 on general obligation debt for governmental activities.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Notes Payable

Governmental Activities:

Notes payable for governmental activities at June 30, 2011 are comprised of the following individual issues:

\$3,500,000 Road Reconstruction Notes due in annual installments of \$47,418 through June 2026; interest at 3.67%	\$ 711,268
\$500,000 Spring Road Notes due in annual installments of \$50,000 through August 2020; interest at 3.02%	500,000
\$300,000 OSAC Land Notes due in annual installments of \$30,000 through October 2017; interest at 3.56%	210,000
\$291,554 Tanker Notes due in annual installments of \$29,155 through July 2016; interest at 4.45%	174,932
	<u>\$ 1,596,200</u>

Debt service requirements to retire the notes payable for governmental activities at June 30, 2011 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 156,573	\$ 55,276	\$ 211,849
2013	156,573	49,715	206,288
2014	156,573	44,045	200,618
2015	156,573	38,429	195,002
2016	156,573	32,813	189,386
2017-2021	576,245	95,067	671,312
2022-2026	237,090	26,104	263,194
	<u>\$1,596,200</u>	<u>\$ 341,449</u>	<u>\$1,937,649</u>

As included on the Statement of Activities (Exhibit B), interest for the year ended June 30, 2011 was \$27,456 on notes payable for governmental activities.

Business-type Activities:

Notes payable at June 30, 2011 are comprised of the following individual issues:

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

\$178,500 Baboosic Lake Septic Notes due in annual installments of \$11,900 through September 2022; interest at 4.20%	\$ 142,800
\$132,278 Baboosic Lake Septic Notes due in annual installments of \$13,228 through July 2016; interest at 4.45%	79,368
\$170,700 Baboosic Lake Septic Notes due in annual installments of \$11,380 through August 2025; interest at 3.17%	<u>170,700</u>
	<u>\$ 392,868</u>

Debt service requirements to retire the notes payable for business-type activities at June 30, 2011 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 36,508	\$ 14,394	\$ 50,902
2013	36,508	12,967	49,475
2014	36,508	11,495	48,003
2015	36,508	10,046	46,554
2016	36,508	8,597	45,105
2017-2021	129,628	25,985	155,613
2022-2026	80,700	6,413	87,113
	<u>\$ 392,868</u>	<u>\$ 89,897</u>	<u>\$ 482,765</u>

As included on the Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds (Exhibit F), interest expense for the year ended June 30, 2011 was \$15,262 on notes payable for the business-type activities.

Other Long-Term Obligations

Business-type Activities:

The Town has drawn \$256,668 of approximately \$425,000 in funds under the State of New Hampshire, State Water Pollution Control Revolving Fund Program for improvements to the Community Septic System. Payments are not scheduled to commence until the first anniversary of the scheduled completion date of the project or the date of substantial completion, whichever is earliest. Interest is accrued at 1% during the construction period of the project and is to be paid upon completion of the construction project within the following year.

As authorized by the American Recovery and Reinvestment Act, the Town shall be provided federal financial assistance for the above Community Septic System Project, whereby a portion of the principal sum, not to exceed \$212,500 or 50% of aggregate disbursements, whichever is less, will be forgiven. The principal forgiveness will be applied at the time of each loan repayment over a period not to exceed 15 years. Subsequent to year end (see Note 17), this project was finalized and the borrowed funds were converted into a note payable.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. The following are the individual capital lease obligations at June 30, 2011:

Vehicle lease, due in annual installments of \$5,872, including interest at 9.11% through July 2012	\$ 10,987
Highway equipment lease, due in annual installments of \$21,364, including interest at 9.11% through July 2012	39,973
Vehicle lease, due in annual installments of \$27,132, including interest at 2.84% through October 2013	<u>76,979</u>
	<u>\$ 127,939</u>

Debt service requirements to retire capital lease obligations outstanding at June 30, 2011 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 49,858	\$ 4,509	\$ 54,367
2013	51,698	2,669	54,367
2014	<u>26,383</u>	<u>749</u>	<u>27,132</u>
	<u>\$ 127,939</u>	<u>\$ 7,927</u>	<u>\$ 135,866</u>

Authorized and Unissued Debt

As of June 30, 2011, the Town had the following debt authorized and unissued:

Road reconstruction	\$ 13,788,732
Open space land	5,200,000
Bridge replacement	2,100,260
Baboosic Lake Septic	129,795
Baboosic Lake Community Septic	<u>425,000</u>
	<u>\$ 21,643,787</u>

NOTE 10—INTERFUND BALANCES AND TRANSFERS

The Town has combined the cash resources of its governmental and proprietary funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. In addition, the General Fund has paid for various items that are to be reimbursed from Nonmajor Governmental Funds.

Interfund balances at June 30, 2011 are as follows:

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

	Due from			Totals
	General Fund	Nonmajor Governmental Funds	Baboosic Lake Septic Fund	
Due to General Fund		\$ 31,370	\$ 72,653	\$ 104,023
Due to Nonmajor Governmental Funds	\$ 259,017			259,017
	<u>\$ 259,017</u>	<u>\$ 31,370</u>	<u>\$ 72,653</u>	<u>\$ 363,040</u>

During the year, several interfund transactions occurred between funds. The various transfers between the General Fund and Nonmajor Governmental Funds were made in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2011 are as follows:

	Transfer from		Totals
	General Fund	Nonmajor Governmental Funds	
Transfer to General Fund		\$ 50,000	\$ 50,000
Transfer to Nonmajor Governmental Funds	\$ 24,500		24,500
	<u>\$ 24,500</u>	<u>\$ 50,000</u>	<u>\$ 74,500</u>

NOTE 11—RESTRICTED NET ASSETS

Net assets are restricted for specific purposes at June 30, 2011 as follows:

Endowments - principal	\$ 1,503,609
Endowments - income	252,790
Open space land	110,638
Miscellaneous grants and donations	47,937
	<u>\$ 1,914,974</u>

NOTE 12—PERFORMANCE DEPOSITS

The Town holds performance bonds from developers until projects have been completed to Town standards. These bonds are not included as part of the financial statements. At June 30, 2011, the Town held performance deposits totaling \$141,500.

NOTE 13—COMPONENTS OF FUND BALANCE

The components of the Town's fund balance for its governmental funds at June 30, 2011 are as follows:

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

<u>Fund Balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Prepaid expenses	\$ 217,531		\$ 217,531
Endowments		\$ 1,503,609	1,503,609
Inventory	14,524		14,524
Restricted for:			
Endowments - income		252,790	252,790
Open space land	110,638		110,638
Miscellaneous grants and donations	43,502	4,435	47,937
Committed for:			
Recreation Fund		99,338	99,338
Peabody Mill Environmental Center Fund		137,384	137,384
Police Detail Revolving Fund		14,860	14,860
Conservation Commission Fund		387,141	387,141
Capital Reserves Fund	613,874		613,874
Land Use Change Tax Fund	16,100		16,100
Non-lapsing carryforward appropriations	22,288		22,288
Assigned for:			
Encumbrances	157,742		157,742
Library Fund		162,610	162,610
Town Band Fund		6,662	6,662
Recycle Fund	1,748		1,748
Rescue Fund	118		118
Friends of the Orchard Fund	1,463		1,463
Unassigned:			
General Fund operations	2,059,989		2,059,989
	<u>\$ 3,259,517</u>	<u>\$ 2,568,829</u>	<u>\$ 5,828,346</u>

NOTE 14—COMMITMENTS AND CONTINGENCIES

Issuance of Notes Payable

During June 2011, the Town issued a \$2,000,000 note payable for road reconstruction. This note has an interest rate of 2.95% and matures on June 13, 2022. No funds have been drawn down against this note payable as of June 30, 2011. Subsequent to year end (see Note 17), funds have been drawn down against this note payable.

During June 2011, the Town issued a \$2,100,260 note payable for the reconstruction of three bridges. This note has an interest rate of 3.15% and matures on July 13, 2027. No funds have been drawn down against this note payable as of June 30, 2011.

Litigation

The Town's general counsel estimates that any potential claims against the Town, which are not covered by insurance, are immaterial and would not affect the financial position of the Town.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2011

NOTE 15—RECLASSIFICATION

Amounts previously classified as bonds payable have been reclassified to conform to the current year's presentation. The long-term obligations are reported separately for bonds payables and notes payable.

NOTE 16—RESTATEMENT OF EQUITY

Governmental Funds

Effective July 1, 2010, the Town retroactively changed its method of financial reporting to conform to a recent pronouncement of the Governmental Accounting Standards Board (Statement No. 54). This new standard changes how fund balance is reported and changes the definition of the governmental fund types. As a result, the Capital Reserve Funds, Land Use Change Tax Fund, Open Space Land Fund, and several other special revenue funds, previously reported as nonmajor governmental funds of the Town, have been reclassified into the General Fund for reporting purposes. The impact of the restatement on the governmental funds is as follows:

	General Fund	Other Governmental Funds
Fund Balance - July 1, 2010 (as previously reported)	\$ 2,162,594	\$ 3,477,675
Amount of restatement due to:		
Reclassification of Special Revenue Funds	1,125,424	(1,125,424)
Fund Balance - July 1, 2010, as restated	<u>\$ 3,288,018</u>	<u>\$ 2,352,251</u>

NOTE 17—SUBSEQUENT EVENTS

Long-Term Obligations

During September 2011, a note payable for road reconstruction that was initially issued in the amount of \$3,500,000 was amended to \$1,825,000. This note has an interest rate of 3.67% and matures on June 30, 2026. As of June 30, 2011, the Town has drawn down \$711,268 against this note and has been included as a long-term note payable of the governmental activities.

During June 2011, the Town issued a \$2,000,000 note payable for road reconstruction. Subsequent to year end, the Town has drawn down a total of \$750,000 against this note. This note has an interest rate of 2.95% and matures on June 13, 2022.

During January 2012, the Town entered into a \$188,969 capital lease agreement for the acquisition of highway equipment. This lease is due in annual installments of \$39,976, including interest at 2.85% through January, 2016. This contract is subject to cancellation should funds not be appropriated to meet payment obligations.

During March 2012, the Town converted the funds borrowed under the state revolving loan fund of \$256,668 for improvements to the Community Septic System and accrued interest of \$1,371 into a \$258,039 note payable. As authorized by the American Recovery and Reinvestment Act, a total of \$128,334 of principal will be forgiven at the time of the initial repayment. The Town will make annual principal payments of \$8,647 over a 15 year period and interest at a rate of 2.91%.

SCHEDULE 1

TOWN OF AMHERST, NEW HAMPSHIRE

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budgetary Basis) - General Fund

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 6,076,275	\$ 6,076,275	\$ 5,995,888	\$ (80,387)
Licenses and permits	2,496,450	2,496,450	2,335,719	(160,731)
Intergovernmental	919,895	943,053	943,810	757
Charges for services	375,750	376,027	403,231	27,204
Interest income	70,000	70,000	37,789	(32,211)
Miscellaneous	19,275	25,841	20,371	(5,470)
Total Revenues	<u>9,957,645</u>	<u>9,987,646</u>	<u>9,736,808</u>	<u>(250,838)</u>
Expenditures:				
Current operations:				
General government	1,775,781	1,754,834	1,723,437	31,397
Public safety	3,150,833	3,175,953	3,196,947	(20,994)
Highways and streets	2,738,738	2,739,171	2,790,655	(51,484)
Sanitation	734,766	734,766	657,865	76,901
Health and welfare	68,341	68,341	55,913	12,428
Culture and recreation	1,165,335	1,165,335	1,181,960	(16,625)
Capital outlay	20,451,498	20,429,210	951,239	19,477,971
Debt service:				
Principal retirement	144,157	144,157	144,156	1
Interest and fiscal charges	30,312	30,312	25,726	4,586
Total Expenditures	<u>30,259,761</u>	<u>30,242,079</u>	<u>10,727,898</u>	<u>19,514,181</u>
Excess revenues over (under) expenditures	<u>(20,302,116)</u>	<u>(20,254,433)</u>	<u>(991,090)</u>	<u>19,263,343</u>
Other financing sources (uses):				
Proceeds from bond and note issuances	20,200,000	20,200,000	1,211,268	(18,988,732)
Transfers in	242,610	242,610	593,850	351,240
Transfers out	(481,500)	(481,500)	(231,500)	250,000
Total other financing sources (uses)	<u>19,961,110</u>	<u>19,961,110</u>	<u>1,573,618</u>	<u>(18,387,492)</u>
Net change in fund balance	(341,006)	(293,323)	582,528	875,851
Fund balance at beginning of year				
- Budgetary Basis	<u>2,630,096</u>	<u>2,630,096</u>	<u>2,630,096</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 2,289,090</u>	<u>\$ 2,336,773</u>	<u>\$ 3,212,624</u>	<u>\$ 875,851</u>

See accompanying notes to the required supplementary information

SCHEDULE 2
TOWN OF AMHERST, NEW HAMPSHIRE
Schedule of Funding Progress for Other Post-Employment Benefits
For the Year Ended June 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2009	\$ -	\$ 1,255,353	\$ 1,255,353	0%	\$ 3,265,756	38.4%

See accompanying notes to the required supplementary information

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary expenditures were adjusted for compensated absences payable amounts budgeted on a “pay as you go” basis, encumbrances, and activity budgeted in the current and subsequent fiscal year. Budgetary revenues and expenditures were adjusted for non-budgetary revenues and expenditures, budgetary transfers, capital lease activity, and on-behalf payments for fringe benefits.

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 10,963,318	\$ 10,991,819
Difference in property taxes meeting susceptible to accrual criteria	203,154	
Compensated absences payable, June 30, 2010		274,305
Compensated absences payable, June 30, 2011		(256,707)
Encumbrances, June 30, 2010		(220,927)
Encumbrances, June 30, 2011		157,742
Activity recognized in the prior fiscal year and budgeted in the current fiscal year		18,988
Activity recognized in the current fiscal year and budgeted in the subsequent fiscal year		(17,900)
Non-budgetary revenues and expenditures	(17,454)	(43,980)
Budgetary transfers	543,850	207,000
Capital lease activity	(76,979)	(76,979)
On-behalf fringe benefits	(73,963)	(73,963)
Per Schedule 1	<u>\$ 11,541,926</u>	<u>\$ 10,959,398</u>

NOTE 2—ENCUMBRANCES

Functional encumbrances in the General Fund as of June 30, 2011 are as follows:

General government	\$ 18,148
Public safety	8,074
Highways and streets	121,838
Culture and recreation	9,682
	<u>\$ 157,742</u>

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
June 30, 2011

NOTE 3—BUDGETARY FUND BALANCES

The components of the budgetary fund balance for the General Fund are as follows:

Nonspendable:	
Prepaid expenses	\$ 217,531
Inventory	14,524
Tax deeded property	10,923
Restricted:	
PEG grant	25,395
Committed:	
Non-lapsing carryforward appropriation	22,288
Unassigned	<u>2,921,963</u>
	<u>\$ 3,212,624</u>

NOTE 4—CARRYFORWARD APPROPRIATIONS

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. At year end, continuing appropriations are reported as a component of fund balance and are detailed as follows:

	<u>Restricted</u>	<u>Committed</u>
PEG grant	\$ 25,395	
Peabody Mill Environmental Center building		\$ 22,288
	<u>\$ 25,395</u>	<u>\$ 22,288</u>

NOTE 5—SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS

In accordance with GASB Statement #45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, the Town is required to disclose the schedule of funding progress for each of the three most recent actuarial valuations. The Town implemented the provisions of GASB Statement #45 during the year ended June 30, 2010. Accordingly, the funding progress has only been presented for the most recent actuarial valuation report. Additional disclosures will be made as the information becomes available.

SCHEDULE A
TOWN OF AMHERST, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
June 30, 2011

	Special Revenue Funds	Permanent Funds	Combining Totals
ASSETS			
Cash and cash equivalents	\$ 284,198		\$ 284,198
Investments	288,089	\$ 1,787,769	2,075,858
Accounts receivable	4,815		4,815
Due from other funds	259,017		259,017
Total Assets	<u>\$ 836,119</u>	<u>\$ 1,787,769</u>	<u>\$ 2,623,888</u>
LIABILITIES			
Accounts payable	\$ 23,689		\$ 23,689
Due to other funds		\$ 31,370	31,370
Total Liabilities	<u>23,689</u>	<u>31,370</u>	<u>55,059</u>
FUND BALANCES			
Nonspendable		1,503,609	1,503,609
Restricted	4,435	252,790	257,225
Committed	638,723		638,723
Assigned	169,272		169,272
Total Fund Balances	<u>812,430</u>	<u>1,756,399</u>	<u>2,568,829</u>
Total Liabilities and Fund Balances	<u>\$ 836,119</u>	<u>\$ 1,787,769</u>	<u>\$ 2,623,888</u>

SCHEDULE A-1
TOWN OF AMHERST, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Special Revenue Funds
June 30, 2011

	Library Fund	Recreation Fund	Peabody Mill Environmental Center Fund	Police Detail Revolving Fund	Conservation Commission Fund	Town Band Fund	Miscellaneous Donations Fund	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 56,462	\$ 25	\$ 8,367		\$ 208,247	\$ 6,662	\$ 4,435	\$ 284,198
Investments	109,370			\$ 4,815	178,719			288,089
Accounts receivable		117,722	131,075	10,045	175			4,815
Due from other funds	\$ 165,832	\$ 117,747	\$ 139,442	\$ 14,860	\$ 387,141	\$ 6,662	\$ 4,435	259,017
Total Assets								\$ 836,119
LIABILITIES								
Accounts payable	\$ 3,222	\$ 18,409	\$ 2,058					\$ 23,689
Total Liabilities	3,222	18,409	2,058					23,689
FUND BALANCES								
Restricted								4,435
Committed	162,610	99,338	137,384	14,860	387,141		4,435	638,723
Assigned	162,610	99,338	137,384	14,860	387,141	6,662	4,435	169,272
Total Fund Balances	\$ 165,832	\$ 117,747	\$ 139,442	\$ 14,860	\$ 387,141	\$ 6,662	\$ 4,435	812,430
Total Liabilities and Fund Balances								\$ 836,119

SCHEDULE B
TOWN OF AMHERST, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Funds
For the Year Ended June 30, 2011

	Special Revenue <u>Funds</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
Revenues:			
Taxes	\$ 16,100		\$ 16,100
Charges for services	281,635		281,635
Interest and investment income	5,840	\$ 193,636	199,476
Miscellaneous	59,321	8,800	68,121
Total Revenues	<u>362,896</u>	<u>202,436</u>	<u>565,332</u>
Expenditures:			
Current operations:			
General government		5,000	5,000
Public safety	24,239		24,239
Culture and recreation	293,935	80	294,015
Total Expenditures	<u>318,174</u>	<u>5,080</u>	<u>323,254</u>
Excess revenues over expenditures	<u>44,722</u>	<u>197,356</u>	<u>242,078</u>
Other financing sources (uses):			
Transfers in	24,500		24,500
Transfers out	(50,000)		(50,000)
Total other financing sources (uses)	<u>(25,500)</u>	<u>-</u>	<u>(25,500)</u>
Net change in fund balances	19,222	197,356	216,578
Fund balances at beginning of year	<u>793,208</u>	<u>1,559,043</u>	<u>2,352,251</u>
Fund balances at end of year	<u>\$ 812,430</u>	<u>\$ 1,756,399</u>	<u>\$ 2,568,829</u>

SCHEDULE B-1
TOWN OF AMHERST, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Library Fund	Recreation Fund	Peabody Mill Environmental Center Fund	Police Detail Revolving Fund	Conservation Commission Fund	Town Band Fund	Miscellaneous Donations Fund	Total Nonmajor Special Revenue Funds
Revenues:								
Taxes					\$ 16,100			\$ 16,100
Charges for services	\$ 2,611	\$ 180,575	\$ 76,850	\$ 24,210				281,635
Interest and investment income			3		3,220	\$ 4	2	5,840
Miscellaneous	43,204	9,020	236		3,121	2,710	1,030	59,321
Total Revenues	45,815	189,595	77,089	24,210	22,441	2,714	1,032	362,896
Expenditures:								
Current operations:								
Public safety				24,229			10	24,239
Culture and recreation	37,323	176,033	75,738		15	4,826		293,935
Total Expenditures	37,323	176,033	75,738	24,229	15	4,826	10	318,174
Excess revenues over (under) expenditures	8,492	13,562	1,351	(19)	22,426	(2,112)		44,722
Other financing sources (uses):								
Transfers in			24,500					24,500
Transfers out			24,500		(50,000)			(50,000)
Total other financing sources (uses)					(50,000)			(25,500)
Net change in fund balances	8,492	13,562	25,851	(19)	(27,574)	(2,112)	1,022	19,222
Fund balances at beginning of year	154,118	85,776	111,533	14,879	414,715	8,774	3,413	793,208
Fund balances at end of year	\$ 162,610	\$ 99,338	\$ 137,384	\$ 14,860	\$ 387,141	\$ 6,662	\$ 4,435	\$ 812,430

SCHEDULE C
TOWN OF AMHERST, NEW HAMPSHIRE
Combining Statement of Fiduciary Net Assets
Fiduciary Funds - All Agency Funds
June 30, 2011

	School Agency <u>Funds</u>	Performance Bond Agency <u>Funds</u>	Combining <u>Totals</u>
ASSETS			
Cash and cash equivalents		\$ 241,089	\$ 241,089
Investments	\$ 412,925		412,925
Total assets	<u>\$ 412,925</u>	<u>\$ 241,089</u>	<u>\$ 654,014</u>
LIABILITIES			
Due to other governments	\$ 412,925		\$ 412,925
Due to others		\$ 241,089	241,089
Total liabilities	<u>\$ 412,925</u>	<u>\$ 241,089</u>	<u>\$ 654,014</u>