

TOWN OF TAMWORTH, NEW HAMPSHIRE

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
With Independent Auditor's Reports Thereon

DECEMBER 31, 2015

TOWN OF TAMWORTH, NEW HAMPSHIRE

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The Mercier Group

a professional corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of the Selectboard and Management
Town of Tamworth, New Hampshire

Report on the Financial Statements. We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Tamworth, New Hampshire as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility. Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Tamworth, New Hampshire, as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information. Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* beginning on page iii, the budgetary and pension information presented in the section marked *Required Supplementary Information* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Combining and Individual Fund Statements and Schedules. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly presented in all material respects in relation to the basic financial statements as a whole.

Paul J. Mercier, Jr. cpa for

The Mercier Group, a professional corporation
Canterbury, New Hampshire
August 4, 2016

Management's Discussion and Analysis

2015 MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Tamworth's (the Town) annual financial report presents management's discussion and analysis of the Town's financial performance during the fiscal year ending December 31, 2015 and a look ahead at 2016. This letter is to be read in conjunction with the Town's audited financial statements.

2015 Financial Highlights

- The Town was able to hold a healthy cash flow this year, therefore, did not have to borrow in anticipation of taxes. The Town's total cash and investments (not including any road/timber bonds or other restricted monies) totaled \$4,347,477 on December 31, 2015.
- A 2015 Caterpillar Grader was purchased as recommended by the Capital Improvement Committee for the Highway department.
- Roads that received repair in 2015 included Page Hill Road and Mountain Road.
- The Highway Department was able to have 3800 yards of sand screened this year.
- The Fire Department participated in fighting the largest fire in over 25 years on Bayle Mountain burning 275 acres.
- For the year ending December 31, 2015, The Town had budgeted revenues of \$2,826,692 with actual revenues of \$3,089,895. The reasons for excess revenues were unused overlay, motor vehicle fees and yield tax fees in excess of amounts budgeted. Budgeted expenses for FY2015 were \$3,166,374 with actual expenses of \$2,780,124. The main reasons for unspent appropriations were savings in most budget lines and the contingency appropriation was not needed. The additional revenues of \$263,203 and the under spent budgeted amount of \$386,250 totaling \$649,453 will be put back into the undesignated fund balance adding to the current balance that will be available to help offset the 2016 tax rate.
- The General Fund (operating fund) reflected on a modified accrual basis of accounting, reported a balance of \$1,199,720 in unassigned fund balance (surplus) at the beginning of the year 2015. With the application of \$347,000 being utilized to offset the 2015 tax rate, not spending the entire 2015 budget and receipt of additional revenues, the Board is pleased to report an estimated healthy fund balance (surplus) at year-end in the amount of \$1,501,021. The Selectboard will have an opportunity when the 2016 tax rate is set to off set the taxes with a percentage of this amount. Through the utilization of the fund balance at the beginning of 2015; the Selectboard set the tax rate. The rate increased from \$21.50 to \$22.71 per thousand.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of the following components:

	REQUIRED STATEMENTS	PURPOSE & INFORMATION INCLUDED
Government-Wide	-Statement of Net Assets -State of Activities	Provides short and long-term information about our overall financial status, and how our net assets have changed. The statement of net assets includes all assets and liabilities, both operational and capital. The statement of activities accounts for all of the current year's revenue and expenses.
Fund Financials: Governmental Funds	-Balance Sheet -Statement of Revenues, Expenditures and Changes in Fund Balances	Provides detailed short-term information on revenues, expenses and fund balances for the current year. Focus is on revenue sources, expenditure categories, and on the balance left at year-end.
Fund Financials: Fiduciary Funds	-Statement of Fiduciary Net Assets	Provides information on funds for which the Town acts as a trustee, or fiduciary. The Town cannot use these assets to finance its own operations, but is responsible for ensuring that the assets reported here are used for their intended purposes.
Fund Financials: Business Enterprise Funds	-Statement of Net Assets -Statement of Changes in Net Assets	Provides information on funds for which the Water & Sewer Department are responsible and reports activities for which a fee is charged to external users for services. The Water & Sewer Department uses these assets to finance its own operation.
Notes to Financial Statements	Notes to Financial Statements	Provides additional required detailed information and explanations to all statements listed above.
Other Required Supplementary Information	-Budgetary Comparison Schedules	Provides additional information on budgeted vs. actual revenues and expenditures for the year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following statements are presented for comparative analysis of the Town's financial condition. Net position serves as a useful indicator of a governmental entity's financial condition as of a certain date while the Statement of Activities shows the change in that financial condition over time.

TOWN OF TAMWORTH, NEW HAMPSHIRE

Statement of Net Position

December 31, 2015 and 2014

ASSETS	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	4,720,082	3,115,156
Investments	265,089	762,728
Taxes	724,438	1,042,070
Intergovernmental	10,854	436,614
Other	-	425
Prepays	6,619	12,804
Capital assets:		
Land	1,942,794	1,885,394
Buildings and other structures	1,601,900	1,554,600
Construction in progress	882,807	869,732
Improvements other than buildings	144,824	144,824
Equipment & furnishings	1,043,213	1,043,213
Vehicles	1,894,267	1,789,611
Infrastructure	49,455,504	49,455,504
Accumulated depreciation	(20,368,654)	(20,349,603)
	42,323,737	41,763,072
DEFERRED OUTFLOW OF RESOURCES		
* Town share of NHRS for pensions	32,793	-
LIABILITIES		
Accounts payable and other current liabilities	80,009	119,549
Compensated absences payable	44,377	27,087
Intergovernmental payable	2,837,371	2,673,058
Short-term obligations ~ within one year:		
Bonds & notes payable	52,595	52,595
Landfill post-closure maintenance	17,400	17,400
Long-Term ~ Beyond one year:		
Bonds & notes payable	368,165	420,760
Landfill post-closure maintenance	139,200	156,600
* Town share of NHRS net pension liability	971,013	-
	4,510,130	3,467,049
DEFERRED INFLOWS OF RESOURCES		
* Town share of NHRS for pensions	71,744	-
	71,744	-

* New NHRS Pension reporting, per GASB No.68; see page 15 and 22

TOWN OF TAMWORTH, NEW HAMPSHIRE

Statement of Net Position

December 31, 2015 and 2014

NET POSITION	<u>2015</u>	<u>2014</u>
Net investment in capital assets	36,019,295	35,745,920
Restricted for:		
Subsequent year's expenditure	243,876	235,406
Special Revenue purposes	110,670	80,925
Capital & noncapital reserves	285,638	285,276
Permanent Funds:		
Nonspendable	238,360	245,282
Spendable for trust purposes	30,137	30,581
Unrestricted	846,680	1,672,633
	<u>37,774,656</u>	<u>38,296,023</u>

TOWN OF TAMWORTH, NEW HAMPSHIRE
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
December 31, 2015 and 2014

REVENUES	<u>2015</u>	<u>2014</u>
Taxes	2,120,849	1,793,162
Licenses and permits	499,005	482,187
State support	271,666	264,731
Federal support	13,075	790,162
Charges for services	65,238	62,802
Other local sources	155,855	323,016
	<u>3,125,688</u>	<u>3,716,060</u>
EXPENDITURES		
Current:		
General Government	443,065	429,025
Public safety	577,608	525,184
Highways and streets	762,279	772,409
Sanitation	195,209	177,093
Health	157,744	157,217
Welfare	14,585	11,952
Culture and recreation	260,624	239,643
Conservation	10,463	5,643
Debt Service – Interest	17,647	19,608
Depreciation - unallocated	179,051	455,074
	<u>2,618,275</u>	<u>2,792,848</u>
Excess of revenues over(under) expenditures	<u>507,413</u>	<u>923,212</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	171,593	139,343
Transfers out	<u>(171,593)</u>	<u>(139,343)</u>
-	-	-
Net change in fund balances	<u>507,413</u>	<u>923,212</u>
Net position - beginning	<u>37,267,243</u>	<u>37,372,811</u>
Net position - ending	<u><u>37,774,656</u></u>	<u><u>38,296,023</u></u>

Economic Factors and a look ahead at the 2016 Budget

The following factors were considered in preparing the Town's budget for the 2016 fiscal year:

- After receiving and reviewing the 2014 Wage, salary and benefit survey the Board did not present any increases for direct compensation for employees.
- The Towns of Ossipee, Freedom, Madison, Effingham, Eaton, and Tamworth are currently in the second year of a multi-town intergovernmental agreement for Ambulance services.
- With the use of encumbered funds the bridge over Stony Brook located on Whittier Road will be repaired.
- Road reconstruction for 2016 should include the remainder of Page Hill Road, 900' of Mountain Road and a small portion of Chocorua Road.
- Economic Development Commission is planning a big Street Fair in celebration of Tamworth's 250th Anniversary.
- The 250th Committee is planning to kick off events in October 2015 with a closing ceremony on October 14, 2016. In July/August there will be "Tamworth 250 Days" with events all over town. For more information please visit their Facebook Page.
- The purchase of a grader was budgeted by the Highway Department.
- The Transfer Station budget includes \$19,111 for new containers.
- The Parks and Recreation budget includes \$12,000 to resurface the tennis courts

Contacting the Town's Financial Management

The financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Tamworth Selectboard or Town Administrator Darlene McWhirter, at the Town of Tamworth, 84 Main Street, Tamworth, NH 03886, by calling 603-323-7525 or by e-mail at admin@tamworthnh.org.

Basic Financial Statements

Exhibit A1
TOWN OF TAMWORTH, NEW HAMPSHIRE
Statement of Net Position
December 31, 2015

All numbers are expressed in USA Dollars

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	4,720,082
Investments	265,089
Receivables <i>(net of allowance for uncollectibles)</i>	
Taxes	724,438
Intergovernmental receivable	10,854
Prepays	6,619
Capital assets:	
Land	1,942,794
Buildings and other structures	1,601,900
Construction in progress	882,807
Improvements other than buildings	144,824
Equipment & furnishings	1,043,213
Vehicles	1,894,267
Infrastructure	49,455,504
Accumulated depreciation	(20,368,654)
	<u>42,323,737</u>
DEFERRED OUTFLOWS OF RESOURCES	
Town share of NHRS for pensions	32,793
	<u>32,793</u>
LIABILITIES	
Accounts payable and other current liabilities	80,009
Compensated absences payable	44,377
Intergovernmental payable	2,837,371
Long-term obligations:	
Due within one year	
Bonds & notes payable	52,595
Landfill post-closure maintenance	17,400
Due Beyond one year:	
Bonds & notes payable	368,165
Landfill post-closure maintenance	139,200
Town share of NHRS net pension liability	971,013
	<u>4,510,130</u>
DEFERRED INFLOWS OF RESOURCES	
Town share of NHRS for pensions	71,744
	<u>71,744</u>
NET POSITION	
Net investment in capital assets	36,019,295
Restricted for:	
Subsequent year's expenditures	243,876
Special Revenue purposes	110,670
Capital & noncapital reserves	285,638
Permanent Funds:	
Nonspendable	238,360
Spendable for trust purposes	30,137
Unrestricted	846,680
	<u><u>37,774,656</u></u>

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

Exhibit A2
TOWN OF TAMWORTH, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2015

All numbers are expressed in USA Dollars.

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and
		Charges for	Operating	Changes in Net Position
		Services	Grants and	Primary Government
			Contributions	Governmental
				Activities
Primary government:				
<i>Governmental activities:</i>				
General Government	443,065	3,830	166,002	(273,233)
Public safety	577,608	3,675		(573,933)
Highways and streets	762,279	397	118,739	(643,143)
Sanitation	195,209	44,633		(150,576)
Health	157,744			(157,744)
Welfare	14,585			(14,585)
Culture and recreation	260,624	12,703		(247,921)
Conservation	10,463			(10,463)
Interest on long-term debt	17,647			(17,647)
Depreciation-unallocated	179,051			(179,051)
	<u>2,618,275</u>	<u>65,238</u>	<u>284,741</u>	<u>(2,268,296)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				2,050,607
Property taxes, levied for debt services				70,242
Licenses and permits				499,005
Other local revenues				165,490
<i>Special items-</i>				
Change in fair value of investments				(9,635)
				<u>2,775,709</u>
Change in net position				507,413
Net position - beginning, as restated				<u>37,267,243</u>
Net position - ending				<u><u>37,774,656</u></u>

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

Exhibit B1
TOWN OF TAMWORTH, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2015

All numbers are expressed in USA Dollars

	General	Capital & Noncapital Reserves	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	4,347,477	282,540	90,065	4,720,082
Investments		3,098	261,991	265,089
Receivables				
Taxes	724,438		-	724,438
Intergovernmental			10,854	10,854
Interfund	10,854		28,634	39,488
Prepaid items	6,619		-	6,619
	<u>5,089,388</u>	<u>285,638</u>	<u>391,544</u>	<u>5,766,570</u>
LIABILITIES				
Accounts payable	78,486		-	78,486
Accrued Liabilities			1,523	1,523
Interfund payable	28,634		10,854	39,488
Intergovernmental payable	2,837,371		-	2,837,371
	<u>2,944,491</u>	<u>-</u>	<u>12,377</u>	<u>2,956,868</u>
DEFERRED INFLOWS				
Unavailable taxes revenues	400,000			400,000
	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
FUND BALANCES				
<i>Nonspendable</i>				
Prepaid items	6,619	-	-	6,619
Permanent fund - principal			238,360	238,360
<i>Restricted for</i>				
Permanent fund purposes			30,137	30,137
<i>Committed for</i>				
Open purchase orders	243,876		-	243,876
Special revenue purposes			110,670	110,670
Capital & noncapital reserves		285,638	-	285,638
Unassigned	1,494,402		-	1,494,402
	<u>1,744,897</u>	<u>285,638</u>	<u>379,167</u>	<u>2,409,702</u>
	<u>5,089,388</u>	<u>285,638</u>	<u>391,544</u>	<u>5,766,570</u>

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

Exhibit B2
TOWN OF TAMWORTH, NEW HAMPSHIRE
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2015

All numbers are expressed in USA Dollars

Total Fund Balance - Governmental Funds (Exhibit B1)	2,409,702
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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. These assets consist of:

Land	1,942,794	
Buildings and other structures	1,601,900	
Construction in progress	882,807	
Other	144,824	
Equipment & furnishings	1,043,213	
Vehicles	1,894,267	
Infrastructure	49,455,504	
Accumulated depreciation	<u>(20,368,654)</u>	
		36,596,655

Receivables in the Balance Sheet that do not provide current financial resources are not recognized in the funds:

Tax liens not available to pay current obligations	400,000
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Notes payable		(420,760)
Capital leases payable		-
Landfill post-closure maintenance		(156,600)
Town's share of New Hampshire Retirement System:		
Net pension liability	(971,013)	
Deferred outflows of resources	32,793	
Deferred inflows of resources	<u>(71,744)</u>	
		(1,009,964)
Post employment benefits payable		
Compensated absences (sick & vacation leave)	<u>(44,377)</u>	
		(1,054,341)

Net Position of Governmental Activities (Exhibit A1)	<u><u>37,774,656</u></u>
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The notes to the financial statements are an integral part of these statements.

Exhibit B3
TOWN OF TAMWORTH, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2015

All numbers are expressed in USA Dollars

	General	Capital & Noncapital Reserves	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	2,116,149		-	2,116,149
Licenses and permits	499,005		-	499,005
State support	271,666		-	271,666
Federal support	-		13,075	13,075
Charges for services	65,238		-	65,238
Other local sources	132,930	269	32,291	165,490
Change in fair value of investments	-	93	(9,728)	(9,635)
	3,084,988	362	35,638	3,120,988
EXPENDITURES				
Current:				
General Government	444,591		-	444,591
Public safety	577,608		-	577,608
Highways and streets	762,279		-	762,279
Sanitation	212,609		-	212,609
Health	157,744		-	157,744
Welfare	14,435		150	14,585
Culture and recreation	99,858		160,766	260,624
Conservation	10,463		-	10,463
Debt service				
Principal	52,595		-	52,595
Interest	17,647		-	17,647
Capital outlay	264,656		13,075	277,731
	2,614,485	-	173,991	2,788,476
Excess of revenues over(under) expenditures	470,503	362	(138,353)	332,512
OTHER FINANCING SOURCES (USES)				
Transfers in	4,907		166,686	171,593
Transfers out	(165,639)		(5,954)	(171,593)
	(160,732)	-	160,732	-
Net change in fund balances	309,771	362	22,379	332,512
Fund balances - beginning	1,435,126	285,276	356,788	2,077,190
Fund balances - ending	1,744,897	285,638	379,167	2,409,702

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

Exhibit B4
TOWN OF TAMWORTH, NEW HAMPSHIRE
*Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities*
For the Fiscal Year Ended December 31, 2015

All numbers are expressed in USA Dollars

Net change in fund balances - total governmental funds (Exhibit B3)	332,512
Amounts reported for governmental activities in the statement of activities (Exhibit A2) are different because:	
<i>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 and reported as depreciation expense.</i>	
Reduce expenditures for capital outlays increasing capital assets	277,731
Increase expenditures for depreciation charges	(179,051)
<i>The net effect of various miscellaneous transactions involving capital assets:</i>	
Adjustment for previously unrecorded capital assets	
Tax acquired property recorded at assessed value	104,700
<i>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</i>	
Increase(decrease) in Deferred inflow of taxes receivable not available for current expenditures	(100,000)
<i>The issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</i>	
Reduction in Other Financing Sources for long-term debt issued	
Reduction in expenditures for principal payments on debt	52,595
<i>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.</i>	
(Increase)decrease in compensated absences payable	(17,290)
(Increase)decrease in landfill post-closure liabilities	17,400
Town's share of New Hampshire Retirement System:	
(increase)decrease in net pension liability	(86,659)
Increase(decrease) in deferred outflows of resources	32,793
(Increase)decrease in deferred inflows of resources	72,682
	18,816
<i>Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds.</i>	
<i>The net revenue of certain activities of internal service funds is reported with governmental activities.</i>	
Change in net position of governmental activities (Exhibit A2)	507,413

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

Exhibit B5
TOWN OF TAMWORTH, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

All numbers are expressed in USA Dollars

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	292,733
Investments, at fair value	7,560
	<u>300,293</u>
	<u><u>300,293</u></u>
LIABILITIES	
Agency deposits	300,293
	<u>300,293</u>
	<u><u>300,293</u></u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Tamworth is a New Hampshire Municipal Corporation governed by a Board of Selectmen and other elected officials. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies and its conformity with such principles are disclosed below. These disclosures are an integral part of the Town's financial statements.

FINANCIAL REPORTING ENTITY

The accompanying financial statements present the Town and its component units. A component unit is defined by GASB as a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government is such that the exclusion would cause the reporting entity's financial statements to be misleading. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity and the Town is not a component unit of any other primary government.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues constitute the bulk of the Town's activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when they occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues (other than taxes) to be available if they are collected within 60 days of the end of the current fiscal period. Because of material liabilities associated with the collection and payment of school taxes through the end of the School fiscal year of June 30th, the Town considers property taxes to be available if collected within 180 days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes (property and other taxes), grants, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. If any, only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

- The *General Fund* is the government's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital and Noncapital Reserves Fund* is a capital projects fund that accounts for the Town's capital and non-capital reserves, which were created by vote of the legislative body and are restricted for specific purposes.

Additionally, the Town reports the following other fund type:

- The *Agency Fund* accounts for the assets held on behalf of the Tamworth School District, Yield Tax Depositors, Developers and the Tamworth Rescue Squad.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

General Budget Policies – General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town's operations. The Town votes appropriations by official ballot in accordance with State Statutes. Appropriations are made on an annual basis for the General and all significant Special Revenue Funds. Project-length financial plans are adopted for all Capital Project Funds. Except as reconciled below, budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. Unexpended balances of special articles for specific purposes may not be transferred. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over-expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Revenue Administration. State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2015, \$339,682 of the beginning General Fund balance was applied for this purpose.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. Amounts recorded as budgetary expenditures in the *Budgetary Comparison Schedule (Exhibit C1)* are presented on the basis budgeted by the Town. The amounts differ from those reported in conformity with generally accepted accounting principles in the *Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B3)* as follows:

Expenditures and Other Financing Uses ~ Budgetary Basis (<i>see Exhibit C1</i>)	\$ 2,788,594
Adjustments:	
Encumbrances - December 31, 2014	235,406
Encumbrances - December 31, 2015	<u>(243,876)</u>
Expenditures and Other Financing Uses ~ GAAP Basis (<i>see Exhibit B3</i>)	<u>\$ 2,780,124</u>

ASSETS, LIABILITIES AND FUND EQUITY

Deposits and Investments. For financial reporting purposes, cash and equivalents include amounts in demand deposits and money market funds, as well as certificates of deposit and short-term investments with original maturities of 90 days or less. With the exception of Library and Trust Fund monies, which are held by separately elected trustees, the Town Treasurer is required by State statute to have custody of all monies belonging to the Town and shall pay out the same only upon orders of the selectmen. The Town Treasurer shall deposit all such monies in solvent banks in the

TOWN OF TAMWORTH, NEW HAMPSHIRE

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December 31, 2015

state or in participation units in the public deposit investment pool established pursuant to RSA 383:22. Funds may be deposited in banks outside the state if such banks pledge and deliver to the state treasurer as collateral security for such deposits in value at least equal to the amount of the deposit in each case.

Whenever the Town Treasurer has an excess of funds which are not immediately needed for the purpose of expenditure, State statutes require the Treasurer, with the approval of the Selectboard, to invest the same in obligations of the United States government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within this state or the Commonwealth of Massachusetts. Any person who directly or indirectly receives any such 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.

The Town Trustees are authorized by State statute to invest Trust Funds, including Capital Reserve Funds, in obligations of political subdivisions and stocks, bonds that are legal for investment by New Hampshire savings banks except mutual funds unless the mutual funds are registered with the Securities and Exchange Commission, qualified for sale in the State of New Hampshire in accordance with the New Hampshire Uniform Securities Act of the New Hampshire Secretary of State's Office, and have in their prospectus a stated investment policy that is consistent with the investment policy adopted by the Trustees of Trust Funds in accordance with RSA 35:9. The Trustees may also invest trust funds in New Hampshire credit unions and in the public deposit investment pool established pursuant to RSA 383:22. Capital Reserve funds must be kept in separate accounts and not intermingled with other funds.

With the exception of investments in the New Hampshire Public Deposit Investment Pool (the Pool), investments are stated at market value. Under the terms of GASB Statement #31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Pool is considered to be a **2a7-like pool** which means that it has a policy that it will, and does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This rule allows SEC-registered mutual funds to use amortized cost rather than market value to report net position to compute share prices if certain conditions are met. Therefore, the Town reports its investments in the Pool at amortized cost, which equals the Pool's participation unit price.

Receivables and Revenues. Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded: ***Tax revenue*** is recorded when a warrant for collection is committed to the Tax Collector. Any taxes not liened or deeded within statutory time limits and 3.5% of the remaining uncollected balances have been reserved as an allowance for uncollectible accounts. Property tax revenues not collected within 180 days after year-end are not considered an "available spendable resource" and likewise are deferred in the governmental funds. As prescribed by law, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town. ***Interest on investments*** is recorded as revenue in

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

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the year earned. Certain **grants** received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made. Various **service charges** (Public Safety, Landfill, Recreation, etc.) are recorded as revenue for the period when service was provided.

Interfund Receivables and Payables. During the course of normal operations, the Town has activity between funds, including expenditures and transfers of resources to provide services and fund capital outlay. All outstanding balances between funds are reported as “due to/from other funds.” The Town considers all interfund balances collectible and therefore makes no provision for bad debt in its financial statements.

Inventories and Prepaid Items. Inventory in the Governmental Fund consists of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$5,000 and an initial estimated useful life of more than one accounting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Public domain infrastructure	40
Light vehicles	5
Heavy vehicles	10
Office equipment	5
Computer equipment	5
Other equipment & furnishings	10

Deferred Outflows of Resources. Deferred outflows of resources represent the consumption of resources that are applicable to future accounting periods. In subsequent periods, when expense recognition criteria is met, the deferred outflow is removed from the combined balance sheet and expense is recognized.

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December 31, 2015

Long-Term Obligations. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Compensated Absences. It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Inflows of Resources. Deferred inflows of resources arise when potential non-exchange revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the combined balance sheet and revenue is recognized.

Fund Equity. In the governmental fund Balance Sheet, fund balances are reported using a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned depending on the level of constraints. *Nonspendable fund balance* includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. *Restricted fund balance* is the amount that is restricted to specific purposes by external requirements such as those of creditors, grantors, contributors or laws and regulations or imposed by law through constitutional provisions or legally enforceable enabling legislation. *Committed fund balance* is the amount that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority (the Selectboard and other elected officials). *Assigned fund balance* is the amount that is constrained by the Town's intent to be used for specific purposes, but is not restricted or committed. *Unassigned fund balance* is the residual classification for the general fund. Whenever multiple classifications of resources are available for use, it is the Town's policy to use spendable, restricted, committed and assigned resources in that order first, then unassigned resources as they are needed.

Accounting Estimates. Accounting estimates are an integral part of the financial statements. They are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates used in the preparation of these financial statements were:

TOWN OF TAMWORTH, NEW HAMPSHIRE

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- Management's estimate of the *reserve for non-current taxes* is based on the percentage of overlay used in the calculation of tax rates, the status of any non-liable or non-deedable accounts at year-end and unpaid accounts that are considered significant for other reasons.
- Management's estimate of *deferred inflows of taxes* is based on liens committed during the current fiscal year and the estimated balance of outstanding taxes receivable on June 30, 2016.
- Management's estimate of net pension liability, deferred inflows and outflows of resources related to the Town's proportionate share of the New Hampshire Retirement System (NHRS) is based on independently audited information supplied by NHRS.
- Management's estimate of *depreciation* is based on the expected number of years an asset will be use in operations and on the age and condition of capital assets at year-end.

New Governmental Accounting Pronouncements. Beginning in FY2015, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions," revises and establishes new financial reporting requirements for employers participating in cost-sharing, multi-employer plans such as the New Hampshire Retirement System (NHRS). Reported in these statements are the Town's estimates for its proportional share NHRS's net pension liability, deferred inflows of resources and deferred outflows of resources. Essentially, what this means is that the Statement of Net Position includes, a long-term pension liability for the estimated total amount of retirement benefits to be paid to retirees in future years. The town's basis these estimates on audited allocation tables provided by the NHRS. Previously, employers reported annual contributions they made to the NHRS in the footnotes only.

ASSETS

CASH AND INVESTMENTS

Deposits. The Town maintains a common bank account in which the cash balances of most funds are maintained. The common bank account is used for receipts and disbursements relating to all these funds. All time deposits are accounted for in the General Fund. Throughout the fiscal year, all bank deposits were insured by Federal Depository Insurance (FDIC) or collateralized with securities held by the Town or its agent in the Town's name.

Cash Equivalents. The Town participates in the *New Hampshire Public Deposit Investment Pool*. At this time, the Pool's investments are limited to short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire municipal obligations, certificates of deposit from AI/PI-rated banks, money market mutual funds (maximum of 20% of portfolio).

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

Investments. During the course of the fiscal year and at year end, the Town's investments included the following:

	Governmental Activities		
	Capital & Noncapital Reserves	Nonmajor Governmental Funds	Fiduciary Fund
Equity Mutual Funds	\$ -	\$ 99,955	\$ -
Fixed Income Mutual Funds	3,098	162,036	7,560
	<u>\$ 3,098</u>	<u>\$ 261,991</u>	<u>\$ 7,560</u>

Concentrations of credit and market risk. Financial instruments that potentially expose the Town to *credit risk* consist primarily of bank deposits and investments in participation units of the New Hampshire Public Deposit Investment Pool. It is the Town's policy to deposit monies in high quality financial institutions according to State Statutes and to limit risk by maintaining deposits within the Federal Depository Insurance Limits (FDIC) whenever possible or to require banking institutions to collateralize deposits. The Town has not experienced any losses on its cash deposits and management believes the Town is not exposed to significant credit risk on those amounts even though significant amounts may be held by a single financial institution and are in excess of the FDIC limits. Each participation unit of the Pool is valued at one-dollar and do not fluctuate with the market values of underlying investments. Mutual funds held are subject to *market risk* as they fluctuate in value according to market conditions. Investment policies limit holdings to high quality investments and are closely monitored by the Trustees to avoid substantial risk.

PROPERTY TAXES

The property tax year is from April 1 to March 31 and all property taxes are assessed on the inventory taken in April of that year. The 2015 property tax levy was based on a net assessed valuation as of April 1, 2015 of \$339,862,407. State Education Taxes were based on a State-wide equalized valuation of \$325,195,330. In connection with the setting of the tax rate, Town Officials, with the approval of the New Hampshire Department of Revenue Administration, establish and raise through taxation an amount for abatements and refunds of property taxes, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any tax reserves at year-end. Property taxes collected by the Town include taxes levied for the State of New Hampshire, the Tamworth School District and Carroll County, which are remitted to these entities as required by law.

The tax rates and amounts assessed for the year ended December 31, 2015, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Levied
Municipal portion	\$ 5.23	\$ 1,689,096
County Tax Assessment	1.39	471,333
Local School Tax Assessment	13.75	4,674,597
State Education Tax Assessment	2.34	762,352
	<u>\$ 22.71</u>	<u>\$ 7,597,378</u>

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

The responsibility for the collection of taxes rests with the Town and tax amounts must be remitted to other municipal entities as requested. Any amounts due at year-end are reported in these financial statements as Intergovernmental payables.

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Under this method, tax bills are sent on or around June 1 and November 1 of each year, with interest accruing at a rate of 12% on bills outstanding for more than 30 days. The June 1 billing is considered an estimate only and is one-half of the previous year's tax billing. The remaining balance of taxes due is billed in the fall after the State Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

As prescribed by law, within 18 months of the date assessed, the Tax Collector places a lien on properties for all uncollected property taxes in the following year after taxes are due. The lien on these properties has priority over other liens and accrues interest at 18% per annum. If property is not redeemed within the 2-year redemption period, the property is tax-deeded to the Town.

TAXES RECEIVABLE

Taxes receivable at December 31, 2015, are as follows:

<u>Uncollected Taxes</u>		
Unassigned Credits	\$ (5,390)	
Property	536,007	
Yield Taxes	<u>12,301</u>	
		\$ 542,918
<u>Unredeemed Taxes (under tax liens)</u>		
Levy of 2014	\$ 122,245	
Levy of 2013	<u>69,275</u>	
		<u>191,520</u>
		734,438
Reserve for non-current taxes receivable		<u>(10,000)</u>
		<u>\$ 724,438</u>

INTERGOVERNMENTAL RECEIVABLES

Intergovernmental Receivables in the general fund at December 31, 2015 is as follows:

<u>Capital Project Fund - Chocorua Village Safety Project</u>	
Due from the State of New Hampshire - Federal grant reimbursement	<u>\$ 10,854</u>

TOWN OF TAMWORTH, NEW HAMPSHIRE*Notes to Financial Statements*

December 31, 2015

INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2015 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<i>Governmental Activities:</i>		
General Fund	\$ 10,854	\$ 28,634
Special Revenue Fund:		
250th Celebration	28,634	-
Capital Projects Fund:		
Chocorua Village Safety Project	-	10,854
	<u>\$ 39,488</u>	<u>\$ 39,488</u>

PREPAID ITEMS

Prepaid items in the General Fund at December 31, 2015 representing payments in the current period that were due at the beginning of the subsequent year are as follows:

Service contract fees & software licences	<u>\$ 6,619</u>
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CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2015 is as follows:

	<i>Governmental Activities</i>		
	<u>Balance January 1</u>	<u>Additions & Adjustments</u>	<u>Deductions & Adjustments</u>
Land	\$ 1,885,394	\$ 57,400	\$ 1,942,794
Buildings & Other Structures	1,554,600	47,300	1,601,900
Construction in Progress	869,732	13,075	882,807
Equipment	1,043,213	-	1,043,213
Vehicles	1,789,611	264,656	160,000
Other	144,824	-	-
Infrastructure	49,455,504	-	-
	<u>56,742,878</u>	<u>382,431</u>	<u>160,000</u>
Less: Accumulated Depreciation	<u>(20,349,603)</u>	<u>(179,051)</u>	<u>(160,000)</u>
	<u>\$ 36,393,275</u>	<u>\$ 203,380</u>	<u>\$ 36,596,655</u>

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. During the fiscal year, the Town was a member of the following public-entity risk pools, currently operating as a common risk management and insurance programs for member towns and school administrative units.

The *New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability* are pooled risk management programs under RSA 5-B and RSA 281-A. A coverage summary of worker's compensation and property/liability programs provided from 1/1/15 – 1/1/16 by *Primex³*, which retained \$1,000,000 of each Workers' Compensation loss, \$500,000 of each Liability loss and \$200,000 of each Property Loss is available on file at the Town Office. The Board has decided to retain the aggregate exposure and has allocated resources based on actuarial analysis for that purpose.

Total contributions and any credits or balances due as of December 31, 2015 are as follows:

Town contributions billed for the coverage period:

Property/Liability	\$ 27,311
Workers' Compensation	\$ 20,551

The Workers' Compensation Section of the Self-Insurance Membership Agreement permits *Primex³* to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. At this time, Town management understands that the Trust foresees no likelihood of an additional assessment for this or any prior year. Claims have not exceeded insurance coverage in any of the past three years.

LIABILITIES

INTERGOVERNMENTAL PAYABLE

Payables due other governments at December 31, 2015 include:

General Fund

Tamworth School District ~ balance of 2014/2015 School District	\$ 2,836,949
Assessment due in monthly installments though June 30, 2015	
State of NH ~ State portion of licenses & fees	422
	<u>\$ 2,837,371</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources at December 31, 2015 are as follows:

Taxes receivable not available to pay current obligations	<u>\$ 400,000</u>
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TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

AGENCY FUNDS

Agency Deposits held for others at December 31, 2015 include the following:

Tamworth School District Trust & Capital Reserve Funds:		
School Trusts - <i>EP Atkins/Drew School Fund</i>	\$ 7,560	
Capital Reserve Funds ~ <i>School Renovation & Emergency</i>	65,487	
General Fund Trusts ~ <i>Special Education</i>	<u>154,651</u>	
		\$ 227,698
Timber Yield Tax Bonds		2,194
Developers' Performance Bonds		48,737
Tamworth Rescue Squad:		
Alice Marshall Bequest	15,941	
Huff Rescue Fund	<u>5,723</u>	
		<u>21,664</u>
		<u><u>\$ 300,293</u></u>

LONG-TERM DEBT

Changes in General Long-Term Debt. The following is a summary of the Town's general obligation long-term debt transactions for the fiscal year ended December 31, 2015:

	Balance Beginning of Year	Issued	Retired	Balance End of Year	Due Within One Year
<i>Governmental Activities:</i>					
General long-term debt	\$ 473,355		\$ 52,595	\$ 420,760	\$ 52,595
Compensated absences	27,087	17,290		44,377	44,377
Landfill post-closure	174,000		17,400	156,600	17,400
	<u>\$ 674,442</u>	<u>\$ 17,290</u>	<u>\$ 69,995</u>	<u>\$ 621,737</u>	<u>\$ 114,372</u>

General Long-term Debt Payable. Long-term debt payable at December 31, 2015, is comprised of the following individual issues:

Description of Issue	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding December 31 2015
<i>Governmental Activities:</i>					
General Obligation Bonds & Notes					
Landfill Closure Notes	\$ 1,051,905	07/01/01	07/01/23	3.728	\$ 420,760
Compensated Absences Payable					
Sick Leave					14,491
Vacation Leave					<u>29,886</u>
					<u>44,377</u>
Landfill Post-closure Maintenance					<u>156,600</u>
					<u><u>\$ 621,737</u></u>

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

Annual Requirements to Amortize General Obligation Debt. The annual requirements to amortize all general obligation debt outstanding as of December 31, 2015, including interest payments, are as follows:

Fiscal Year Ending <u>December 31,</u>	General Obligation Notes and Bonds		
	Principal	Interest	Total
2016	\$ 52,595	\$ 15,686	
2017	52,595	13,725	66,320
2018	52,595	11,765	64,360
2019	52,595	9,804	62,399
2020	52,595	7,843	60,438
	262,975	58,823	253,517
2021-23	157,785	11,765	169,550
	<u>\$ 420,760</u>	<u>\$ 70,588</u>	<u>\$ 423,067</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit.

LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town's Landfill closure construction was completed according to State and Federal regulations in 2004. Post-closure monitoring and other costs are estimated at \$17,400 per year or \$174,000 over the next 10 years (20 years from closure). This estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of December 31, 2015. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The State of New Hampshire Department of Environmental Services requires that all entities which receive licensing for landfills since 1991 meet general financial assurance requirements. The Town has met these requirements. The Town expects to finance the postclosure care costs by annual appropriations.

DEFINED BENEFIT PENSION PLAN

Plan description, participation and funding mechanisms. Full-time employees participate in the State of New Hampshire Retirement System (NHRS), a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan) and four separate cost-sharing multiple-employer postemployment medical subsidy healthcare plans. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

TOWN OF TAMWORTH, NEW HAMPSHIRE

Notes to Financial Statements

December 31, 2015

NHRS is divided into two membership groups. By statute, Group I (employee and teacher) members contribute 7% of their salary to NHRS. Group II (police & fire) members contribute 11.5% and 11.8% respectively. While member rates are set by statute, employer rates are set by the NHRS Board of Trustees every two years after a biennial actuarial valuation is conducted using the *Entry Age Normal* actuarial method. Employer contributions are assessed at five different rates, one each for state employees, political subdivisions employees, teachers, police and fire. NHRS employers are required by the New Hampshire Constitution to pay 100% of the actuarial sound employer contribution rate as certified by the NHRS Board of Trustees to fully fund the pension plan and to pay down the retirement system's unfunded actuarial accrued liability over a closed amortization period. Currently, employer contribution rates for the period July 1, 2015 through June 30, 2016 are as follows:

Group I		Group II	
Employees	10.77%	Police	25.30%
Teachers	14.16%	Fire	27.74%

In fiscal year 2015, the Town implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. As provided in the reports above, collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions to the plan are recognized when legally due, based on statutory requirements. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at <https://www.nhrs.org/funding-and-investments/reports-valuations/annual-report-archive> and <https://www.nhrs.org/employers/gasb/gasb-67-68-reports>.

PRIOR-PERIOD ADJUSTMENT AND UNASSIGNED DEFICIT

Net Position at January 1, 2015 was restated to give retroactive effect to the following prior period adjustment:

Adjustment

Increase in pension liability resulting from the implementation of GASB 68 - Town share of NHRS Net Pension Liability as of July 1, 2014	\$ (1,028,780)
Net Position, as previously reported	38,296,023
Net Position, as restated	<u>\$ 37,267,243</u>

This change to the Government-Wide Financial Statements had no effect on prior-period fund balances as reported in the Fund Financial Statements.

TOWN OF TAMWORTH, NEW HAMPSHIRE*Notes to Financial Statements*

December 31, 2015

FUND BALANCE

Elements of fund balance as of December 31, 2015 were as follows:

General Fund*Committed for open purchase orders:*

Preamble of Town Line	\$	2,500
TCTX Records preservation grant		2,455
DP hardware upgrade		2,000
Planning Board consulting fees		5,500
Town office building repairs		555
Road reconstruction		20,000
Economic development		1,325
Stony Brook Bridge repair/replacement		209,541
	\$	<u>243,876</u>

Capital and Non-capital Reserves Fund*Committed for capital & noncapital reserves:*

Rescue Squad	\$	49,933
Bridge		232,608
Rescue Squad (Atwood Gift)		3,097
	\$	<u>285,638</u>

Nonmajor Special Revenue Funds*Committed for fund purposes:*

Cook Memorial Library:

Operating Fund	\$	15,127
Endowment Fund		<u>122</u>
	\$	15,249
Conservation Commission		66,787
250th Celebration		<u>28,634</u>
	\$	<u>110,670</u>

Nonmajor Permanent Fund

Resources held by the Town Trustees at December 31, 2015 for donor-restricted purposes were as follows:

	Non- spendable Endowment	Spendable for Trust Purposes	Total
Town Nonexpendable Trusts:			
Cemetery Perpetual Care	\$ 179,144	\$ 27,647	\$ 206,791
General Support of Library	17,045	76	17,121
Library Endowment for Childre	26,380	117	26,497
Remick Park Maintenance	9,558	2,269	11,827
I. Bickford for Needy	6,233	28	6,261
	<u>\$ 238,360</u>	<u>\$ 30,137</u>	<u>\$ 268,497</u>

SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

Litigation. There are various claims and suits pending against the Town, which arise in the normal course of the Town's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town. Interested parties should make inquiries of management regarding the current status of these matters.

Required Supplementary Information

Exhibit C1
TOWN OF TAMWORTH, NEW HAMPSHIRE
Budgetary Comparison Schedule
Budget to Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended December 31, 2015

All amounts are expressed in USA Dollars

	Budgeted Amounts			Variance With
	Original	Final Budget	Actual	Final Budget
REVENUES				
Taxes	1,952,779	1,952,779	2,116,149	163,370
Licenses and permits	422,591	422,591	499,005	76,414
State support	271,122	271,122	271,666	544
Charges for services	54,908	54,908	65,238	10,330
Miscellaneous	125,292	125,292	132,930	7,638
	2,826,692	2,826,692	3,084,988	258,296
EXPENDITURES				
Current:				
General government	682,850	682,850	458,926	223,924
Public safety	605,217	605,217	577,408	27,809
Highways and streets	1,131,512	866,512	756,820	109,692
Sanitation	214,506	214,506	212,609	1,897
Health	159,583	159,583	157,744	1,839
Welfare	23,883	23,883	14,229	9,654
Culture and recreation	100,963	100,963	99,858	1,105
Conservation	11,979	11,979	10,463	1,516
Debt service:				
Principal	52,595	52,595	52,595	-
Interest	17,647	17,647	17,647	-
Capital outlay	-	265,000	264,656	344
	3,000,735	3,000,735	2,622,955	377,780
Excess of revenues over(under) expenditures	(174,043)	(174,043)	462,033	636,076
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,907	4,907
Transfers out	(165,639)	(165,639)	(165,639)	-
	(165,639)	(165,639)	(160,732)	4,907
Net change in fund balances	(339,682)	(339,682)	301,301	640,983
Fund balances - beginning	1,199,720	1,199,720	1,199,720	-
Fund balances - ending	860,038	860,038	1,501,021	640,983

TOWN OF TAMWORTH, NEW HAMPSHIRE
Note to Required Supplementary Information – Budgetary Reporting
December 31, 2015

The budgetary comparison schedule – Budget to Actual (Non-GAAP Budgetary Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

General Budget Policies – General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern the Town's operations. The Town votes appropriations by official ballot in accordance with State Statutes. Appropriations are made on an annual basis for the General and all significant Special Revenue Funds. Project-length financial plans are adopted for all Capital Project Funds. Except as reconciled below, budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. Management may transfer appropriations between operating categories as they deem necessary, but expenditures may not legally exceed budgeted appropriations in total. Unexpended balances of special articles for specific purposes may not be transferred. All annual appropriations lapse at year-end unless encumbered. In the case of emergency expenditures, over-expenditures are allowed under the provisions of the Municipal Budget Law (RSA Chapter 32) if prior approval is secured from the State Department of Revenue Administration. State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2015, \$339,682 of the beginning General Fund balance was applied for this purpose.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. Amounts recorded as budgetary expenditures in the *Budgetary Comparison Schedule (Exhibit C1)* are presented on the basis budgeted by the Town. The amounts differ from those reported in conformity with generally accepted accounting principles in the *Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B3)* as follows:

Expenditures and Other Financing Uses ~ Budgetary Basis (<i>see Exhibit C1</i>)	\$ 2,788,594
Adjustments:	
Encumbrances - December 31, 2014	235,406
Encumbrances - December 31, 2015	<u>(243,876)</u>
Expenditures and Other Financing Uses ~ GAAP Basis (<i>see Exhibit B3</i>)	<u>\$ 2,780,124</u>

Exhibit C2
TOWN OF TAMWORTH, NEW HAMPSHIRE
Comparative Schedule of Pension Obligations
For the Fiscal Year Ended December 31, 2015

All amounts are expressed in USA Dollars

Estimated future pension obligations - New Hampshire Retirement System (NHRS). Selected comparative information from NHRS's audited financial statements and cost-sharing schedules that is specific to the Town is as follows:

	As of and for the years ended June 30,		
	2013	2014	2015
Proportionate share	0.02444456%	0.02356025%	0.02451107%
Employer contribution	\$ 60,783	\$ 76,435	\$ 82,231
Net Pension Liability	\$ 1,052,041	\$ 884,354	\$ 971,013
Deferred outflows of resources:			
Differences between expected and actual experience	<i>base year</i>	-	-
Changes of assumptions	<i>base year</i>	-	-
Changes in proportion	<i>base year</i>	-	32,793
<i>Total deferred outflows of resources</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,793</u>
Deferred inflows of resources:			
Differences between expected and actual experience	<i>base year</i>	-	21,308
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	113,154	25,951
Changes of assumptions	<i>base year</i>	-	-
Changes in proportion	<i>base year</i>	31,272	24,485
<i>Total deferred inflows of resources</i>	<u>\$ -</u>	<u>\$ 144,426</u>	<u>\$ 71,744</u>
Pension expense:			
Proportionate share of plan pension expense	<i>base year</i>	59,961	62,739
Net amortization of deferred amounts from changes in proportion	<i>base year</i>	(6,787)	676
<i>Total employer pension expense</i>	<u>\$ -</u>	<u>\$ 53,174</u>	<u>\$ 63,415</u>

This information should be read in conjunction with the audited *Schedules of Employer Allocation* presented by the NHRS. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at <https://www.nhrs.org/funding-and-investments/reports-valuations/annual-report-archive> and <https://www.nhrs.org/employers/gasb/gasb-67> 68-reports . As noted there in, the preparation of those reports requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of those estimates, actual results could differ, and the differences could be material. As of December 31, 2015, the Town has recognized all statutorily required contributions to the plan. All future obligations to the plan will become due as a percentage of qualifying wages when paid by the Town. At this time, management understands that that the NHRS foresees no likelihood of additional assessment beyond normal contribution rates, which are established every two years by a statutorily-governed rate-setting process. All future obligations of the Town to the NHRS will be funded by current appropriations as they become due.

Individual Fund Financial Statements and Schedules

Schedule D1a
TOWN OF TAMWORTH, NEW HAMPSHIRE
General Fund

Schedule of Estimated and Actual Revenues
For the Fiscal Year Ended December 31, 2015

All amounts are expressed in USA Dollars

	Original & Final Budget	Actual (GAAP Basis)	Over (Under) Budget
REVENUES			
Taxes			
Property	1,689,096	1,795,266	106,170
Land Use	30	34	4
Timber yield	22,000	49,167	27,167
Payments in lieu of taxes	193,605	173,308	(20,297)
Excavation tax	1,377	1,377	-
Interest and penalties on delinquent taxes	117,700	127,930	10,230
Overlay	(71,029)	(30,933)	40,096
	1,952,779	2,116,149	163,370
Licenses and permits			
Business licenses and permits	7,831	7,950	119
Motor vehicle fees	407,000	480,917	73,917
Building permits	2,200	3,600	1,400
Other licenses, permits and fees	5,560	6,538	978
	422,591	499,005	76,414
State Support			
Meals and rental tax distribution	138,592	138,592	-
Highway block grant	117,735	118,739	1,004
State and Federal forest land reimbursement	710	-	(710)
State aid for landfill closure	13,012	13,012	-
Other	1,073	1,323	250
	271,122	271,666	544
Charges for Services			
Income From Departments			
<i>General Government Services:</i>			
Town office	1,000	1,576	576
Planning Board	750	1,446	696
Other		808	808
<i>Public safety services:</i>			
Police department	1,450	3,675	2,225
<i>Highways & Streets:</i>			
Other	238	397	159
<i>Sanitation:</i>			
Solid waste collection & disposal	30,870	32,292	1,422
Recycling income	11,000	12,341	1,341
<i>Culture and Recreation:</i>			
Recreation department	9,600	12,703	3,103
	54,908	65,238	10,330
Miscellaneous			
Sale of municipal property	112,500	112,469	(31)
Interest on investments	3,300	4,206	906
Rents of property	550	1,100	550
Fines and forfeitures			-
Insurance dividends and reimbursements	500	4,590	4,090
Contributions & donations	6,000	6,500	500
CVSP project administration	2,442	2,442	-
Other	-	1,623	1,623
	125,292	132,930	7,638

Schedule D1a
TOWN OF TAMWORTH, NEW HAMPSHIRE
General Fund

Schedule of Estimated and Actual Revenues
For the Fiscal Year Ended December 31, 2015

All amounts are expressed in USA Dollars

	Original & Final Budget	Actual (GAAP Basis)	Over (Under) Budget
OTHER FINANCING SOURCES			
<i>Nonexpendable Trust Funds -</i>			
Cemetery Perpetual Care		4,907	4,907
	-	4,907	4,907
Total revenues and other financing sources	2,826,692	3,089,895	263,203
Unreserved Fund Balance Used to Reduce Tax Rate	339,682		
Total revenues and use of fund balance	3,166,374		

Schedule D1b
TOWN OF TAMWORTH, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Fiscal Year Ended December 31, 2015

all numbers are expressed in USA Dollars

EXPENDITURES

	Reserved From Prior Fiscal Year	Voted Appropriations	Reclassifications	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
Current						
General Government						
Executive		199,406		185,995	2,500	10,911
Election, Registration & Vital Statistics		125,261		110,220	2,455	12,586
Financial Administration		30,666		27,204		3,462
Revaluation of Property		38,696		14,488	2,000	22,208
Legal Expenses		5,000		5,899		(899)
Employee Benefits		5,000		1,042		3,958
Planning and Zoning		15,125		3,223	5,500	6,402
General Government Buildings		44,368		32,175	555	11,638
Cemeteries		31,773		31,002		771
Insurance, not otherwise allocated		30,000		27,311		2,689
Advertising and regional associations		7,555		6,032	1,325	198
Emergency repair response	-	150,000				150,000
	-	682,850	-	444,591	14,335	223,924
Public safety						
Police Department		281,175		270,607		10,568
Ambulance	200	42,750		46,293		(3,343)
Fire Department		276,292		255,802		20,490
Emergency management	200	5,000		4,826		174
		605,217	-	577,608	-	27,809
Highways and streets						
Highways and streets	235,000	1,115,512	(265,000)	748,542	229,541	107,429
Street Lighting		16,000		13,737		2,263
	235,000	1,131,512	(265,000)	762,279	229,541	109,692
Sanitation						
Transfer station operations		208,506		208,968		(462)
Landfill post-closure monitoring		6,000		3,641		2,359
	-	214,506	-	212,609	-	1,897

Schedule D1b
TOWN OF TAMWORTH, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances
For the Fiscal Year Ended December 31, 2015

all numbers are expressed in USA Dollars

	Reserved From Prior Fiscal Year	Voted Appropriations	Reclassifications	Expenditures Net of Refunds	Reserved To Next Fiscal Year	(Over) Under Budget
Health						
Health Administration		600		250		350
Pest Control		5,868		4,379		1,489
Health Agencies & Hospitals		153,115		153,115		-
	-	159,583	-	157,744	-	1,839
Welfare						
Administration & Direct Assistance	206	23,883		14,435		9,654
	206	23,883	-	14,435	-	9,654
Culture and recreation						
Parks and Recreation		87,049		87,482		(433)
Patriotic Purposes		8,000		6,800		1,200
Other		5,914		5,576		338
	-	100,963	-	99,858	-	1,105
Conservation						
Conservation Commission		11,979		10,463		1,516
	-	11,979	-	10,463	-	1,516
Debt service						
Principal of long-term debt		52,595		52,595		-
Interest expense - long-term debt		17,647		17,647		-
	-	70,242	-	70,242	-	-
Facilities acquisition and construction						
Machinery, vehicles & equipment			265,000	264,656		344
CAT Grader	-	-	265,000	264,656	-	344
OTHER FINANCING USES						
Operating transfers out - Interfund transfers						
Special revenue						
Cook Memorial Library		140,139		140,139		-
250th Celebration		25,500		25,500		-
	-	165,639	-	165,639	-	-
	235,406	3,166,374	-	2,780,124	243,876	377,780

Schedule D2a
TOWN OF TAMWORTH, NEW HAMPSHIRE
Balance Sheet
Non-major Governmental Funds
December 31, 2015

All numbers are expressed in USA Dollars

	<i>Special Revenue</i>			<i>Capital Project</i>		
	Cook	Conservation	250th	Chocoura	Permanent	Total
	Memorial	Commission	Celebration	Village Safety	Funds	
	Library			Improvements		
ASSETS						
Cash and cash equivalents	16,772	66,787			6,506	90,065
Investments					261,991	261,991
Intergovernmental receivable				10,854		10,854
Interfund receivable			28,634			28,634
	16,772	66,787	28,634	10,854	268,497	391,544
LIABILITIES						
Accrued Liabilities	1,523					1,523
Interfund payable				10,854		10,854
	1,523	-	-	10,854	-	12,377
FUND BALANCES						
<i>Nonspendable</i>						
Permanent fund - principal					238,360	238,360
<i>Restricted for</i>						
Permanent fund purposes					30,137	30,137
<i>Committed for</i>						
Special revenue purposes	15,249	66,787	28,634			110,670
	15,249	66,787	28,634	-	268,497	379,167
	16,772	66,787	28,634	10,854	268,497	391,544

TOWN OF TAMWORTH, NEW HAMPSHIRE*Statement of Revenues, Expenditures, and Changes in Fund Balances**Non-major Governmental Funds*

For the Fiscal Year Ended December 31, 2015

All numbers are expressed in USA Dollars

	<i>Special Revenue</i>			<i>Capital Project</i>		
	Cook	Chocoura		Chocoura		
	Memorial	Conservation	250th	Village Safety	Permanent	Total
	Library	Commission	Celebration	Improvements	Funds	
REVENUES						
Federal support				13,075		13,075
Miscellaneous	17,521	140	6,164		8,466	32,291
Change in fair value of investments					(9,728)	(9,728)
	17,521	140	6,164	13,075	(1,262)	35,638
EXPENDITURES						
Current:						
Welfare					150	150
Culture and recreation	156,236		4,530			160,766
Capital outlay				13,075		13,075
	156,236	-	4,530	13,075	150	173,991
Excess (deficiency) of revenues over (under) expenditures	(138,715)	140	1,634	-	(1,412)	(138,353)
OTHER FINANCING SOURCES (USES)						
Transfers in	141,186		25,500		(5,954)	166,686
Transfers out						(5,954)
	141,186	-	25,500	-	(5,954)	160,732
Net change in fund balances	2,471	140	27,134	-	(7,366)	22,379
Fund balances - beginning	12,778	66,647	1,500	-	275,863	356,788
Fund balances - ending	15,249	66,787	28,634	-	268,497	379,167

Schedule D3
TOWN OF TAMWORTH, NEW HAMPSHIRE
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended December 31, 2015

All amounts are expressed in USA Dollars

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and equivalents	76,936	222,089	6,292	292,733
Investments	197,821	(189,806)	455	7,560
	<u>274,757</u>	<u>32,283</u>	<u>6,747</u>	<u>300,293</u>
LIABILITIES				
Agency deposits:				
<u>Tamworth School District</u>				
<i>School Trusts:</i>				
EP Atkins/Drew School Fund	7,843	172	455	7,560
<i>Capital Reserves:</i>				
School Renovation & Emergency	65,439	48		65,487
<i>Noncapital Reserves:</i>				
Special Education	124,539	30,112		154,651
<u>Timber Yield Tax Bonds</u>				
Nelson	481	-	87	394
Prime Timber	6,201	1,804	6,205	1,800
<u>Developers' Performance Bonds</u>				
Robinson #3 Beckett	43,220	91		43,311
Keith	1,024	2		1,026
LeTarte	4,391	9		4,400
<u>Tamworth Rescue Squad</u>				
Alice Marshall Bequest	15,908	33		15,941
Huff Rescue Fund	5,711	12		5,723
	<u>274,757</u>	<u>32,283</u>	<u>6,747</u>	<u>300,293</u>