

TOWN OF BARRINGTON, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

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

TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position (Exhibit 1)	9
Statement of Activities (Exhibit 2)	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Exhibit 3)	11
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position (Exhibit 4)	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit 5)	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 6)	14
General Fund - Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) (Exhibit 7)	15
Fiduciary Funds – Statement of Fiduciary Net Position (Exhibit 8)	16
NOTES TO THE FINANCIAL STATEMENTS	17
COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet (Exhibit 9)	30
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 10)	31
Major General Fund	
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis) (Exhibit 11)	32
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis) (Exhibit 12)	33
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis) (Exhibit 13)	35
INDEPENDENT AUDITOR’S COMMUNICATION TO MANAGEMENT	36



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Barrington as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational or economic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion of 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.

Other Information

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

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

September 16, 2015

Roberts & Greene, PLLC

TOWN OF BARRINGTON, NEW HAMPSHIRE **MANAGEMENT'S DISCUSSION & ANALYSIS**

As management of the Town of Barrington, we offer readers of the Town's financial statement this narrative overview and analysis of the financial activities of the Town for the years ended December 31, 2014. This overview is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements.

Financial Highlights

- The assets of the Town of Barrington exceeded its liabilities at the close of the most recent fiscal year by \$15,278,980. (Exhibit 1).
- The Town of Barrington's net assets increased by \$1,385,872.(Exhibit 2)
- At the end of the current year, the Town's governmental funds reported a combined ending fund balance of \$4,816,671 an increase of \$ 213,801, from the prior year. Exhibit 5
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,076,798, a 6.4% decrease from last year. (Exhibit 3)

Overview of the Financial Statements and Using this Report

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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.

Statement of Net Assets and Statement of Activities – One of the most important questions asked about the Town's finances is, "Is the Town, as a whole, better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town and its activities in a way that helps answer this question. They provide information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. You can think of the Town's net assets as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets is one indicator of whether its financial health is improving or deteriorating. However, in evaluating the overall position of the Town, non-financial information such as changes in the Town's tax base and the condition of the Town's capital assets (like roads) will also need to be evaluated. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. Thus, some items reported in this statement may result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences).

The governmental activities of the Town include general government and administration, public safety, public works, health and human services, conservation, and culture and recreation. These services are

(Continued on next page)

TOWN OF BARRINGTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

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 objects. The fund financial statements provide detailed information about the funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants, and some the Town has established to account for the services provided to our residents. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the Town's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services being provided, along with the financial resources available. The Town's governmental funds are the General Fund, and the Special Revenue Funds, including the Library Fund, the Conservation Fund, Recreation Fund, Capital Reserve Funds, Ambulance Revolving Fund, Grant Fund and PD Special Duty Fund.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the funds, which were identified earlier. Data from the Special Revenue funds are sometimes consolidated into a single, aggregated presentation. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds – Fiduciary funds, sometimes called Trusts, are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the Town's programs. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Town holds deposits for various individuals and businesses for contract performance and guarantee. These funds are then returned when the contractual requirements have been fulfilled.

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

(Continued on next page)

TOWN OF BARRINGTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents General Fund budgetary information.

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of government's financial position. In the case of the Town of Barrington, assets exceeded liabilities by \$15,278,980 (Exhibit 1) as of December 31, 2014.

A portion of the Town's net assets (41%) reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide service to 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.

	<u>2014</u>
Assets	
Current and Other Assets	13,671,249
Capital Assets, Net	<u>9,378,154</u>
Total Assets	23,049,403
Liabilities	
Current and Other Liabilities	7,348,428
Long Term Liabilities	<u>421,059</u>
Total Liabilities	7,769,487
Net Assets	
Invested in Capital Assets, Net of Related Debt	9,298,021
Restricted Net Assets	197,404
Unrestricted Net Assets	<u>5,783,555</u>
Total Net Assets	<u>15,278,980</u>

An additional portion of the Town's net assets (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$5,783,555 may be used to meet the Town's ongoing obligation to citizens and creditors.

As of December 31, 2014, the Town is able to report positive balances in all types of net assets.

(Continued on next page)

TOWN OF BARRINGTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Analysis of the Town's Operations – The following table provides a summary of the Town's operations for the year ended December 31, 2014. (See exhibit 2)

	Governmental Activities 2014
Revenues:	
Program Revenues	
Charges for Services	895,923
Operating Grants and Contributions	184,870
Capital Grants and Contributions	340,000
General Revenues:	
Property Taxes	3,875,146
Other Taxes	238,742
Grants and Contributions Not Restricted to Specific Programs	421,025
Licenses and permits	1,586,412
Miscellaneous	243,250
Total Revenues	7,785,368
<u>Expenses:</u>	
General Government and Administration including capital	1,658,109
Public Safety	1,761,559
Highways and Streets	1,771,664
Sanitation and Water	306,579
Health and Welfare	52,086
Culture and Recreation	798,429
Conservation	40,839
Interest on Long Term Debt	200
Capital outlay	10,031
Total Expenses	6,399,496
Change in Net Position	1,385,872
Net Position – January 1	13,893,108
Net Position – December 31	15,278,980

Governmental Activities – There was an increase in net assets in 2014 of 9.6%.

(Continued on next page)

TOWN OF BARRINGTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Financial Analysis of Town Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds – The focus of the Town of Barrington'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, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of December 31, 2014, the Town of Barrington's governmental funds reported combined ending unassigned fund balances (non-GAAP budgetary basis see Exhibit 7) of \$ 3,439,959, a decrease of \$94,887. The variance from the GAAP basis unassigned fund balance (\$ 2,076,798) (Exhibit 3) is the result of deferred tax revenue under the 60-day rule of \$1,363,161. The unreserved balance is in line with the recommendations from the NH Department of Revenue Administration.

The Town again received more revenues than budgeted in some areas (Exhibit 7) which included License and Permit Fees of \$114,612, approximately an 8.1% increase, and Charges for Services which exceeded the budgeted amount by \$46,944 or an approximate 23.5% increase, reflecting conservative revenue projections. The Towns total revenues were \$178,299 above projections or an approximate 6.8% increase.

Budgetary Highlights

The Town's overall actual revenue increased from 2013 to 2014 by 3.4 % reflecting an improving economy in the region.

Capital Assets

The Town of Barrington's investment in capital assets (Exhibit 1) for its governmental activities as of December 31, 2014, was \$9,378,154 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements, and infrastructure and shows an increase from the December 31, 2013 total by approximately 13%.

(Continued on next page)

TOWN OF BARRINGTON, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Major capital asset events during the current fiscal year included the following:

- Road paving \$ 695,484
- Cruiser with Safety Equipment \$ 32,076

(See Exhibit 1)

	<u>2014</u>
Land and Land Improvements	3,989,068
Buildings and Building Improvements	1,225,353
Machinery, Equipment, Vehicles	1,163,309
Infrastructure	3,000,424
Total	<u>9,378,154</u>
	<u>2014</u>
Bond, Public Safety Building	0.00
Conservation Bonds	0.00
Total remaining	<u>0.00</u>

Other obligations of the Town include accrued vacation pay and sick leave.

Economic Factors That May Impact Next Year's Budgets and Rates

The economy is improving and Barrington is seeing an upswing in business and housing. There are several areas with new developments and new home construction is increasing.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. If you have questions about this report or need any additional information, contact the Finance Director, PO Box 660, Barrington, NH 03825, call (603)664-9007, or email selectman@metrocast.net.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 10,241,174
Investments	1,134,473
Receivables, net of allowance for uncollectibles	1,913,515
Prepaid items	122,988
Tax deeded property held for resale	259,099
Capital assets, not being depreciated:	
Land	3,820,304
Construction in progress	59,826
Capital assets, net of accumulated depreciation:	
Land improvements	108,938
Buildings and building improvements	1,225,353
Machinery, vehicles and equipment	1,163,309
Infrastructure	3,000,424
Total assets	23,049,403
LIABILITIES	
Accounts payable	74,127
Accrued payroll and benefits	103,026
Accrued interest payable	2,550
Intergovernmental payable	7,139,297
Performance and escrow deposits	9,804
Noncurrent obligations:	
Due within one year:	
Capital lease payable	11,766
Compensated absences	1,858
Accrued landfill postclosure care costs	6,000
Due in more than one year:	
Capital lease payable	68,367
Compensated absences	268,692
Accrued landfill postclosure care costs	84,000
Total liabilities	7,769,487
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	936
NET POSITION	
Net investment in capital assets	9,298,021
Restricted for:	
Endowments:	
Nonexpendable	70,966
Expendable	24,288
Other purposes	102,150
Unrestricted	5,783,555
Total net position	\$ 15,278,980

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

EXHIBIT 2
TOWN OF BARRINGTON, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,658,109	\$ 25,994	\$ 19	\$ -	\$ (1,632,096)
Public safety	1,761,559	318,282	-	-	(1,443,277)
Highways and streets	1,771,664	-	184,851	-	(1,586,813)
Sanitation	304,279	134,134	-	-	(170,145)
Water distribution and treatment	2,300	-	-	-	(2,300)
Health	13,631	-	-	-	(13,631)
Welfare	38,455	-	-	-	(38,455)
Culture and recreation	798,429	417,513	-	-	(380,916)
Conservation	40,839	-	-	-	(40,839)
Interest on long-term debt	200	-	-	-	(200)
Capital outlay	10,031	-	-	340,000	329,969
Total primary government	<u>\$ 6,399,496</u>	<u>\$ 895,923</u>	<u>\$ 184,870</u>	<u>\$ 340,000</u>	<u>(4,978,703)</u>
General revenues:					
Property taxes					3,875,146
Other taxes					238,742
Licenses and permits					1,586,412
Grants and contributions not restricted to specific programs					421,025
Miscellaneous					243,250
Total general revenues					<u>6,364,575</u>
Change in net position					<u>1,385,872</u>
Net position, beginning, as restated, see Note III.D.					<u>13,893,108</u>
Net position, ending					<u>\$ 15,278,980</u>

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

EXHIBIT 3
TOWN OF BARRINGTON, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2014

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 8,394,571	\$ 1,846,603	\$ 10,241,174
Investments	1,781	1,132,692	1,134,473
Receivables, net of allowance for uncollectibles:			
Taxes	1,695,999	-	1,695,999
Accounts	53,594	22,185	75,779
Liens	11,114	-	11,114
Interfund receivable	898,504	59,800	958,304
Prepaid items	122,988	-	122,988
Tax deeded property held for resale	259,099	-	259,099
Total assets	<u>\$ 11,437,650</u>	<u>\$ 3,061,280</u>	<u>\$ 14,498,930</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 73,334	\$ 793	\$ 74,127
Accrued salaries and benefits	103,026	-	103,026
Intergovernmental payable	7,132,503	6,794	7,139,297
Interfund payable	59,800	898,504	958,304
Escrow and performance deposits	9,804	-	9,804
Total liabilities	<u>7,378,467</u>	<u>906,091</u>	<u>8,284,558</u>
Deferred inflows of resources:			
Deferred revenue	<u>1,397,701</u>	<u>-</u>	<u>1,397,701</u>
Fund balances:			
Nonspendable	382,087	78,966	461,053
Restricted	-	118,346	118,346
Committed	175,000	1,958,689	2,133,689
Assigned	27,597	-	27,597
Unassigned	2,076,798	(812)	2,075,986
Total fund balances	<u>2,661,482</u>	<u>2,155,189</u>	<u>4,816,671</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,437,650</u>	<u>\$ 3,061,280</u>	<u>\$ 14,498,930</u>

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

EXHIBIT 4
TOWN OF BARRINGTON, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2014

Total fund balances of governmental funds (Exhibit 3)	\$	4,816,671
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	\$	13,025,696
Less accumulated depreciation		<u>(3,647,542)</u>
		9,378,154
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$	(958,304)
Payables		<u>958,304</u>
		-
Long-term revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Deferred tax revenue	\$	1,363,161
Deferred ambulance revenue		22,491
Allowance for welfare liens		<u>141,736</u>
		1,527,388
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(2,550)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital lease outstanding	\$	80,133
Compensated absences payable		270,550
Accrued landfill postclosure care costs		<u>90,000</u>
		<u>(440,683)</u>
Total net position of governmental activities (Exhibit 1)	\$	<u><u>15,278,980</u></u>

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

EXHIBIT 5
TOWN OF BARRINGTON, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 4,011,641	\$ 5,380	\$ 4,017,021
Licenses, permits and fees	1,526,612	59,800	1,586,412
Intergovernmental	605,876	340,000	945,876
Charges for services	247,013	637,297	884,310
Miscellaneous	202,820	74,120	276,940
Total revenues	<u>6,593,962</u>	<u>1,116,597</u>	<u>7,710,559</u>
Expenditures:			
Current:			
General government	1,615,416	-	1,615,416
Public safety	1,556,271	171,268	1,727,539
Highways and streets	2,030,762	-	2,030,762
Sanitation	304,015	-	304,015
Water distribution and treatment	2,300	-	2,300
Health	13,631	-	13,631
Welfare	38,455	-	38,455
Culture and recreation	461,405	336,579	797,984
Conservation	-	40,839	40,839
Debt service:			
Principal	50,000	-	50,000
Interest	2,625	-	2,625
Capital outlay	247,654	625,538	873,192
Total expenditures	<u>6,322,534</u>	<u>1,174,224</u>	<u>7,496,758</u>
Excess (deficiency) of revenues over (under) expenditures	<u>271,428</u>	<u>(57,627)</u>	<u>213,801</u>
Other financing sources (uses):			
Transfers in	-	167,209	167,209
Transfers out	(167,209)	-	(167,209)
Total other financing sources and uses	<u>(167,209)</u>	<u>167,209</u>	<u>-</u>
Net change in fund balances	104,219	109,582	213,801
Fund balances, beginning	2,557,263	2,045,607	4,602,870
Fund balances, ending	<u>\$ 2,661,482</u>	<u>\$ 2,155,189</u>	<u>\$ 4,816,671</u>

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

EXHIBIT 6
TOWN OF BARRINGTON, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

Net change in fund balances of governmental funds (Exhibit 5)		\$ 213,801
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	\$ 1,635,288	
Depreciation expense	<u>(555,576)</u>	
		1,079,712
The net effect of various transactions involving capital assets is to decrease net position.		(15,848)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (167,209)	
Transfers out	<u>167,209</u>	
		-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in deferred tax revenue	\$ 46,742	
Change in deferred ambulance fees	11,613	
Change in deferred miscellaneous revenue	(4,841)	
Change in deferred welfare liens	<u>(12,982)</u>	
		40,532
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of bond principal	50,000	
Repayment of capital lease principal	<u>11,200</u>	
		61,200
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	\$ 2,425	
Increase in compensated absences payable	(1,950)	
Decrease in accrued landfill postclosure care costs	<u>6,000</u>	
		<u>6,475</u>
Change in net position of governmental activities (Exhibit 2)		<u>\$ 1,385,872</u>

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

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

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 4,055,636	\$ 4,058,383	\$ 2,747
Licenses, permits and fees	1,412,000	1,526,612	114,612
Intergovernmental	605,214	605,876	662
Charges for services	200,069	247,013	46,944
Miscellaneous	189,486	202,820	13,334
Total revenues	<u>6,462,405</u>	<u>6,640,704</u>	<u>178,299</u>
EXPENDITURES			
Current:			
General government	1,718,287	1,576,780	141,507
Public safety	1,679,803	1,559,640	120,163
Highways and streets	2,034,374	2,026,900	7,474
Sanitation	317,654	304,015	13,639
Water distribution and treatment	17,800	2,300	15,500
Health	14,072	13,631	441
Welfare	96,693	38,455	58,238
Culture and recreation	481,096	427,165	53,931
Debt service:			
Principal	50,000	50,000	-
Interest on long-term debt	2,625	2,625	-
Interest on tax anticipation note	1	-	1
Capital outlay	475,000	422,654	52,346
Total expenditures	<u>6,887,405</u>	<u>6,424,165</u>	<u>463,240</u>
Excess (deficiency) of revenues over (under) expenditures	(425,000)	216,539	641,539
Other financing uses:			
Transfers out	<u>(167,209)</u>	<u>(167,209)</u>	<u>-</u>
Net change in fund balance	<u>\$ (592,209)</u>	49,330	<u>\$ 641,539</u>
Increase in nonspendable fund balance		(144,217)	
Unassigned fund balance, beginning		3,534,846	
Unassigned fund balance, ending		<u>\$ 3,439,959</u>	

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

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

	<u>Agency</u>
Assets:	
Cash and cash equivalents	\$ 348,342
Investments	1,220,862
Total assets	<u>1,569,204</u>
Liabilities:	
Accounts payable	12,000
Due to other governmental units	1,268,909
Due to developers	288,295
Total liabilities	<u>1,569,204</u>
Net position	<u>\$ -</u>

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Barrington (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended December 31, 2014.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

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

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

Government-Wide Financial Statements

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

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

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. However, for purposes of setting the tax rate, taxes uncollected after sixty days are not deferred in accordance with the directions of the New Hampshire Department of Revenue Administration. Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest which are reported as expenditures in the year due.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

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 eight nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

Agency Funds – Account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency funds are used to account for performance bonds held in escrow, and amounts held by the trustees of trust funds that belong to the Barrington School District or the Swains Lake Village Water District.

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

I.C.1. Cash and Investments

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

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

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.

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

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

I.C.2. Capital Assets and Depreciation

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

	Years
Land improvements	30
Buildings & building improvements	30-40
Machinery, vehicles & equipment	5-30
Infrastructure	20

I.C.3. Long-Term Debt

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

I.C.4. Compensated Absences

All employees who regularly work a minimum of 20 hours per week are granted vacation and sick leave benefits in varying amounts to specified maximums based on the number of years in employment. Employees hired prior to December 31, 2000 are eligible to receive payment for both their earned vacation leave and a portion of their sick leave upon termination. All other employees are only entitled to their earned vacation pay upon termination.

Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminated employees which are included in wages and benefits expenditures.

TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

I.C.5. Equity

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

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for endowments, which consists of the balance of the permanent funds where the principal must be permanently invested and the income is allowed to be used for specific Town purposes.
- Restricted for other purposes, which consists of the library fund whose use is restricted by state law for the support of the library.
- Unrestricted, which consists of the remaining net position.

The governmental funds report the following components of fund balance:

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

I.D. Estimates

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

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2014, \$592,209 of the fund balance of the General Fund from 2013 was used.

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

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, water distribution and treatment, 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.

Reconciliation of General Fund Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 6,640,704
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	1,316,419
Tax revenue deferred in the current year	(1,363,161)
Per Exhibit 5 (GAAP basis)	<u>\$ 6,593,962</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 6,591,374
Adjustments:	
Basis difference:	
Encumbrances, beginning	100,966
Encumbrances, ending	(202,597)
Per Exhibit 5 (GAAP basis)	<u>\$ 6,489,743</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 3,439,959
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(1,363,161)
Per Exhibit 3 (GAAP basis)	<u>\$ 2,076,798</u>

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Cash and Cash Equivalents

Custodial Credit Risks for Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town does not have a policy for custodial credit risk. As of December 31, 2014, \$4,059,167 of the Town of Barrington's bank balances of \$10,842,459 was exposed to custodial credit risk as uninsured and uncollateralized.

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

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year's billing. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of liened taxes. Properties not redeemed within two years of the date of the tax lien are generally deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2013 property taxes on June 16th.

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

The net assessed valuation as of April 1, 2014, upon which the 2014 property tax levy was based was:

For the New Hampshire education tax	\$ 882,925,639
For all other taxes	\$ 893,385,939

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

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

	Per \$1,000 of Assessed Valuation		
Municipal portion	\$4.72	\$	4,220,021
School portion:			
State of New Hampshire	\$2.29		2,017,785
Local	\$14.35		12,818,651
County portion	\$2.67		2,387,653
Total property taxes assessed		\$	21,444,110

The following details the taxes receivable at year-end:

Property:			
Levy of 2014		\$	1,182,166
Levy of 2012			3,776
Unredeemed (under tax lien):			
Levy of 2013			409,191
Levy of 2012			244,629
Levies of 2011 and prior			99,447
Timber			6,790
Less: allowance for estimated uncollectible taxes			(250,000)
Net taxes receivable		\$	1,695,999

Other Receivables and Uncollectible/Unavailable Accounts

Significant receivables include charges for ambulance services and welfare liens. The allowance amount represents a portion of the balance of welfare liens that the Town does not expect to collect, and uncollected ambulance charges over 60 days past due as of year-end. Related amounts are shown in the following table:

Accounts	\$ 138,061
Liens	141,737
Less: allowance for uncollectible amounts	(192,905)
Net total receivables	\$ 86,893

Deferred Revenue

Deferred revenue in the governmental funds at December 31, 2014 represents \$1,363,161 for 2014 property taxes, \$22,491 for ambulance service charges and \$11,113 for welfare liens that were not collected within sixty days of year-end, and therefore, are deferred in accordance with

TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

generally accepted accounting principles, and \$936 for taxes collected in advance of future levies. In the governmental activities, only the \$936 is reported as unearned revenue.

III.A.3. Capital Assets

Changes in Capital Assets

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

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 3,240,891	\$ 594,261	\$ (14,848)	\$ 3,820,304
Construction in progress	-	59,826	-	59,826
Total capital assets not being depreciated	<u>3,240,891</u>	<u>654,087</u>	<u>(14,848)</u>	<u>3,880,130</u>
Being depreciated:				
Land improvements	176,499	-	-	176,499
Buildings and building improvements	1,477,089	245,654	-	1,722,743
Machinery, vehicles and equipment	2,349,097	40,062	(17,365)	2,371,794
Infrastructure	4,179,045	695,485	-	4,874,530
Total capital assets being depreciated	<u>8,181,730</u>	<u>981,201</u>	<u>(17,365)</u>	<u>9,145,566</u>
Total all capital assets	<u>11,422,621</u>	<u>1,635,288</u>	<u>(32,213)</u>	<u>13,025,696</u>
Less accumulated depreciation:				
Land improvements	(61,328)	(6,233)	-	(67,561)
Buildings and building improvements	(466,217)	(31,173)	-	(497,390)
Machinery, vehicles and equipment	(1,081,644)	(143,206)	16,365	(1,208,485)
Infrastructure	(1,499,142)	(374,964)	-	(1,874,106)
Total accumulated depreciation	<u>(3,108,331)</u>	<u>(555,576)</u>	<u>16,365</u>	<u>(3,647,542)</u>
Net book value, capital assets being depreciated	<u>5,073,399</u>	<u>425,625</u>	<u>(1,000)</u>	<u>5,498,024</u>
Net book value, all capital assets	<u>\$ 8,314,290</u>	<u>\$ 1,079,712</u>	<u>\$ (15,848)</u>	<u>\$ 9,378,154</u>

Depreciation Expense

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

Governmental activities:	
General government	\$ 35,702
Public safety	73,519
Highways and streets	439,259
Sanitation	5,836
Culture and recreation	1,260
Total depreciation expense	<u>\$ 555,576</u>

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

III.A.4. Restricted Net Position

The government-wide statement of net position includes restricted net position of \$95,254 for public trust funds reported as restricted to reflect perpetual care restrictions contained in trust indentures.

III.B. Liabilities

III.B.1 Intergovernmental Payable

The amount due to other governments at December 31, 2014 includes \$7,119,995 due to the Barrington School District for the balance of the 2014-2015 district assessment, \$10,828 due to the Barrington School District as a reimbursement of wages and benefits, and \$1,680 due to the State of New Hampshire for miscellaneous fees collected on its behalf.

III.B.2 Long-Term Debt

General obligation debt is approved by the voters and repaid with general revenues (property taxes). Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2014	Current Portion
Capital lease payable:						
Highway tractor	\$ 127,957	2011	2020	5.05	\$ 80,133	\$ 11,766
Compensated absences payable:						
Vested sick leave					71,741	-
Accrued vacation leave					198,809	1,858
					<u>270,550</u>	<u>1,858</u>
Accrued landfill postclosure care costs					90,000	6,000
					<u>\$ 440,683</u>	<u>\$ 19,624</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2014:

	General Obligation Bond Payable	Capital Lease Payable	Compensated Absences Payable	Accrued Landfill Postclosure Care Costs	Total
Balance, beginning	\$ 50,000	\$ 91,333	\$ 268,600	\$ 96,000	\$ 505,933
Additions	-	-	1,950	-	1,950
Reductions	(50,000)	(11,200)	-	(6,000)	(67,200)
Balance, ending	<u>\$ -</u>	<u>\$ 80,133</u>	<u>\$ 270,550</u>	<u>\$ 90,000</u>	<u>\$ 440,683</u>

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

Debt Service Requirements to Maturity

The future minimum lease obligations for the capital lease are as follow:

Year Ending December 31,	Principal	Interest	Total
2015	\$ 11,766	\$ 4,047	\$ 15,813
2016	12,360	3,453	15,813
2017	12,985	2,829	15,814
2018	13,640	2,173	15,813
2019	14,329	1,484	15,813
2020	15,053	760	15,813
Totals	<u>\$ 80,133</u>	<u>\$ 14,746</u>	<u>\$ 94,879</u>

Accrued Landfill Postclosure Care Costs

Federal and State laws and regulations require that the Town continue to perform certain maintenance and monitoring functions at the landfill site. A liability is being recognized based on the postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs has a balance of \$90,000 as of December 31, 2014. The 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, 2014. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. The Town annually appropriates an amount for postclosure care costs.

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 schedule reports receivables and payables within the reporting entity at year-end:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	\$ 898,504
Nonmajor	General	59,800
		<u>\$ 958,304</u>

TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

The interfund payable amount of \$898,504 due to the general fund from the nonmajor funds represents an overdraft of pooled cash (\$818,445) and reimbursements of capital outlay expenditures from the capital reserve fund (\$80,059). The payable from the general fund to the nonmajor funds of \$59,800 represents motor vehicle fees collected, but not yet transferred to the capital reserve fund.

III.C.2. Transfers

Transfers within the reporting entity are substantially for the purposes of voted amounts, and distributing trust income to the applicable funds. The government-wide statement of activities eliminates transfers reported within the governmental activities columns. There was a transfer of \$167,209 from the general fund to the nonmajor funds representing a voted appropriation.

III.D. Restatement of Beginning Equity

Equity at January 1, 2014 was restated to reflect the following adjustment:

	Governmental Activities
To record additional capital assets	\$ 14,848
Net position, as previously reported	13,878,260
Net position, as restated	<u>\$ 13,893,108</u>

III.E. Fund Equity

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

	General Fund	Nonmajor Funds
Nonspendable:		
Endowments	\$ -	\$ 78,966
Prepaid items	122,988	-
Tax deeded property	259,099	-
Total nonspendable	382,087	78,966
Restricted:		
General government	-	24,196
Culture and recreation	-	94,150
Total restricted	-	118,346
Committed:		
Public safety	-	170,134
Culture and recreation	-	809,195
Conservation	-	18,946
Capital outlay	175,000	960,414
Total committed	175,000	1,958,689
Assigned:		
General government	1,664	-
Public safety	25,933	-
Total assigned	27,597	-
Unassigned	2,076,798	(812)
Total fund balance	\$ 2,661,482	\$ 2,155,189

**TOWN OF BARRINGTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**

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 is provided for the calendar year. Primex provided statutory workers' compensation coverage, \$2,000,000 for each liability loss and various amounts of coverage for property losses. Contributions billed for 2014 to be recorded as an insurance expenditure/expense totaled \$55,912 for property/liability and \$51,933 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

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

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. For the year 2014, the member rates of contribution were 11.55% for police, 11.80% for fire personnel and 7.0% for other employees. The rates of contribution from the Town for pension and the medical subsidy were 25.50% for police, 27.74% for fire personnel and 10.77% for other employees. Employer contributions from the Town during the years 2012, 2013 and 2014 were \$245,750, \$282,521 and \$324,920 respectively. The amounts were paid on a monthly basis as due.

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.

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 9
TOWN OF BARRINGTON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2014

	Special Revenue Funds					Police	Capital Project Fund	Permanent Fund	Total
	Library	Ambulance Revolving	Conservation Commission	Grants	Recreation	Detail	Reserves		
ASSETS									
Cash and cash equivalents	\$ 33,293	\$ 131,850	\$ 685,496	\$ 89	\$ 809,988	\$ 185,887	\$ -	\$ -	\$ 1,846,603
Investments	68,857	-	-	-	-	-	968,673	95,162	1,132,692
Accounts receivable	-	-	-	-	-	10,185	12,000	-	22,185
Interfund receivable	-	-	-	-	-	-	59,800	-	59,800
Total assets	<u>\$ 102,150</u>	<u>\$ 131,850</u>	<u>\$ 685,496</u>	<u>\$ 89</u>	<u>\$ 809,988</u>	<u>\$ 196,072</u>	<u>\$ 1,040,473</u>	<u>\$ 95,162</u>	<u>\$ 3,061,280</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 793	\$ -	\$ -	\$ -	\$ 793
Intergovernmental payable	-	-	-	-	-	6,794	-	-	6,794
Interfund payable	-	8,634	666,550	901	-	142,360	80,059	-	898,504
Total liabilities	<u>-</u>	<u>8,634</u>	<u>666,550</u>	<u>901</u>	<u>793</u>	<u>149,154</u>	<u>80,059</u>	<u>-</u>	<u>906,091</u>
Fund balances:									
Nonspendable	8,000	-	-	-	-	-	-	70,966	78,966
Restricted	94,150	-	-	-	-	-	-	24,196	118,346
Committed	-	123,216	18,946	-	809,195	46,918	960,414	-	1,958,689
Unassigned	-	-	-	(812)	-	-	-	-	(812)
Total fund balances	<u>102,150</u>	<u>123,216</u>	<u>18,946</u>	<u>(812)</u>	<u>809,195</u>	<u>46,918</u>	<u>960,414</u>	<u>95,162</u>	<u>2,155,189</u>
Total liabilities and fund balances	<u>\$ 102,150</u>	<u>\$ 131,850</u>	<u>\$ 685,496</u>	<u>\$ 89</u>	<u>\$ 809,988</u>	<u>\$ 196,072</u>	<u>\$ 1,040,473</u>	<u>\$ 95,162</u>	<u>\$ 3,061,280</u>

EXHIBIT 10
TOWN OF BARRINGTON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014

	Special Revenue Funds					Capital Project Fund	Permanent Fund	Total
	Library	Ambulance Revolving	Conservation Commission	Grants	Recreation	Police Detail		
REVENUES								
Taxes	\$ -	\$ -	\$ 5,380	\$ -	\$ -	\$ -	\$ -	\$ 5,380
Licenses, permits and fees	-	-	-	-	-	-	59,800	59,800
Intergovernmental	-	-	340,000	-	-	-	-	340,000
Charges for services	-	66,018	-	-	417,513	153,766	-	637,297
Miscellaneous	26,834	152	45,674	-	1,253	20	168	74,120
Total revenues	<u>26,834</u>	<u>66,170</u>	<u>391,054</u>	<u>-</u>	<u>418,766</u>	<u>153,786</u>	<u>59,968</u>	<u>1,116,597</u>
EXPENDITURES								
Current:								
Public safety	-	28,908	-	-	-	142,360	-	171,268
Culture and recreation	27,434	-	-	-	309,081	-	64	336,579
Conservation	-	-	40,839	-	-	-	-	40,839
Capital outlay	-	-	545,479	-	-	-	80,059	625,538
Total expenditures	<u>27,434</u>	<u>28,908</u>	<u>586,318</u>	<u>-</u>	<u>309,081</u>	<u>142,360</u>	<u>80,059</u>	<u>1,174,224</u>
Excess (deficiency) of revenues over (under) expenditures	(600)	37,262	(195,264)	-	109,685	11,426	(20,091)	(57,627)
Other financing sources:								
Transfers in	-	-	-	-	-	-	167,209	167,209
Net change in fund balances	(600)	37,262	(195,264)	-	109,685	11,426	147,118	109,582
Fund balances, beginning	102,750	85,954	214,210	(812)	699,510	35,492	813,296	2,045,607
Fund balances, ending	<u>\$ 102,150</u>	<u>\$ 123,216</u>	<u>\$ 18,946</u>	<u>\$ (812)</u>	<u>\$ 809,195</u>	<u>\$ 46,918</u>	<u>\$ 960,414</u>	<u>\$ 2,155,189</u>

EXHIBIT 11
TOWN OF BARRINGTON, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 3,808,636	\$ 3,825,021	\$ 16,385
Land use change	15,000	5,380	(9,620)
Timber	4,000	27,153	23,153
Excavation	3,000	3,516	516
Boat	7,000	6,563	(437)
Payments in lieu of taxes	18,000	18,014	14
Interest and penalties on delinquent taxes	200,000	172,736	(27,264)
Total taxes	<u>4,055,636</u>	<u>4,058,383</u>	<u>2,747</u>
Licenses, permits and fees:			
Business licenses and permits	2,000	1,830	(170)
Motor vehicle permits	1,300,000	1,436,476	136,476
Building permits	80,000	64,025	(15,975)
Other	30,000	24,281	(5,719)
Total licenses, permits and fees	<u>1,412,000</u>	<u>1,526,612</u>	<u>114,612</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	421,025	421,025	-
Highway block grant	184,189	184,851	662
Total intergovernmental	<u>605,214</u>	<u>605,876</u>	<u>662</u>
Charges for services:			
Income from departments	200,069	247,013	46,944
Miscellaneous:			
Sale of property	176,486	144,770	(31,716)
Interest on investments	6,000	8,525	2,525
Rent	7,000	7,977	977
Other	-	41,548	41,548
Total miscellaneous	<u>189,486</u>	<u>202,820</u>	<u>13,334</u>
Total revenues and other financing sources	6,462,405	<u>\$ 6,640,704</u>	<u>\$ 178,299</u>
Use of fund balance to reduce taxes	592,209		
Total revenues, other financing sources and use of fund balance	<u>\$ 7,054,614</u>		

EXHIBIT 12
TOWN OF BARRINGTON, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 168,590	\$ 165,487	\$ -	\$ 3,103
Election and registration	-	198,510	187,319	-	11,191
Financial administration	-	570,939	511,185	377	59,377
Revaluation of property	-	110,000	113,033	-	(3,033)
Legal	-	81,000	53,668	-	27,332
Personnel administration	-	17,005	6,696	-	10,309
Planning and zoning	-	77,943	56,903	-	21,040
General government buildings	39,300	406,019	440,233	1,287	3,799
Cemeteries	1,000	20,688	14,361	-	7,327
Insurance, not otherwise allocated	-	60,000	58,935	-	1,065
Advertising and regional associations	-	7,593	7,596	-	(3)
Total general government	<u>40,300</u>	<u>1,718,287</u>	<u>1,615,416</u>	<u>1,664</u>	<u>141,507</u>
Public safety:					
Police	3,320	1,234,677	1,131,581	888	105,528
Fire	19,244	317,908	310,332	25,045	1,775
Building inspection	-	127,218	114,356	-	12,862
Emergency management	-	-	2	-	(2)
Total public safety	<u>22,564</u>	<u>1,679,803</u>	<u>1,556,271</u>	<u>25,933</u>	<u>120,163</u>
Highways and streets:					
Administration	-	793,314	739,277	-	54,037
Highways and streets	3,862	1,231,060	1,290,163	-	(55,241)
Bridges	-	10,000	1,322	-	8,678
Total highways and streets	<u>3,862</u>	<u>2,034,374</u>	<u>2,030,762</u>	<u>-</u>	<u>7,474</u>
Sanitation:					
Administration	-	125,154	101,755	-	23,399
Solid waste disposal	-	192,500	202,260	-	(9,760)
Total sanitation	<u>-</u>	<u>317,654</u>	<u>304,015</u>	<u>-</u>	<u>13,639</u>
Water distribution and treatment	-	17,800	2,300	-	15,500
Health agencies and hospitals	-	14,072	13,631	-	441
Welfare	-	96,693	38,455	-	58,238

(continued)

EXHIBIT 12 (continued)
TOWN OF BARRINGTON, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	208,693	193,940	-	14,753
Public library	34,240	272,402	267,465	-	39,177
Patriotic purposes	-	1	-	-	1
Total culture and recreation	34,240	481,096	461,405	-	53,931
Debt service:					
Principal	-	50,000	50,000	-	-
Interest on long-term debt	-	2,625	2,625	-	-
Interest on tax anticipation note	-	1	-	-	1
Total debt service	-	52,626	52,625	-	1
Capital outlay:					
Land	-	50,000	2,000	-	48,000
Buildings	-	250,000	245,654	-	4,346
Improvements other than buildings	-	175,000	-	175,000	-
Total capital outlay	-	475,000	247,654	175,000	52,346
Other financing uses:					
Transfers out:					
Nonmajor funds	-	167,209	167,209	-	-
Total encumbrances, appropriations, expenditures and other financing uses	\$ 100,966	\$ 7,054,614	\$ 6,489,743	\$ 202,597	\$ 463,240

EXHIBIT 13
TOWN OF BARRINGTON, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

Unassigned fund balance, beginning		\$ 3,534,846
Changes:		
Unassigned fund balance used to reduce tax rate		(592,209)
Budget summary:		
Revenue surplus (Exhibit 11)	\$ 178,299	
Unexpended balance of appropriations (Exhibit 12)	<u>463,240</u>	
Budget surplus		641,539
Increase in nonspendable fund balance		<u>(144,217)</u>
Unassigned fund balance, ending		<u><u>\$ 3,439,959</u></u>



Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Barrington as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

September 16, 2015

Roberts & Greene, PLLC