

TOWN OF AMHERST, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Having responsibility for the financial management of the Town of Amherst ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2018.

Financial Highlights

As of June 30, 2018, the assets of the Town exceeded its liabilities by \$29,459,949 (net position). Of this amount, the unrestricted net position is \$4,508,184.

The Town's net position increased by \$2,964,847. This was due primarily to increases in the investment in capital assets from construction and some reduction in outstanding bonds through principal payments.

As of June 30, 2018, the Town's governmental funds reported combined ending fund balances of \$11,279,669, an increase of \$813,651 in comparison with the prior year.

As of June 30, 2018, the unassigned fund balance of the General Fund is \$6,432,457 which represents 47.7% of total General Fund expenditures.

During the year ended June 30, 2018, the Town's total general obligation bonded debt decreased by \$1,296,021, which represents bond principal payments.

Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: government-wide financial statements; fund financial statements; and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the year ended June 30, 2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

Proprietary fund. The proprietary fund is used to account for the resources and activity of the Baboosic Septic Fund, where the intent is that expenses be covered by charges to users.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement, because the resources of those funds are not available to support the Town's own programs.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Schedules related to pensions and other post-employment benefits are in the Required Supplementary Information Section, which follows the notes. The combining statements, referred to above in connection with non-major governmental funds, and detailed General Fund schedules are presented immediately following this information.

Government-Wide Financial Analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,459,949 at June 30, 2018.

The largest portion of the Town's net position (76%) reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to

MANAGEMENT'S DISCUSSION AND ANALYSIS

citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Amherst Net Position Governmental Activities		
	June 30, 2018	June 30, 2017
Governmental Activities:		
Current Assets	\$ 35,752,369	\$ 33,209,016
Capital Assets	<u>30,445,400</u>	<u>29,484,623</u>
Total Assets	66,197,769	62,693,639
Deferred Outflows of Resources	<u>1,205,051</u>	<u>1,476,663</u>
Current Liabilities	18,837,622	18,472,754
Long-term Liabilities	<u>14,273,391</u>	<u>15,619,182</u>
Total Liabilities	33,111,013	34,091,936
Deferred Inflows of Resources	<u>5,252,690</u>	<u>4,093,166</u>
Net Position:		
Net Investment in Capital Assets	21,929,684	19,217,269
Restricted	2,675,659	3,207,793
Unrestricted	<u>4,433,774</u>	<u>3,560,138</u>
Net Position	<u>\$ 29,039,117</u>	<u>\$ 25,985,200</u>
Business-type Activities:		
Current Assets	\$ 77,644	\$ 95,766
Capital Assets	<u>566,138</u>	<u>669,606</u>
Total Assets	643,782	765,372
Current Liabilities	3,234	3,827
Long-term Liabilities	<u>219,716</u>	<u>251,643</u>
Total Liabilities	<u>222,950</u>	<u>255,470</u>
Net Position:		
Net Investment in Capital Assets	346,422	417,962
Unrestricted	<u>74,410</u>	<u>74,410</u>
Net Position	<u>\$ 420,832</u>	<u>\$ 509,902</u>
Total Net Position	<u>\$ 29,459,949</u>	<u>\$ 26,495,102</u>

Another portion of the Town's net position, \$2,675,659, represents resources that are subject to external restrictions on how they may be used.

As indicated by the schedule below, the Town's net position increased by \$2,964,847 during the year ended June 30, 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Amherst Changes in Net Position		
	Year Ended June 30, 2018	Year Ended June 30, 2017
Governmental Activities:		
Expenses, net of program revenue:		
General Government	\$ 2,267,612	\$ 2,538,130
Public Safety	3,641,328	2,851,318
Highways and Streets	2,390,454	2,087,533
Sanitation	498,668	518,054
Health	48,003	48,114
Welfare	1,195	4,778
Culture and Recreation	1,150,732	1,510,520
Conservation	29,723	5,407
Interest on Long-term Debt	193,524	226,580
Capital Outlay	5,487	5,487
Miscellaneous	-	519,829
Total	<u>10,226,726</u>	<u>10,315,750</u>
General Revenues:		
Taxes	9,179,210	8,569,936
Licenses and Permits	3,170,113	3,085,829
Non-specific Grants and Contributions	581,816	583,898
Miscellaneous	349,504	453,849
Total General Revenues	<u>13,280,643</u>	<u>12,693,512</u>
Change in Net Position	3,053,917	2,377,762
Restatement	-	(490,834)
Net Position, beginning of year	25,985,200	24,098,272
Net Position, end of year	<u>\$ 29,039,117</u>	<u>\$ 25,985,200</u>
Business-type Activities:		
Expenses, net of program revenue	\$ 89,070	\$ 75,061
Net Position, beginning of year	509,902	584,963
Net Position, end of year	<u>\$ 420,832</u>	<u>\$ 509,902</u>
Total Net Position	<u>\$ 29,459,949</u>	<u>\$ 26,495,102</u>

Financial Analysis of the Town's Funds

As noted above, 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, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2018, the Town's governmental funds reported combined fund balances of \$11,279,669, an increase of \$813,651 in comparison to the prior year. This amount consists of: non-spendable fund balances of \$1,649,300 representing, tax deeded property for resale, prepaid expenditures, inventory and the non-spendable portion of permanent funds; restricted fund balances of \$1,205,514 representing the library fund, grants, and the expendable portion of permanent funds; committed fund balances of \$2,429,587 representing the special revenue and capital project funds; assigned fund balances of \$636,663 representing purchase orders or encumbrances authorized by the Board of Selectmen; and unassigned fund balance of \$5,358,605, representing the General Fund unassigned balance of \$6,432,457 and the deficit balances in the Roads and Bridges Capital Project Funds which equal \$1,073,852.

During the year ended June 30, 2018, the unassigned fund balance of the General Fund decreased by \$21,729.

Budgetary Highlights

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual demonstrates compliance with the adopted budget for the year ended June 30, 2018. Actual revenues and transfers in of the General Fund were over budgetary estimates by \$753,696, while expenditures and transfers out were \$290,555 under budget. This produced a favorable total variance of \$1,044,251.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets as of June 30, 2018 amounted to \$22,276,106 (net of accumulated depreciation and related long-term debt).

Investment in Capital Assets		
	June 30, 2018	June 30, 2017
Governmental Activities:		
Land	\$ 8,046,138	\$ 8,046,138
Art	22,079	22,079
Construction in Progress	1,175,958	598,869
Land Improvements	565,106	565,106
Buildings and Improvements	3,982,655	3,945,766
Vehicles and Equipment	7,455,414	7,636,572
Infrastructure	18,199,786	17,015,407
Library Collection	<u>3,287,679</u>	<u>3,287,679</u>
Total Investment in Capital Assets	42,734,815	41,117,616
Related Long-term Debt	8,515,716	10,267,356
Accumulated Depreciation	<u>12,289,415</u>	<u>11,632,991</u>
Net Investment in Capital Assets	<u>\$ 21,929,684</u>	<u>\$ 19,217,269</u>
Business-type Activities:		
Infrastructure	1,552,000	1,552,000
Related Long-term Debt	219,716	251,643
Accumulated Depreciation	<u>985,862</u>	<u>882,394</u>
Net Investment in Capital Assets	<u>\$ 346,422</u>	<u>\$ 417,963</u>
Total Net Investment in Capital Assets	<u>\$ 22,276,106</u>	<u>\$ 19,635,232</u>

Additional information on the Town's capital assets can be found in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term bonded debt. As of June 30, 2018, the Town had total long-term bonded debt outstanding of \$7,871,314. The entire amount is backed by the full faith and credit of the Town.

Long-Term Bonded Debt

	June 30, 2018	June 30, 2017
Governmental Activities:		
2011 Spring Road	\$ 150,000	\$ 200,000
2011 Bridge	179,321	419,342
2014 Road Reconstruction	1,000,000	1,200,000
2015 Road Reconstruction	1,200,000	1,300,000
2016 Refunding	2,141,993	2,447,993
2017 Road Reconstruction	3,200,000	3,600,000
	<u>\$ 7,871,314</u>	<u>\$ 9,167,335</u>

In addition, the Town has outstanding notes payable as follow:

	June 30, 2018	June 30, 2017
Business-type Activities:		
2008 Phase II	\$ 59,500	\$ 71,400
2011 Phase III	91,040	102,420
2011 Phase IV	69,176	77,823
	<u>\$ 219,716</u>	<u>\$ 251,643</u>

There were no authorized but unissued bonds at June 30, 2018.

Requests for Information

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

Town of Amherst
Selectmen's Office
P.O. Box 960
2 Main Street
Amherst, NH 03031

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	21,524,673	\$ -	\$ 21,524,673
Investments	8,868,284	-	8,868,284
Intergovernmental receivable	179,154	141,120	320,274
Other receivables, net of allowance for uncollectibles	4,928,670	8,958	4,937,628
Inventory	13,769	-	13,769
Prepaid items	135,203	-	135,203
Tax deeded property held for resale	30,182	-	30,182
Internal balances	72,434	(72,434)	-
Capital assets, not being depreciated:			
Land	8,046,138	-	8,046,138
Art	22,079	-	22,079
Construction in progress	1,175,958	-	1,175,958
Capital assets, net of accumulated depreciation:			
Land improvements	191,378	-	191,378
Buildings and building improvements	2,418,261	-	2,418,261
Vehicles and equipment	1,956,913	-	1,956,913
Infrastructure	16,524,723	566,138	17,090,861
Library collection	109,950	-	109,950
Total assets	<u>66,197,769</u>	<u>643,782</u>	<u>66,841,551</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>1,205,051</u>	<u>-</u>	<u>1,205,051</u>
LIABILITIES			
Accounts payable	284,824	-	284,824
Accrued payroll and benefits	364,423	-	364,423
Contracts payable	361,840	-	361,840
Accrued interest payable	100,658	3,234	103,892
Intergovernmental payable	17,678,605	-	17,678,605
Retainage payable	47,272	-	47,272
Noncurrent obligations:			
Due within one year:			
Bonds and notes payable	1,296,017	31,927	1,327,944
Capital leases payable	181,814	-	181,814
Due in more than one year:			
Bonds and notes payable	6,575,297	187,789	6,763,086
Capital leases payable	462,588	-	462,588
Compensated absences payable	268,664	-	268,664
Other postemployment benefits liability	977,558	-	977,558
Net pension liability	<u>4,511,453</u>	<u>-</u>	<u>4,511,453</u>
Total liabilities	<u>33,111,013</u>	<u>222,950</u>	<u>33,333,963</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	4,922,650	-	4,922,650
Deferred amounts related to pensions	330,040	-	330,040
Total deferred inflows of resources	<u>5,252,690</u>	<u>-</u>	<u>5,252,690</u>
NET POSITION			
Net investment in capital assets	21,929,684	346,422	22,276,106
Restricted for:			
Perpetual care:			
Nonexpendable	1,283,892	-	1,283,892
Expendable	566,124	-	566,124
Other purposes	825,643	-	825,643
Unrestricted	<u>4,433,774</u>	<u>74,410</u>	<u>4,508,184</u>
Total net position	<u>\$ 29,039,117</u>	<u>\$ 420,832</u>	<u>\$ 29,459,949</u>

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

EXHIBIT 2
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,336,983	\$ 3,044	\$ 66,327	\$ -	\$ (2,267,612)	\$ -	\$ (2,267,612)
Public safety	4,171,248	421,394	108,526	-	(3,641,328)	-	(3,641,328)
Highways and streets	3,189,908	8,940	-	790,514	(2,390,454)	-	(2,390,454)
Sanitation	589,630	90,962	-	-	(498,668)	-	(498,668)
Health	48,003	-	-	-	(48,003)	-	(48,003)
Welfare	1,195	-	-	-	(1,195)	-	(1,195)
Culture and recreation	2,029,010	564,426	313,852	-	(1,150,732)	-	(1,150,732)
Conservation	36,203	-	6,480	-	(29,723)	-	(29,723)
Interest on long-term debt	193,524	-	-	-	(193,524)	-	(193,524)
Capital outlay	5,487	-	-	-	(5,487)	-	(5,487)
Total governmental activities	12,601,191	1,088,766	495,185	790,514	(10,226,726)	-	(10,226,726)
Business-type activities:							
Baboosic Septic	144,434	52,599	-	2,765	-	(89,070)	(89,070)
Total primary government	<u>\$ 12,745,625</u>	<u>\$ 1,141,365</u>	<u>\$ 495,185</u>	<u>\$ 793,279</u>	<u>(10,226,726)</u>	<u>(89,070)</u>	<u>(10,315,796)</u>
General revenues:							
Property taxes					8,805,226	-	8,805,226
Other taxes					373,984	-	373,984
Licenses and permits					3,170,113	-	3,170,113
Grants and contributions not restricted to specific programs					581,816	-	581,816
Miscellaneous					349,504	-	349,504
Total general revenues					<u>13,280,643</u>	<u>-</u>	<u>13,280,643</u>
Change in net position					3,053,917	(89,070)	2,964,847
Net position, beginning, as restated, see Note III.D.3.					25,985,200	509,902	26,495,102
Net position, ending					<u>\$ 29,039,117</u>	<u>\$ 420,832</u>	<u>\$ 29,459,949</u>

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

EXHIBIT 3
TOWN OF AMHERST, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 18,564,052	\$ 2,960,621	\$ 21,524,673
Investments	6,564,438	2,303,846	8,868,284
Receivables, net of allowance for uncollectibles:			
Taxes	4,510,529	6,320	4,516,849
Accounts	230,824	9,438	240,262
Intergovernmental	481	178,673	179,154
Interfund receivable	923,522	24,040	947,562
Inventory	13,769	-	13,769
Prepaid items	135,203	-	135,203
Tax deeded property held for resale	30,182	-	30,182
Total assets	<u>\$ 30,973,000</u>	<u>\$ 5,482,938</u>	<u>\$ 36,455,938</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 272,605	\$ 12,219	\$ 284,824
Accrued salaries and benefits	334,638	29,785	364,423
Contracts payable	1,323	360,517	361,840
Intergovernmental payable	17,678,605	-	17,678,605
Retainage payable	26,379	20,893	47,272
Interfund payable	15,100	860,028	875,128
Total liabilities	<u>18,328,650</u>	<u>1,283,442</u>	<u>19,612,092</u>
Deferred inflows of resources:			
Deferred revenue	<u>5,385,504</u>	<u>178,673</u>	<u>5,564,177</u>
Fund balances:			
Nonspendable	179,154	1,470,146	1,649,300
Restricted	10,572	1,194,942	1,205,514
Committed	-	2,429,587	2,429,587
Assigned	636,663	-	636,663
Unassigned	6,432,457	(1,073,852)	5,358,605
Total fund balances	<u>7,258,846</u>	<u>4,020,823</u>	<u>11,279,669</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,973,000</u>	<u>\$ 5,482,938</u>	<u>\$ 36,455,938</u>

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

EXHIBIT 4
TOWN OF AMHERST, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
June 30, 2018

Total fund balances of governmental funds (Exhibit 3)		\$ 11,279,669
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 42,734,815	
Less accumulated depreciation	<u>(12,289,415)</u>	
		30,445,400
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (875,128)	
Payables	<u>875,128</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 253,229	
Unavailable ambulance revenue	209,625	
Unavailable elderly and welfare liens	171,559	
Unavailable bridge aid	<u>178,673</u>	
		813,086
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(100,658)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds outstanding	\$ 7,871,314	
Capital leases outstanding	644,402	
Compensated absences payable	268,664	
Other postemployment benefits liability	977,558	
Net pension liability	<u>4,511,453</u>	
		(14,273,391)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 1,205,051	
Deferred inflows of resources related to pensions	<u>(330,040)</u>	
		875,011
Total net position of governmental activities (Exhibit 1)		<u>\$ 29,039,117</u>

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

EXHIBIT 5
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 9,063,406	\$ 169,188	\$ 9,232,594
Licenses, permits and fees	3,170,113	-	3,170,113
Intergovernmental	1,002,226	307,612	1,309,838
Charges for services	480,436	613,059	1,093,495
Miscellaneous	311,296	419,592	730,888
Total revenues	<u>14,027,477</u>	<u>1,509,451</u>	<u>15,536,928</u>
Expenditures:			
Current:			
General government	2,212,884	327	2,213,211
Public safety	3,942,780	35,511	3,978,291
Highways and streets	3,775,033	153,131	3,928,164
Sanitation	589,630	-	589,630
Health	48,003	-	48,003
Welfare	1,195	-	1,195
Culture and recreation	1,313,286	608,012	1,921,298
Conservation	16,810	6,345	23,155
Debt service:			
Principal	1,296,017	-	1,296,017
Interest	210,614	-	210,614
Capital outlay	60,887	582,576	643,463
Total expenditures	<u>13,467,139</u>	<u>1,385,902</u>	<u>14,853,041</u>
Excess of revenues over expenditures	<u>560,338</u>	<u>123,549</u>	<u>683,887</u>
Other financing sources (uses):			
Transfers in	194,924	430,000	624,924
Transfers out	(430,000)	(194,924)	(624,924)
Inception of capital leases	129,764	-	129,764
Total other financing sources and uses	<u>(105,312)</u>	<u>235,076</u>	<u>129,764</u>
Net change in fund balances	455,026	358,625	813,651
Fund balances, beginning, as restated, see Note III.D.3.	<u>6,803,820</u>	<u>3,662,198</u>	<u>10,466,018</u>
Fund balances, ending	<u>\$ 7,258,846</u>	<u>\$ 4,020,823</u>	<u>\$ 11,279,669</u>

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

EXHIBIT 6
TOWN OF AMHERST, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Net change in fund balances of governmental funds (Exhibit 5)		\$	813,651
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
Capitalized capital outlay	\$	1,991,697	
Depreciation expense		(1,030,922)	
			960,775
Transfers in and out between governmental funds are eliminated on the operating statement.			
Transfers in	\$	(624,924)	
Transfers out		624,924	
			-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.			
Change in unavailable tax revenue	\$	(53,384)	
Change in unavailable ambulance revenue		(7,109)	
Change in unavailable bridge aid		178,673	
			118,180
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Inception of capital lease	\$	(129,764)	
Repayment of bond principal		1,296,021	
Repayment of capital lease principal		98,251	
			1,264,508
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Decrease in accrued interest expense	\$	17,086	
Increase in compensated absences payable		(7,354)	
Increase in other postemployment benefits liability		(108,714)	
			(98,982)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.			
Town pension contributions	\$	450,177	
Cost of benefits earned, net of employee contributions		(454,392)	
			(4,215)
Change in net position of governmental activities (Exhibit 2)		\$	<u>3,053,917</u>

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

EXHIBIT 7
TOWN OF AMHERST, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 8,526,350	\$ 8,526,350	\$ 8,854,294	\$ 327,944
Licenses, permits and fees	2,980,000	2,980,000	3,170,113	190,113
Intergovernmental	996,223	996,223	1,002,226	6,003
Charges for services	520,000	520,000	480,436	(39,564)
Miscellaneous	98,500	111,133	311,296	200,163
Total revenues	<u>13,121,073</u>	<u>13,133,706</u>	<u>13,818,365</u>	<u>684,659</u>
EXPENDITURES				
Current:				
General government	2,465,350	2,421,055	2,220,194	200,861
Public safety	4,205,179	3,980,164	3,944,655	35,509
Highways and streets	3,501,928	3,681,320	3,739,406	(58,086)
Sanitation	597,397	584,689	589,630	(4,941)
Health	47,557	47,557	48,003	(446)
Welfare	20,753	13,368	1,195	12,173
Culture and recreation	1,313,985	1,334,679	1,313,286	21,393
Conservation	21,945	21,945	21,462	483
Debt service:				
Principal	1,206,000	1,307,950	1,296,017	11,933
Interest	212,290	212,290	210,614	1,676
Capital outlay	-	60,887	60,887	-
Total expenditures	<u>13,592,384</u>	<u>13,665,904</u>	<u>13,445,349</u>	<u>220,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(471,311)</u>	<u>(532,198)</u>	<u>373,016</u>	<u>905,214</u>
Other financing sources (uses):				
Transfers in	65,000	125,887	194,924	69,037
Transfers out	(500,000)	(500,000)	(430,000)	70,000
Total other financing sources and uses	<u>(435,000)</u>	<u>(374,113)</u>	<u>(235,076)</u>	<u>139,037</u>
Net change in fund balance	<u>\$ (906,311)</u>	<u>\$ (906,311)</u>	137,940	<u>\$ 1,044,251</u>
Increase in nonspendable fund balance			(156,506)	
Increase in restricted fund balance			(3,163)	
Unassigned fund balance, beginning, as restated			<u>6,577,651</u>	
Unassigned fund balance, ending			<u>\$ 6,555,922</u>	

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

EXHIBIT 8
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Net Position
Proprietary Fund
June 30, 2018

	Business-type Activities- Enterprise Fund Baboosic Septic
ASSETS	
Current assets:	
Accounts receivable	\$ 8,958
Intergovernmental receivable	141,120
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Infrastructure	566,138
Total assets	<u>716,216</u>
LIABILITIES	
Current liabilities:	
Interfund payable	72,434
Accrued interest payable	3,234
Noncurrent obligations:	
Due within one year:	
Notes payable	31,927
Due in more than one year:	
Notes payable	187,789
Total liabilities	<u>295,384</u>
NET POSITION	
Net investment in capital assets	346,422
Unrestricted	74,410
Total net position	<u>\$ 420,832</u>

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

EXHIBIT 9
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	Business-type Activities- Enterprise Fund Baboosic Septic
Operating revenues:	
Charges for services	\$ 52,599
Operating expenses:	
Plant operation and maintenance	34,419
Depreciation expense	103,467
Total operating expenses	137,886
Operating loss	(85,287)
Nonoperating revenue (expense):	
Intergovernmental revenue	2,765
Interest expense	(6,548)
Total nonoperating income (expense)	(3,783)
Net change in net position	(89,070)
Net position, beginning	509,902
Net position, ending	\$ 420,832

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

EXHIBIT 10
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Business-type Activities- Enterprise Fund Baboosic Septic
Cash flows from operating activities:	
Receipts from customers and users	\$ 63,111
Payments to vendors and employees	(34,561)
Net cash provided by operating activities	<u>28,550</u>
Cash flows from capital and related financing activities:	
Proceeds from state grants	26,535
Principal paid on bonds and notes	(31,927)
Interest paid on bonds and notes	(6,999)
Net cash used in capital and related financing activities	<u>(12,391)</u>
Increase in cash	16,159
Cash and cash equivalents, beginning*	(88,593)
Cash and cash equivalents, ending*	<u>\$ (72,434)</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (85,287)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	103,467
Decrease in accounts receivable	10,512
Decrease in accounts payable	(142)
Total adjustments	<u>113,837</u>
Net cash provided by operating activities	<u>\$ 28,550</u>

*As this fund records cash activity through the pooled cash account, this overdraft represents interfund borrowing.

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

EXHIBIT 11
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 107,820	\$ 652,487
Investments	<u>1,194,440</u>	<u>314,028</u>
Total assets	<u>1,302,260</u>	<u>966,515</u>
Liabilities:		
School district funds	-	889,040
Due to developers	<u>-</u>	<u>77,475</u>
Total liabilities	<u>-</u>	<u>966,515</u>
Net position:		
Held in trust for specific purposes	<u>\$ 1,302,260</u>	<u>\$ -</u>

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

EXHIBIT 12
TOWN OF AMHERST, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Private Purpose Trust
Additions:	
New funds	\$ 2,878
Investment earnings:	
Interest and dividends	34,562
Net change in fair value of investments	49,825
Total additions	87,265
Deductions:	
Trust distributions	33,287
Change in net position	53,978
Net position, beginning	1,248,282
Net position, ending	<u>\$ 1,302,260</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Amherst (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2018.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. Entity Defined

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

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

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Individual funds are not displayed.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. Direct expenses are those that are clearly identifiable with a specific function. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to users for sales and services. Operating expenses include the cost of sales and services and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual, governmental fund is reported in separate columns in the basic fund financial statements with composite columns for nonmajor funds.

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

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. As well, the proprietary funds apply all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued in or before 1989, unless those pronouncements conflict with or contradict the GASB.

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

The agency funds are custodial in nature and do not measure results of operations.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

available if they are collected within sixty days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, which are reported as expenditures in the year due.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

I.B.4. Fund Types and Major Funds

Governmental Funds

The Town reports the following major governmental fund:

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

The Town also reports fourteen nonmajor governmental funds.

Proprietary Fund

The Town reports the Baboosic Septic Fund as a Proprietary Fund, which accounts for the financial activity associated with this septic system.

Fiduciary Funds

The Town reports the following fiduciary funds:

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

Agency Funds – Account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency funds are used to account for the various capital reserve and scholarship accounts held by the Trustees of Trust Funds on behalf of the local school district.

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

I.B.5. *Change in Accounting Principle*

During the fiscal year, the Town adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This results in a change in the measurement and presentation of the Town's OPEB liability reported in the Statement of Net Position. The prior year's net position was restated as shown in Note III.D.3. to reflect this change.

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

I.C.1. *Cash and Investments*

The laws of the State of New Hampshire require that the Town's treasurer have custody of all monies belonging to the Town, other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the Board of Selectmen or where applicable, Conservation Commissioners. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Investments are stated at fair value based on quoted market prices.

New Hampshire law authorizes the Town to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

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

I.C.2. *Receivables*

Receivables include taxes and amounts due for ambulance, septic, and other user charges. These are reported net of any allowances for uncollected amounts.

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

I.C.3. Capital Assets and Depreciation

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. The Town generally capitalizes assets with cost of \$10,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follow:

	<u>Years</u>
Land improvements	15
Buildings and building improvements	15-40
Vehicles and equipment	5-60
Infrastructure	40
Library collection	10

I.C.4. Long-Term Debt

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

I.C.5. Equity

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

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for perpetual care, which consists of the balance of the permanent funds that is allowed to be used only for cemetery care. This balance is segregated between nonexpendable, representing the principal balance that must be invested to generate income and cannot be expended, and expendable, representing income earned that can be used for cemetery care.
- Restricted for other purposes, which consists of the rest of the permanent funds that is to be used for library and other purposes, the balance of the library fund, the balance of

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

the grants fund, and designated gifts that are restricted to specific uses per the respective donors.

- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, representing the principal balance of the permanent funds that cannot be spent, and inventory, prepaid items and tax deeded property held for resale which are not in a spendable form.
- Restricted, representing the income portion of the permanent funds and the balance of the library fund that can only be used for specific purposes per terms of endowments or State law, and the balances of the grants and special gifts whose uses are restricted by grantor/donor terms or law.
- Committed, representing the balances of capital projects funds (including the capital reserve fund), and special revenue funds.
- Assigned, representing amounts encumbered by purchase order or action of the Board of Selectmen.
- Unassigned, representing the remaining balance of the General Fund, and the deficit balances in the Roads and Bridges Capital Project Funds.

I.C.6. *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

An annual budget was adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all governmental fund appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. For fiscal year 2018, \$150,000 was appropriated from fund balance, and \$760,962 was used to balance the budget.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

II.B. Reconciliation of General Fund Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 14,013,289
Adjustments:	
Basis difference:	
Capital lease inception	129,764
Tax revenue deferred in the prior year	462,341
Tax revenue deferred in the current year	(253,229)
Per Exhibit 5 (GAAP basis)	<u>\$ 14,352,165</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 13,875,349
Adjustments:	
Basis difference:	
Encumbrances, beginning	658,453
Encumbrances, ending	(636,663)
Per Exhibit 5 (GAAP basis)	<u>\$ 13,897,139</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 6,555,922
Adjustment:	
Basis difference:	
Capital lease inception in advance of asset acquisition	129,764
Deferred tax revenue, GAAP basis	(253,229)
Per Exhibit 3 (GAAP basis)	<u>\$ 6,432,457</u>

II.C. Deficit Fund Equity

The Roads and Bridges Capital Project Funds both ended the year with deficit balances of \$616,843 and \$457,009, respectively. These deficits increased from the beginning deficits primarily as anticipated long-term borrowing to cover expenditures had not yet been obtained. Management intends to fund the deficits through State bridge aid, long-term borrowing and use of capital reserve funds.

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of June 30, 2018, the Town had the following investments:

Certificates of Deposit	\$ 6,564,439
Mutual Funds	1,242,126
Common Stock	2,104,537
Corporate Bonds	327,142
Mortgage Backed Securities	138,508
	<u>\$ 10,376,752</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 8,868,284
Fiduciary funds - statement of fiduciary net position (Exhibit 8)	1,508,468
Total	<u>\$ 10,376,752</u>

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both the Board of Selectmen and the Trustees of Trust Funds have adopted investment policies that address the minimum credit ratings of investments to reduce this risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town's investment policies limit average maturities in order to reduce this risk.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Other than certificates of deposit in a bank that are collateralized with U.S. government agency obligations, the Town has no single investment that exceeds 5% of total investments.

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

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

by the due date. The first billing is an estimate only based on half of the previous year's tax rate. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien should be executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. During the current year, the tax collector executed a tax lien for uncollected 2017 property taxes on May 11.

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

The net assessed valuation as of April 1, 2017, upon which the 2017 property tax levy was based was:

For the New Hampshire education tax	\$1,650,315,400
For all other taxes	\$1,699,517,100

The tax rates and amounts assessed for the year ended June 30, 2018 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$5.23	\$ 8,901,937
School portion:		
State of New Hampshire	\$2.31	3,804,722
Local	\$17.20	29,224,580
County portion	\$1.27	2,159,545
Total property taxes assessed		<u>\$ 44,090,784</u>

This note continues on the following page.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The following details the taxes receivable at year-end:

Property:	
Levy of 2018	\$ 4,153,107
Unredeemed (under tax lien):	
Levy of 2017	229,221
Levy of 2016	93,299
Levy of 2015	19,934
Levy of 2014	16,789
Levy of 2013	2,520
Levy of 2012	5,672
Levy of 2011	5,491
Levy of 2010	5,383
Levy of 2009	4,113
Land use change	6,320
Less: allowance for estimated uncollectible taxes	(25,000)
Net taxes receivable	<u>\$ 4,516,849</u>

Other Receivables and Uncollectible/Unavailable Accounts

Other receivables include amounts due for ambulance and other service fees, State bridge aid, and in the Septic Fund, septic fees. The accounts receivable are reported net of any allowances for uncollectible accounts, which is comprised of an amount for potential adjustments to ambulance receivables. There are also elderly and welfare liens receivable which are reported in the General Fund, net of an allowance equal to their totals as the timing of collection is indeterminable.

Related amounts in the Governmental Funds are as follow:

Accounts	\$ 360,262
Intergovernmental	179,154
Liens	171,559
Less: allowance for uncollectible amounts	(291,559)
Net total receivables	<u>\$ 419,416</u>

Deferred revenue in the governmental funds consists of \$253,229 of taxes, \$209,625 of ambulance charges, and \$178,673 of State bridge aid that were not received within sixty days of year-end; and \$4,448,908 of property taxes committed for the fiscal year 2019, \$473,642 of tax overpayments to be applied to the next billing, and \$100 of miscellaneous receipts collected in advance. In the governmental activities, the amounts that were not received within the sixty days are not considered to be deferred, and the other amounts are reported as unearned.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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III.A.3. Capital Assets

Changes in Capital Assets

The following provides a summary of changes in capital assets:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 8,046,138	\$ -	\$ -	\$ 8,046,138
Art	22,079	-	-	22,079
Construction in progress	598,869	577,089	-	1,175,958
Total capital assets not being depreciated	8,667,086	577,089	-	9,244,175
Being depreciated:				
Land improvements	565,106	-	-	565,106
Buildings and building improvements	3,945,766	36,889	-	3,982,655
Vehicles and equipment	7,636,572	193,340	(374,498)	7,455,414
Infrastructure	17,015,407	1,184,379	-	18,199,786
Library collection	3,287,679	-	-	3,287,679
Total capital assets being depreciated	32,450,530	1,414,608	(374,498)	33,490,640
Total all capital assets	41,117,616	1,991,697	(374,498)	42,734,815
Less accumulated depreciation:				
Land improvements	(336,055)	(37,673)	-	(373,728)
Buildings and building improvements	(1,458,376)	(106,018)	-	(1,564,394)
Vehicles and equipment	(5,458,307)	(414,692)	374,498	(5,498,501)
Infrastructure	(1,249,573)	(425,490)	-	(1,675,063)
Library collection	(3,130,680)	(47,049)	-	(3,177,729)
Total accumulated depreciation	(11,632,991)	(1,030,922)	374,498	(12,289,415)
Net book value, capital assets being depreciated	20,817,539	383,686	-	21,201,225
Net book value, all capital assets	\$ 29,484,625	\$ 960,775	\$ -	\$ 30,445,400

This note continues on the following page.

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	Balance, beginning	Additions	Balance, ending
Business-type activities:			
At cost:			
Infrastructure:			
Phase I	\$ 355,051	\$ -	\$ 355,051
Phase II	445,808	-	445,808
Phase III	494,060	-	494,060
Phase IV	257,081	-	257,081
Total	<u>1,552,000</u>	<u>-</u>	<u>1,552,000</u>
Less accumulated depreciation:			
Phase I	(278,075)	(23,670)	(301,745)
Phase II	(237,848)	(29,721)	(267,569)
Phase III	(263,591)	(32,938)	(296,529)
Phase IV	(102,880)	(17,139)	(120,019)
Total accumulated depreciation	<u>(882,394)</u>	<u>(103,468)</u>	<u>(985,862)</u>
Net book value, all capital assets	<u>\$ 669,606</u>	<u>\$ (103,468)</u>	<u>\$ 566,138</u>

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

Governmental activities:	
General government	\$ 63,281
Public safety	203,183
Highways and streets	607,329
Culture and recreation	144,081
Conservation	13,048
Total	<u>\$ 1,030,922</u>

In the Business-type activities, the depreciation is all charged to septic expense.

III.B. Liabilities

III.B.1. Intergovernmental Payable

The amounts due to other governments at June 30, 2018 consist of \$2,067 of miscellaneous fees due to the State of New Hampshire, and the portions of the June property tax commitment due to the School District (\$16,596,211) and Hillsborough County (\$1,080,327).

III.B.2. Long-Term Liabilities

General obligation bonds are approved by the voters and repaid with general revenues (property taxes). Bonds of the Septic Fund are repaid from user fees. These liabilities are backed by the full faith and credit of the Town. Long-term liabilities also include capital leases, compensated absences, the OPEB liability, and the net pension liability.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 6/30/2018	Current Portion
Governmental activities:						
General obligation bonds payable:						
Spring Road	\$500,000	2011	2021	3.02	\$ 150,000	\$ 50,000
Bridge	\$2,100,260	2011	2020	2.50	179,321	140,018
Road reconstruction	\$2,000,000	2014	2023	2.25	1,000,000	200,000
Road reconstruction	\$2,000,000	2015	2024	2.30	1,200,000	200,000
Refunding	\$3,059,999	2016	2025	2.39	2,141,993	305,999
Road reconstruction	\$4,000,000	2017	2026	2.30	3,200,000	400,000
					<u>7,871,314</u>	<u>1,296,017</u>
Capital leases payable:						
International truck	\$104,992	2016	2020	1.75	41,432	30,953
Trackless	\$120,700	2015	2020	1.75	43,310	24,517
Two loaders	\$193,494	2016	2021	1.875	118,270	38,708
Three dump trucks	\$445,423	2017	2022	2.125	338,425	87,636
Six-wheeled dump truck	\$129,764	2018	2023	3.39	102,965	-
					<u>644,402</u>	<u>181,814</u>
Compensated absences payable					<u>268,664</u>	<u>-</u>
Other postemployment benefits liability					<u>977,558</u>	<u>-</u>
Net pension liability					<u>4,511,453</u>	<u>-</u>
					<u>\$ 14,273,391</u>	<u>\$ 1,477,831</u>
Business-type activities:						
General obligation notes payable:						
Phase II	\$178,500	2008	2023	4.20	\$ 59,500	\$ 11,900
Phase III	\$170,700	2011	2026	3.17	91,040	11,380
Phase IV	\$258,039	2011	2026	2.91	69,176	8,647
					<u>\$ 219,716</u>	<u>\$ 31,927</u>

The following is a summary of changes in the long-term liabilities of the Governmental Activities for the year ended June 30, 2018:

	General Obligation Bonds Payable	Capital Leases Payable	Compensated Absences Payable	OPEB Liability	Net Pension Liability	Total
Balance, beginning	\$ 9,167,335	\$ 612,889	\$ 261,310	\$ 868,844	\$ 4,722,645	\$ 15,633,023
Additions	-	129,764	7,354	108,714	-	245,832
Reductions	(1,296,021)	(98,251)	-	-	(211,192)	(1,605,464)
Balance, ending	<u>\$ 7,871,314</u>	<u>\$ 644,402</u>	<u>\$ 268,664</u>	<u>\$ 977,558</u>	<u>\$ 4,511,453</u>	<u>\$ 14,273,391</u>

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following is a summary of changes in the long-term liabilities of the Business-type Activities for the year ended June 30, 2018:

	General Obligation Notes Payable
Balance, beginning	\$ 251,643
Reductions	(31,927)
Balance, ending	<u>\$ 219,716</u>

The annual debt service requirements to maturity for the bonds and notes as of year-end are as follow:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,296,017	\$ 180,452	\$ 1,476,469
2020	1,195,302	151,750	1,347,052
2021	1,155,999	124,178	1,280,177
2022	1,105,999	96,904	1,202,903
2023	1,105,999	71,290	1,177,289
2024-2026	2,011,998	77,681	2,089,679
Totals	<u>\$ 7,871,314</u>	<u>\$ 702,255</u>	<u>\$ 8,573,569</u>

Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2019	\$ 31,927	\$ 8,148	\$ 40,075
2020	31,927	6,036	37,963
2021	31,927	4,930	36,857
2022	31,927	3,812	35,739
2023	31,927	2,700	34,627
2024-2026	60,081	3,676	63,757
Totals	<u>\$ 219,716</u>	<u>\$ 29,302</u>	<u>\$ 249,018</u>

The annual debt service requirements to maturity for the capital leases are as follow:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 181,814	\$ 9,902	\$ 191,716
2020	182,674	9,584	192,258
2021	156,860	5,872	162,732
2022	96,011	2,549	98,560
2023	27,043	917	27,960
Totals	<u>\$ 644,402</u>	<u>\$ 28,824</u>	<u>\$ 673,226</u>

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. Receivables and Payables

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

The following shows the interfund balances at June 30, 2018:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 851,088
General	Baboosic Septic	72,434
Nonmajor	General	15,100
Nonmajor	Nonmajor	8,940
		<u>\$ 947,562</u>

The amount due to the General Fund from the Nonmajor Funds represents overdrafts of pooled cash in the Roads and Bridges Capital Projects Funds, and reimbursement for cemetery care from the Permanent Fund. The amount due to the General Fund from the Baboosic Septic Fund also represents an overdraft of pooled cash. The amount due to the Nonmajor Funds from the General Fund represents an amount to the Conservation Commission Fund for land use change tax collection, and a repayment to the Capital Reserve Fund for an over-reimbursement. The amount due from a Nonmajor Fund to another Nonmajor Fund represents miscellaneous PMEC amounts deposited into the Recreation Revolving Fund.

III.C.2. Transfers

Transfers within the reporting entity are substantially for the purposes of funding capital projects, and making additions to and using capital reserve accounts. The government-wide statement of activities eliminates transfers reported within the activities columns. The following shows the transfers within the reporting entity:

	<u>Transfers In:</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers out:			
General fund	\$ -	\$ 430,000	\$ 430,000
Nonmajor funds	194,924	-	194,924
	<u>\$ 194,924</u>	<u>\$ 430,000</u>	<u>\$ 624,924</u>

TOWN OF AMHERST, NEW HAMPSHIRE
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The transfers from the General Fund represent additions to the Capital Reserve Fund; and the transfers from the Nonmajor Funds represent amounts from the Capital Reserve Fund and Permanent Fund to cover expenditures made in the General Fund.

III.D. Net Position and Fund Balances

III.D.1. Restricted Net Position

The government-wide statement of net position includes restricted net position of \$1,850,016 for perpetual care and \$235,962 for other purposes representing public trust funds reported as restricted to reflect purpose restrictions contained in trust indentures.

III.D.2. Components of Fund Balances

Fund balance is categorized in the following components as described in Note I.C.4.:

	General Fund	Nonmajor Funds
Nonspendable:		
Endowments	\$ -	\$ 1,470,146
Prepaid items	135,203	-
Inventory	13,769	-
Tax deeded property	30,182	-
Total nonspendable	<u>179,154</u>	<u>1,470,146</u>
Restricted:		
General government	-	566,124
Public safety	-	26,003
Highways and streets	-	127,362
Sanitation	1,744	-
Culture and recreation	8,828	475,453
Total restricted	<u>10,572</u>	<u>1,194,942</u>
Committed:		
Public safety	-	98,052
Culture and recreation	-	232,298
Conservation	-	749,288
Capital outlay	-	1,349,949
Total committed	<u>-</u>	<u>2,429,587</u>
Assigned:		
General government	30,480	-
Public safety	4,000	-
Highways and streets	597,531	-
Conservation	4,652	-
Total assigned	<u>636,663</u>	<u>-</u>
Unassigned	6,432,457	(1,073,852)
Total fund balance	<u>\$ 7,258,846</u>	<u>\$ 4,020,823</u>

TOWN OF AMHERST, NEW HAMPSHIRE
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III.D.3. Restatement of Beginning Equity Balances

The beginning equity balances were restated as follow:

	Governmental Activities	General Fund	Nonmajor Funds
To adjust balance of long-term liabilities	\$ 343,955	\$ -	\$ -
To record OPEB liability using new standard	(866,844)	-	-
To remove liability for sick leave not to be paid out	30,632	-	-
To adjust unavailable tax balance	-	34,552	-
To segregate Capital Reserves from General Fund	-	(900,462)	900,462
To segregate LUCT Fund from General Fund	-	(71,389)	71,389
To reclassify between funds	-	7,409	(7,409)
To adjust balance of monies in escrow account	(499)	-	(499)
To record other miscellaneous amounts	1,922	-	-
Net position/fund balance, as previously reported	<u>26,476,034</u>	<u>7,733,710</u>	<u>2,698,255</u>
Net position/fund balance, as restated	<u>\$ 25,985,200</u>	<u>\$ 6,803,820</u>	<u>\$ 3,662,198</u>

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the General Fund. During the fiscal year, the Town was a member of the NH Public Risk Management Exchange (Primex), which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

Primex's Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Coverage was provided for the fiscal year for property/liability and workers' compensation. Contributions billed and paid in fiscal year 2018 to be recorded as an insurance expenditure/expense totaled \$133,355 for property/liability and \$138,970 for workers' compensation. The member agreement permits Primex to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

General Information about the Pension Plan

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for employees and their

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beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at www.nhrs.org or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers and firefighters were 11.55% and 11.80%, respectively, of gross earnings. During fiscal year 2018, the rates of contribution from the Town were 29.43% for police and 31.89% for fire personnel, which are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during fiscal year 2018 were \$450,177.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported a liability of \$4,511,453 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2018, the Town's proportion was 0.0917%, which was an increase of 0.0029% from its proportion reported as of June 30, 2017.

For the year ended June 30, 2018, the Town recognized pension expense of \$454,392. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 291,636	\$ 215,166
Net differences between projected and actual earnings on pension plan investments	-	57,456
Changes in assumptions	453,009	-
Differences between expected and actual experience	10,229	57,418
Town contributions subsequent to the measurement date	450,177	-
	<u>\$ 1,205,051</u>	<u>\$ 330,040</u>

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Town reported \$450,177 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ending June 30,	
2019	\$ 77,666
2020	191,130
2021	199,951
2022	(43,913)
	<u>\$ 424,834</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 valuation was determined using the valuation as of June 30, 2016 rolled forward, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	5.6% average, including inflation
Investment rate of return	7.25% per year

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study, which was for the period of July 1, 2010 to June 30, 2015. Mortality rates were based on the RP-2014 Healthy Annuitant and Employee generation mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

This note continues on the following page.

TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of net pension liability	\$5,943,613	\$4,511,453	\$3,337,855

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, is available in the separately issued NHRS report.

IV.C. Contingent Liabilities

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

IV.D. Other Postemployment Benefits

Plan Description

As required by NH RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*, the Town provides its eligible retirees and terminated employees including certain beneficiaries, the ability to purchase health, dental and prescription drug coverage at the Town's group rates. The Town does not supplement the cost of these plans directly, but recognizes the liability for the inclusion of implicit rate subsidies to the retirees. The subsidy occurs because when a blended rate is used for a group of individuals that includes younger and presumably healthier people along with older, retired people, implicitly, the premiums for the active employees are subsidizing the retirees. As of June 30, 2018, there were four retirees, and sixty-five active employees participating in the plan.

GAAP now require that the Town account for OPEB on an accrual basis. The effect is the recognition of a determined expense on the Statement of Activities when future retirees earn their OPEB, rather than when they use them. The OPEB liability is recognized on the Statement of Net Position over time.

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Benefits Provided

The Town provides medical, dental and prescription drug coverage to retirees and their eligible spouses and dependents. All active employees who retire from the Town and meet the eligibility requirements can receive these benefits.

Funding Policy

Retirees contribute all of the premiums as determined by the Town, but the remainder of the costs as derived from the implicit subsidy are paid by the Town on a pay-as-you-go basis.

Total OPEB Liability

The Town's total OPEB liability of \$977,558 was measured as of June 30, 2018, and was determined using an alternative measurement method as of that date.

Assumptions Used

The total OPEB liability was determined using a discount rate of 3.87%, and a payroll growth rate of 3.25%. Healthcare cost trend rates used were 9.0% for this and the following year; decreasing by 0.5% per year until reaching 5.0% in fiscal year 2027 and beyond.

Changes in the Total OPEB Liability

The Town's total OPEB liability increased by \$108,852 during the year from a beginning restated balance of \$868,706 to \$977,558.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate.

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Decrease (4.87%)
Town's total OPEB liability	\$1,036,965	\$977,558	\$922,984

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage lower or one percentage rate higher than the current rate.

	1% Decrease (8.00%)	Current Rate (9.00%)	1% Decrease (10.00%)
Town's total OPEB liability	\$916,191	\$977,558	\$1,047,248

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 13
TOWN OF AMHERST, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Town's proportion of net pension liability	0.0917%	0.0888%	0.0813%	0.0920%	0.0931%
Town's proportionate share of the net pension liability	\$4,511,453	\$4,722,645	\$3,220,451	\$3,454,042	\$4,007,767
Town's covered-employee payroll	\$1,516,099	\$1,464,927	\$1,324,835	\$1,266,132	\$1,370,568
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	297.57%	322.38%	243.08%	272.80%	292.42%
Plan fiduciary position as a percentage of the total pension liability	62.7%	58.3%	65.5%	66.3%	59.8%

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

EXHIBIT 14
TOWN OF AMHERST, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required contribution	\$ 450,177	\$ 318,016	\$ 301,135	\$ 272,727
Contribution in relation to the contractually required contribution	<u>(450,177)</u>	<u>(318,016)</u>	<u>(301,135)</u>	<u>(272,727)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$1,516,099	\$1,464,927	\$1,324,835	\$1,266,132
Contribution as a percentage of covered-employee payroll	29.69%	21.71%	22.73%	21.54%

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

EXHIBIT 15
TOWN OF AMHERST
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

	Fiscal Year 2018
Total OPEB liability:	
Service cost	\$ 65,844
Interest	32,293
Changes in assumptions	(25,843)
Differences between expected and actual experience	102,131
Benefit payments	<u>(65,573)</u>
Net change in total OPEB liability	108,852
Total OPEB liability, beginning	<u>868,706</u>
Total OPEB liability, ending	<u>\$ 977,558</u>
Covered payroll	\$3,823,622
Total OPEB liability as a percentage of covered payroll	25.57%

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

EXHIBIT 16
TOWN OF AMHERST
Schedule of the Town's OPEB Contributions

	Fiscal Year 2018
Actuarially determined contribution	\$ 65,573
Contributions in relation to the actuarially determined contribution	(65,573)
Contribution deficiency	\$ -
Covered-employee payroll	\$3,823,622
Contributions as a percentage of covered-employee payroll	1.71%

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

**TOWN OF AMHERST, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The pension and OPEB information presented in the preceding four schedules are meant to present related information for ten years. Because this is the fourth year that the Town has presented the pension schedules, and the first year that the OPEB information has been presented under the new standard, only five years' and one year's information are shown. An additional year's information will be added each year until there are ten years shown.

COMBINING AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 17
TOWN OF AMHERST, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Special Revenue Funds										Capital Projects Funds				Permanent Fund	Total
	Recreation Revolving	PMEC Revolving	LUCT	July 4th Revolving	Grants	Library	Police Detail Revolving	Town Band	Conservation Commission	Public Safety	Capital Reserve	Roads	Bridges			
ASSETS																
Cash and cash equivalents	\$ 156,367	\$ 95,060	\$ 48,568	\$ 3,164	\$ 299,612	\$ 50,255	\$ 91,519	\$ 4,587	\$ 682,900	\$ 8,065	\$ 1,346,349	\$ -	\$ -	\$ 174,175	\$ 2,960,621	
Investments	-	-	-	-	-	374,309	-	-	-	-	-	-	-	1,929,537	2,303,846	
Receivables:																
Taxes	-	-	6,320	-	-	-	-	-	-	-	-	-	-	-	6,320	
Accounts	-	-	-	-	-	-	9,438	-	-	-	-	-	-	-	9,438	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	178,673	-	178,673	
Interfund receivable	-	8,940	-	-	-	-	-	-	11,500	-	3,600	-	-	-	24,040	
Total assets	\$ 156,367	\$ 104,000	\$ 54,888	\$ 3,164	\$ 299,612	\$ 424,564	\$ 100,957	\$ 4,587	\$ 694,400	\$ 8,065	\$ 1,349,949	\$ -	\$ 178,673	\$ 2,103,712	\$ 5,482,938	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES																
Liabilities:																
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,219	\$ -	\$ 12,219	
Accrued salaries and benefits	26,880	-	-	-	-	-	2,905	-	-	-	-	-	-	-	29,785	
Contracts payable	-	-	-	-	137,818	-	-	-	-	-	-	-	222,699	-	360,517	
Retainage payable	-	-	-	-	15,313	-	-	-	-	-	-	5,580	-	-	20,893	
Interfund payable	8,940	-	-	-	-	-	-	-	-	-	-	611,263	222,091	17,734	860,028	
Total liabilities	35,820	-	-	-	153,131	-	2,905	-	-	-	-	616,843	457,009	17,734	1,283,442	
Deferred inflows of resources:																
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	-	178,673	-	178,673	
Fund balances:																
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	1,470,146	1,470,146	
Restricted	120,547	104,000	54,888	3,164	-	-	98,052	4,587	694,400	8,065	1,349,949	-	-	-	615,832	
Committed	-	-	-	-	146,481	424,564	-	-	-	-	-	-	-	-	1,194,942	
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,429,587	
Total fund balances	120,547	104,000	54,888	3,164	146,481	424,564	98,052	4,587	694,400	8,065	1,349,949	(616,843)	(457,009)	2,085,978	4,020,823	
Total liabilities, deferred inflows of resources, and fund balances	\$ 156,367	\$ 104,000	\$ 54,888	\$ 3,164	\$ 299,612	\$ 424,564	\$ 100,957	\$ 4,587	\$ 694,400	\$ 8,065	\$ 1,349,949	\$ -	\$ 178,673	\$ 2,103,712	\$ 5,482,938	

EXHIBIT 18
TOWN OF AMHERST, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

	Special Revenue Funds										Capital Projects Funds			Permanent Fund	Total
	Recreation Revolving	PMEC Revolving	LUCT	July 4th Revolving	Grants	Library	Police Detail Revolving	Town Band	Conservation Commission	Public Safety	Capital Reserve	Roads	Bridges		
REVENUES															
Taxes	\$ -	\$ -	\$ 15,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,188
Intergovernmental	-	-	-	-	307,612	-	-	-	-	-	-	-	-	-	307,612
Charges for services	559,323	-	-	-	-	2,723	51,013	-	-	-	-	-	-	-	613,059
Miscellaneous	2,382	13	-	17,467	-	238,344	-	3,021	8,801	1,526	14,784	-	-	-	419,592
Total revenues	561,705	13	15,693	17,467	307,612	241,067	51,013	3,021	162,296	1,526	14,784	-	-	133,254	1,509,451
EXPENDITURES															
Current:															
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	327	327
Public safety	-	-	-	-	-	-	34,400	-	-	1,111	-	-	-	-	35,511
Highways and streets	-	-	-	-	153,131	-	-	-	-	-	-	-	-	-	153,131
Sanitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water distribution and treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	546,466	-	-	30,597	8,000	12,451	-	3,868	-	-	-	-	-	6,630	608,012
Conservation	-	-	-	-	-	-	-	-	6,345	-	-	-	-	-	6,345
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	5,137	-	-	-	-	-	279,343	298,096	-	582,576
Total expenditures	546,466	-	-	30,597	161,131	17,588	34,400	3,868	6,345	1,111	-	279,343	298,096	6,957	1,385,902
Excess (deficiency) of revenues over (under) expenditures	15,239	13	15,693	(13,130)	146,481	223,479	16,613	(847)	155,951	415	14,784	(279,343)	(298,096)	126,297	123,549
Other financing sources (uses):															
Transfers in	-	-	-	-	-	-	-	-	-	-	430,000	-	-	-	430,000
Transfers out	-	-	(32,195)	-	-	-	-	-	-	-	(144,995)	-	-	(17,734)	(194,924)
Long-term debt issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium received on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inception of capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	(32,195)	-	-	-	-	-	-	-	285,005	-	-	(17,734)	235,076
Net change in fund balances	15,239	13	(16,502)	(13,130)	146,481	223,479	16,613	(847)	155,951	415	299,789	(279,343)	(298,096)	108,563	358,625
Fund balances, beginning, as restated, see Note III D.3.	105,308	103,987	71,390	16,794	-	201,085	81,639	\$ 434	538,449	7,650	1,050,160	(337,500)	(158,913)	1,977,415	3,662,198
Fund balances, ending	\$ 120,547	\$ 104,000	\$ 54,888	\$ 3,164	\$ 146,481	\$ 424,564	\$ 98,252	\$ 4,587	\$ 694,400	\$ 8,065	\$ 1,349,949	\$ (616,843)	\$ (457,009)	\$ 2,085,978	\$ 4,020,823

EXHIBIT 19
TOWN OF AMHERST, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2018

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 8,371,192	\$ 8,649,498	\$ 278,306
Timber	-	1,380	1,380
Excavation	-	173	173
Other taxes	1,000	-	(1,000)
Payments in lieu of taxes	31,158	31,692	534
Interest and penalties on delinquent taxes	123,000	171,551	48,551
Total taxes	<u>8,526,350</u>	<u>8,854,294</u>	<u>327,944</u>
Licenses, permits and fees:			
Business licenses and permits	210,000	224,125	14,125
Motor vehicle permits	2,650,000	2,796,713	146,713
Building permits	85,000	103,767	18,767
Other	35,000	45,508	10,508
Total licenses, permits and fees	<u>2,980,000</u>	<u>3,170,113</u>	<u>190,113</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	581,608	581,608	-
Highway block grant	331,537	331,348	(189)
State and federal forest land	11	11	-
Railroad tax	381	197	(184)
Other government sources:			
SRO reimbursement from school	82,686	89,062	6,376
Total intergovernmental	<u>996,223</u>	<u>1,002,226</u>	<u>6,003</u>
Charges for services:			
Income from departments	520,000	480,436	(39,564)
Miscellaneous:			
Sale of property	500	7,795	7,295
Interest on investments	85,000	201,970	116,970
Insurance dividends and reimbursements	-	5,996	5,996
Contributions and donations	-	3,427	3,427
Other	20,982	92,108	71,126
Total miscellaneous	<u>106,482</u>	<u>311,296</u>	<u>204,814</u>
Other financing sources:			
Transfers in:			
Nonmajor funds	125,887	194,924	69,037
Total revenues and other financing sources	13,254,942	<u>\$ 14,013,289</u>	<u>\$ 758,347</u>
Appropriated from fund balance	150,000		
Use of fund balance to reduce taxes	760,962		
Total revenues, other financing sources and use of fund balance	<u>\$ 14,165,904</u>		

EXHIBIT 20
TOWN OF AMHERST, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2018

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 400,492	\$ 389,488	\$ 15,000	\$ (3,996)
Election and registration	-	194,037	186,244	-	7,793
Financial administration	-	398,819	401,065	-	(2,246)
Revaluation of property	-	165,537	163,991	-	1,546
Legal	-	44,001	33,677	-	10,324
Personnel administration	-	209,844	207,433	-	2,411
Planning and zoning	17,770	401,619	376,161	15,480	27,748
General government buildings	5,400	290,483	293,313	-	2,570
Cemeteries	-	30,846	28,157	-	2,689
Insurance, not otherwise allocated	-	135,376	133,355	-	2,021
Other	-	150,000	-	-	150,000
Total general government	23,170	2,421,055	2,212,884	30,480	200,861
Public safety:					
Police	-	2,405,096	2,408,278	-	(3,182)
Ambulance	2,125	595,607	599,353	-	(1,621)
Fire	-	544,163	506,117	4,000	34,046
Emergency management	-	8,501	8,500	-	1
Other	-	426,797	420,532	-	6,265
Total public safety	2,125	3,980,164	3,942,780	4,000	35,509
Highways and streets:					
Administration	-	490,111	482,234	-	7,877
Highways and streets	633,158	3,166,979	3,269,280	597,531	(66,674)
Street lighting	-	24,230	23,519	-	711
Total highways and streets	633,158	3,681,320	3,775,033	597,531	(58,086)
Sanitation:					
Solid waste disposal	-	584,689	589,630	-	(4,941)
Health:					
Administration	-	2,156	2,603	-	(447)
Pest control	-	401	400	-	1
Health agencies and hospitals	-	45,000	45,000	-	-
Total health	-	47,557	48,003	-	(446)
Welfare	-	13,368	1,195	-	12,173

(continued)

EXHIBIT 20 (continued)
TOWN OF AMHERST, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2018

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	362,110	361,354	-	756
Public library	-	957,997	938,693	-	19,304
Patriotic purposes	-	8,500	8,085	-	415
Other	-	6,073	5,154	-	919
Total culture and recreation	-	1,334,679	1,313,286	-	21,393
Conservation	-	21,945	16,810	4,652	483
Debt service:					
Principal	-	1,307,950	1,296,017	-	11,933
Interest	-	212,290	210,614	-	1,676
Total debt service	-	1,520,240	1,506,631	-	13,609
Capital outlay:					
Machinery, vehicles and equipment	-	60,887	60,887	-	-
Other financing uses:					
Transfers out:					
Nonmajor funds	-	500,000	430,000	-	70,000
Total encumbrances, appropriations, expenditures and other financing uses	\$ 658,453	\$ 14,165,904	\$ 13,897,139	\$ 636,663	\$ 290,555

EXHIBIT 21
TOWN OF AMHERST, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2018

Unassigned fund balance, beginning, as restated		\$ 6,577,651
Changes:		
Unassigned fund balance used to reduce tax rate		(760,962)
Unassigned fund balance appropriated		(150,000)
Budget summary:		
Revenue surplus (Exhibit 19)	\$ 758,347	
Balance of appropriations (Exhibit 20)	<u>290,555</u>	
Budget surplus		1,048,902
Increase in nonspendable fund balance		(156,506)
Increase in restricted fund balance		<u>(3,163)</u>
Unassigned fund balance, ending		<u><u>\$ 6,555,922</u></u>