

**TOWN OF SEABROOK,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011**

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen and Interim Town Manager
Town of Seabrook
Seabrook, New Hampshire

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Town of Seabrook as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Seabrook's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Town of Seabrook as of December 31, 2011 and the respective changes in financial position for the year then ended and the respective budgetary comparison for the general fund, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Schedule of Funding Progress for Other Postemployment Benefit Plan (page 31) 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, 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.

The Town of Seabrook has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Seabrook's basic financial statements. The combining and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They 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. 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 schedules 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 stated in all material respects in relation to the basic financial statements as a whole.

November 8, 2012

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF SEABROOK, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 17,818,096
Investments	10,296
Intergovernmental	12,825
Other receivables, net of allowances for uncollectible	3,060,942
Prepaid items	1,704
Tax dedeed property, subject to resale	26,944
Capital assets, not being depreciated:	
Land	3,811,948
Construction in progress	10,162,944
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	16,179,523
Improvements other than buildings	455,651
Equipment and vehicles	2,441,237
Infrastructure	39,997,029
Total assets	93,979,139
LIABILITIES	
Accounts payable	379,426
Accrued salaries and benefits	221,745
Intergovernmental payable	7,682,319
Accrued interest payable	97,802
Deferred revenue	6,067
Noncurrent obligations:	
Due within one year:	
Bonds	272,400
Capital leases	32,260
Compensated absences	473,199
Due in more than one year:	
Bonds	5,310,000
Capital leases	62,116
Compensated absences	540,669
Other postemployment benefits	590,652
Total liabilities	15,668,655
NET ASSETS	
Invested in capital assets, net of related debt	67,371,556
Restricted	2,548,688
Unrestricted	8,390,240
Total net assets	\$ 78,310,484

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

EXHIBIT B
TOWN OF SEABROOK, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2011

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 3,778,358	\$ -	\$ 19,460	\$ (3,758,898)
Public safety	7,870,631	488,906	167,128	(7,214,597)
Highways and streets	2,048,946	-	182,486	(1,866,460)
Sanitation	2,899,192	658,638	1,221	(2,239,333)
Water distribution and treatment	2,980,764	577,846	611	(2,402,307)
Health	203,194	-	-	(203,194)
Welfare	351,768	-	-	(351,768)
Culture and recreation	1,521,984	105,519	778	(1,415,687)
Conservation	3,729	-	20	(3,709)
Economic development	4,540	-	-	(4,540)
Interest on long-term debt	274,919	-	-	(274,919)
Capital outlay	-	-	1,113	1,113
Total governmental activities	<u>\$ 21,938,025</u>	<u>\$ 1,830,909</u>	<u>\$ 372,817</u>	<u>(19,734,299)</u>
General revenues:				
Taxes:				
Property				15,874,066
Other				180,357
Motor vehicle permit fees				1,325,362
Licenses and other fees				278,519
Grants and contributions not restricted to specific programs				388,311
Unrestricted investment earnings				14,202
Miscellaneous				118,746
Total general revenues				<u>18,179,563</u>
Change in net assets				(1,554,736)
Net assets, beginning, as restated (see Note 16)				79,865,220
Net assets, ending				<u>\$ 78,310,484</u>

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

EXHIBIT C-1
TOWN OF SEABROOK, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2011

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 11,289,845	\$ 1,969,172	\$ 13,259,017
Investments	4,932	-	4,932
Receivables, net of allowances for uncollectible:			
Taxes	2,759,531	-	2,759,531
Accounts	8,423	163,822	172,245
Intergovernmental	2,532	10,293	12,825
Interfund receivable	10,302	34,778	45,080
Prepaid items	1,704	-	1,704
Tax deeded property, subject to resale	26,944	-	26,944
Restricted - Cash and cash equivalents	4,559,079	-	4,559,079
Restricted - Investments	5,364	-	5,364
Restricted - Accounts receivable	129,166	-	129,166
Total assets	<u>\$ 18,797,822</u>	<u>\$ 2,178,065</u>	<u>\$ 20,975,887</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 328,543	\$ 50,883	\$ 379,426
Accrued salaries and benefits	218,393	3,352	221,745
Intergovernmental payable	7,682,319	-	7,682,319
Interfund payable	34,778	10,302	45,080
Deferred revenue	6,067	-	6,067
Total liabilities	<u>8,270,100</u>	<u>64,537</u>	<u>8,334,637</u>
Fund balances:			
Nonspendable	28,648	13,531	42,179
Restricted	1,401,969	1,104,540	2,506,509
Committed	4,343,880	995,457	5,339,337
Assigned	625,523	-	625,523
Unassigned	4,127,702	-	4,127,702
Total fund balances	<u>10,527,722</u>	<u>2,113,528</u>	<u>12,641,250</u>
Total liabilities and fund balances	<u>\$ 18,797,822</u>	<u>\$ 2,178,065</u>	<u>\$ 20,975,887</u>

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

EXHIBIT C-2
TOWN OF SEABROOK, NEW HAMPSHIRE
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets
December 31, 2011

Total fund balances of governmental funds (Exhibit C-1)	\$ 12,641,250	
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost	\$ 122,075,131	
Less accumulated depreciation	<u>(49,026,799)</u>	
		73,048,332
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Assets.		
Receivables	\$ (45,080)	
Payables	<u>45,080</u>	
		-
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(97,802)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds	\$ 5,582,400	
Capital leases	94,376	
Compensated absences	1,013,868	
Other postemployment benefits	<u>590,652</u>	
		<u>(7,281,296)</u>
Total net assets of governmental activities (Exhibit A)		<u><u>\$ 78,310,484</u></u>

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

EXHIBIT C-3
TOWN OF SEABROOK, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 16,054,422	\$ -	\$ 16,054,422
Licenses and permits	1,603,881	-	1,603,881
Intergovernmental	746,831	40,736	787,567
Charges for services	1,263,295	506,113	1,769,408
Miscellaneous	79,598	70,938	150,536
Total revenues	<u>19,748,027</u>	<u>617,787</u>	<u>20,365,814</u>
Expenditures:			
Current:			
General government	3,468,948	-	3,468,948
Public safety	7,153,681	370,248	7,523,929
Highways and streets	1,349,747	-	1,349,747
Water distribution and treatment	1,435,943	-	1,435,943
Sanitation	2,899,192	-	2,899,192
Health	203,194	-	203,194
Welfare	351,768	-	351,768
Culture and recreation	1,370,218	38,115	1,408,333
Conservation	1,926	1,803	3,729
Economic development	-	4,540	4,540
Debt service:			
Principal	267,400	-	267,400
Interest	279,771	-	279,771
Capital outlay	396,755	1,008,721	1,405,476
Total expenditures	<u>19,178,543</u>	<u>1,423,427</u>	<u>20,601,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>569,484</u>	<u>(805,640)</u>	<u>(236,156)</u>
Other financing sources (uses):			
Transfers in	10,477	-	10,477
Transfers out	-	(10,477)	(10,477)
Inception of capital leases	54,261	-	54,261
Total other financing sources and uses	<u>64,738</u>	<u>(10,477)</u>	<u>54,261</u>
Net change in fund balances	634,222	(816,117)	(181,895)
Fund balances, beginning, as restated (see Note 16)	9,893,500	2,929,645	12,823,145
Fund balances, ending	<u>\$ 10,527,722</u>	<u>\$ 2,113,528</u>	<u>\$ 12,641,250</u>

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

EXHIBIT C-4
TOWN OF SEABROOK, 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, 2011

Net change in fund balances of governmental funds (Exhibit C-3)		\$ (181,895)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 1,482,565	
Depreciation expense	<u>(2,721,100)</u>	(1,238,535)
The Statement of Activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposals of capital assets.		
Loss on disposition of capital asset		(99,381)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (10,477)	
Transfers out	<u>10,477</u>	-
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Inception of capital leases	\$ (54,261)	
Repayment of bond principals	267,400	
Repayment of capital lease principals	<u>32,816</u>	245,955
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	\$ 4,852	
Increase in compensated absences payable	(94,707)	
Increase in other postemployment benefits payable	<u>(191,025)</u>	(280,880)
Changes in net assets of governmental activities (Exhibit B)		<u><u>\$ (1,554,736)</u></u>

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

EXHIBIT D
TOWN OF SEABROOK, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 15,672,769	\$ 16,054,422	\$ 381,653
Licenses and permits	1,550,340	1,603,881	53,541
Intergovernmental	608,462	623,046	14,584
Charges for services	102,753	121,108	18,355
Miscellaneous	30,987	66,501	35,514
Total revenues	<u>17,965,311</u>	<u>18,468,958</u>	<u>503,647</u>
Expenditures:			
Current:			
General government	3,210,436	3,385,970	(175,534)
Public safety	7,023,283	6,972,896	50,387
Highways and streets	1,341,346	1,349,747	(8,401)
Water distribution and treatment	116,000	60,147	55,853
Sanitation	1,357,320	1,390,512	(33,192)
Health	213,428	203,194	10,234
Welfare	408,889	352,209	56,680
Culture and recreation	875,163	806,876	68,287
Conservation	5,845	1,926	3,919
Debt service:			
Principal	267,400	267,400	-
Interest	271,947	279,771	(7,824)
Capital outlay	503,500	501,131	2,369
Total expenditures	<u>15,594,557</u>	<u>15,571,779</u>	<u>22,778</u>
Excess of revenues over expenditures	<u>2,370,754</u>	<u>2,897,179</u>	<u>526,425</u>
Other financing sources (uses):			
Transfers in	6,580	10,477	3,897
Transfers out	(2,807,334)	(2,807,334)	-
Total other financing sources and uses	<u>(2,800,754)</u>	<u>(2,796,857)</u>	<u>3,897</u>
Net change in fund balance	<u>\$ (430,000)</u>	100,322	<u>\$ 530,322</u>
Increase in nonspendable fund balance		(18,441)	
Decrease in restricted fund balance		1,899	
Increase in committed fund balance		(354,041)	
Decrease in assigned fund balance		213,251	
Unassigned fund balance, beginning		4,184,712	
Unassigned fund balance, ending		<u>\$ 4,127,702</u>	

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

EXHIBIT E-1
TOWN OF SEABROOK, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Assets
December 31, 2011

	Private Purpose Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 879,930	\$ 986,780
LIABILITIES		
Due to other governmental units	-	150,912
Due to others	-	835,868
Total liabilities	-	986,780
NET ASSETS		
Held in trust for special purposes	\$ 879,930	\$ -

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

EXHIBIT E-2
TOWN OF SEABROOK, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended December 31, 2011

	Private Purpose Trust
ADDITIONS	
Interest and dividends	\$ 620
New funds	96,564
Total additions	97,184
 DEDUCTIONS	
Trust income distributions	(66,500)
Change in net assets	30,684
Net assets, beginning	849,246
Net assets, ending	\$ 879,930

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

TOWN OF SEABROOK, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

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TOWN OF SEABROOK, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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TOWN OF SEABROOK, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Seabrook, New Hampshire (the Town), are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Seabrook is a municipal corporation governed by an elected 3-member Board of Selectmen and Interim Town Manager. The reporting entity is comprised of the primary government and any other organizations (*component units*) that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the Town is financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board, and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; (3) the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Town is obligated for the debt of the organization. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity.

1-B Financial Statement Presentation

Government-wide Financial Statements – The government-wide financial statements display information about the Town as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. The effect of interfund activity has been eliminated from these statements.

The Statement of Net Assets presents the financial position of the governmental activities of the Town at year-end. This statement includes all of the Town's assets, liabilities, and net assets. Net assets are reported as one of three categories: invested in capital assets, net of related debt; restricted; or unrestricted.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different functions of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (1) charges to customers or applicants for goods received, services rendered or privileges provided, and (2) grants and contributions that are restricted to meeting operational requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund has a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized as major funds or nonmajor funds within the governmental statements, with an emphasis placed on the major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type;
- (b) Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined; and
- (c) In addition, any other governmental fund that the Town believes is particularly important to the financial statement users may be reported as a major fund.

TOWN OF SEABROOK, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

Governmental Activities – Governmental funds are identified as general, special revenue, capital projects, and permanent funds, based upon the following guidelines:

General Fund – is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects.

Capital Projects Funds – are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Funds – are used to account for resources legally held in trust. All resources of the fund, including earnings on invested resources, may be used to support the Town.

Fiduciary Fund Types – These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. Fiduciary fund types are not part of the reporting entity in the government-wide financial statements, but are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. These funds are as follows:

Private Purpose Trust Funds – are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds – are used to account for resources held by the Town in a purely custodial capacity, for individuals, private organizations, and/or governmental units.

Major Fund – The Town reports the following major governmental fund:

General Fund – all general revenues and other receipts that are not allocated by law or contracted agreement to another fund are accounted for in this fund. This fund accounts for general operating expenditures, fixed charges, and the capital improvement costs that are not reported in other funds.

Nonmajor Funds – The Town also reports ten nonmajor governmental funds.

I-C Measurement Focus

Government-wide and Fiduciary Fund Financial Statements – The government-wide and fiduciary fund financial statements, except for agency funds which have no measurement focus, are reported using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting. Revenues are recorded when earned 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 – 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 susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues (except property taxes mentioned below) to be available if they are collected within 60 days of the end of the current period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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 they are needed.

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

Revenues – Nonexchange Transactions – Nonexchange transactions in which the Town receives value without directly giving equal value in return include property taxes, certain fees, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all grantor imposed eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available before it can be recognized (Interpretation No. 1, as modified, 60-day rule), with the exception of property taxes which are committed and recognized as revenue in order to offset the liability due the school district to be paid in monthly installments over the next six months. This practice is consistent with the previous years.

1-D Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

New Hampshire statutes require that the Town Treasurer have custody of all money belonging to the Town and pay out the same only upon orders of the Board of Selectmen and/or Interim Town Manager. The treasurer shall deposit all such moneys in participation units in the public deposit investment pool established pursuant to New Hampshire RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge and 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.

1-E Restricted Assets

Certain cash, investments, and receivables are classified as restricted assets on the Balance Sheet because their use is legally restricted for specified purposes through law and/or enabling legislation.

1-F Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

Any person who directly or indirectly receives any such funds or moneys 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.

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

1-G Receivables

Receivables in the government-wide and governmental fund financial statements represent amounts due to the Town at December 31, recorded as revenue, which will be collected in the future and consist primarily of taxes, accounts, and intergovernmental receivables.

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Tax revenue is recorded when a warrant for collection is committed to the tax collector. As prescribed by law, the tax collector executes 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 two year redemption period, the property is tax deeded to the Town.

Accounts receivable include various service charges which are recorded as revenue for the period when service was provided. These receivables are reported net of any allowances for uncollectible accounts.

1-H Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “interfund receivables and payables.” Interfund receivables and payables between funds are eliminated in the Statement of Net Assets.

1-I Prepaid Items

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 and expensed as the items are used.

1-J Capital Assets

General capital assets are those assets of a capital nature which the Town owns. All capital assets are capitalized at cost (or estimated at historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Town maintains a capitalization threshold of \$10,000 and more than five years of estimated useful life. Improvements to capital assets are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset’s life are expensed.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. All reported capital assets are depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Buildings and building improvements	20-100
Improvements other than buildings	5
Equipment and vehicles	5-100
Infrastructure	20-50

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

1-K Allowances for Uncollectible Accounts

Allowances for uncollectible accounts have been recorded for the following purposes:

Taxes – an allowance has been established by management where collectability is in doubt.

Ambulance – an allowance has been established for all receivables where collectability is in doubt.

1-L Deferred/Unearned Revenue

In the government-wide financial statements, deferred revenue is recognized when cash, receivables, or other assets are recorded prior to their being earned. In the governmental fund financial statements deferred revenue represents monies received or revenues accrued which have not been earned or do not meet the “available” criterion for revenue recognition under the modified accrual basis of accounting. On the government-wide Statement of Net Assets, deferred revenue is classified as unearned revenue.

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1-M Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation and sick pay based on the employee's length of employment. Upon retirement or termination of employment, employees are paid in full for any accrued leave earned as set forth by personnel policy.

All compensated absence liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide fund financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-N Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide statements.

1-O Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

1-P Equity/Fund Balance Classifications

Government-wide statements – Equity is classified as net assets and displayed in three components:

- a) *Invested in capital assets, net of related debt* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, capital leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) *Restricted net assets* – Consists of net assets with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net assets* – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Governmental Fund Balances Classification – The Town of Seabrook has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for this fiscal year ending December 31, 2011. GASB Statement No. 54 establishes fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact. The Town has classified prepaid items, tax deeded property subject to resale, and the principal portion of permanent funds as being nonspendable, as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year. These items were previously reported as reserved for special purposes, and reserved for endowments, and unreserved-undesignated.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified its library and capital project funds as being restricted, as well as certain donations received from third parties for specific purposes, because their use is restricted by Federal/State statutes for expenditures. These items were previously reported as reserved for special purposes or unreserved-undesignated.

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Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body (Town Meeting) removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. Expendable trust, water department, sewer department, conservation commission, transportation, economic development, recreation revolving, police outside detail, ambulance revolving, and recycling revolving funds and legislative body votes relative to the use of unassigned fund balance at year-end, in addition to non-lapsing appropriations, are included in this classification. These items were previously reported as reserved for special purposes or unreserved-undesignated for special purposes.

Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process. The Town has assigned funds consisting of encumbrances, reserve for contingency, and reserve for drug forfeiture in the general fund at year-end. These amounts were previously reported as reserved for encumbrances, unreserved, and designated for contingency.

Unassigned – This classification includes the residual fund balance for the general fund. This amount was previously reported as unreserved-undesignated.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 4). As discussed in Note 1-C, restricted funds are used first as appropriate, followed by committed resources, and then assigned resources, as appropriate opportunities arise. In the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

1-Q Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Assets.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-R Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates and the differences could be material.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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 which govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as the water and sewer departments. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

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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 assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2011, \$430,000 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 18,479,435
Adjustments:	
Basis differences:	
Inception of capital leases	54,261
GASB Statement No. 54:	
To record income earned on expendable trust funds	1,976
To record income earned in the library during the year	9,297
To record income earned in the water department fund during the year	578,481
To record income earned in the sewer department fund during the year	565,530
On-behalf retirement contributions made by the State of New Hampshire recognized as revenue on the GAAP basis, but not on the budgetary basis	<u>123,785</u>
Per Exhibit C-3 (GAAP basis)	<u>\$ 19,812,765</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 18,379,113
Adjustments:	
Basis differences:	
Encumbrances, beginning	379,728
Encumbrances, ending	(363,216)
Inception of capital leases	54,261
GASB Statement No. 54:	
To record expendable trust expenditures during the year	500
To eliminate transfer between the general and library funds	(578,479)
To record expenditures incurred in the library fund during the year	550,787
To record expenditures incurred in the water department fund during the year	1,351,510
To eliminate transfer between the general and water department funds	(1,064,315)
To record expenditures incurred in the sewer department fund during the year	1,508,680
To eliminate transfer between the general and sewer department funds	(1,163,811)
On-behalf retirement contributions made by the State of New Hampshire recognized as an expenditure on the GAAP basis, but not on the budgetary basis	<u>123,785</u>
Per Exhibit C-3 (GAAP basis)	<u>\$ 19,178,543</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

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 government does not have a deposit policy for custodial credit risk. As of December 31, 2011, none of the Town's bank balances of \$19,580,736 was exposed to custodial credit risk as uninsured and uncollateralized.

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Cash and cash equivalents reconciliation:

Cash per Statement of Net Assets (Exhibit A)	\$ 17,818,096
Cash per Statement of Fiduciary Net Assets (Exhibit E-1)	<u>1,866,710</u>
Total cash and cash equivalents	<u><u>\$ 19,684,806</u></u>

NOTE 4 – INVESTMENTS

Investments at December 31, 2011 consisted of \$10,296 invested in the New Hampshire Public Deposit Investment Pool.

NOTE 5 – RESTRICTED ASSETS

Certain Town cash, investments, and receivables are restricted for the following purposes:

Cash and cash equivalents:	
Expendable trusts	\$ 2,859,319
Public library	589,107
Water department	435,350
Sewer department	<u>675,303</u>
Total cash and cash equivalents	<u>4,559,079</u>
Investments:	
Public library	<u>5,364</u>
Accounts receivable:	
Water department	65,410
Sewer department	<u>63,756</u>
Total accounts receivable	<u>129,166</u>
Total restricted assets	<u><u>\$ 4,693,609</u></u>

NOTE 6 – TAXES RECEIVABLE

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 net assessed valuation as of April 1, 2011, upon which the 2011 property tax levy was based is:

For the New Hampshire education tax	\$ 1,299,747,650
For all other taxes	\$ 2,856,569,950

The Town subscribes to the semi-annual method of tax collection as provided for by RSA 76:15-a. Taxes were levied on May 25 and November 23, with payments due on July 1 and December 30. Interest accrues at a rate of 12% on bills outstanding after the due dates. The first 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 New Hampshire Department of Revenue Administration has calculated and approved the Town's tax rate for the fiscal year.

In connection with the setting of the tax rate, Town officials with the approval of the 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 allowance at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Seabrook School District, Winnacunnet Cooperative School District, and Rockingham County, which are remitted as required by law. The ultimate responsibility for the collection of taxes rests with the Town.

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The tax rates and amounts assessed for the year ended December 31, 2011 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$5.72	\$ 16,361,939
School portion:		
State of New Hampshire	\$2.66	3,451,526
Local	\$4.63	13,223,472
County portion	\$0.87	2,471,107
Total		\$ 35,508,044

During the current fiscal year, the tax collector executed a lien on April 29 for all uncollected 2010 property taxes.

Taxes receivable at December 31, 2011, are as follows:

Property:	
Levy of 2011	\$ 2,324,119
Unredeemed (under tax lien):	
Levy of 2010	278,801
Levy of 2009	178,068
Levies of 2008 and prior	17,111
Less: allowance for estimated uncollectible taxes	(38,568)
Net taxes receivable	\$ 2,759,531

NOTE 7 – OTHER RECEIVABLES

Receivables at December 31, 2011, consisted of accounts (billings for police details, water, sewer, ambulance, and other user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of December 31, 2011 for the Town's major fund and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund	Nonmajor Funds	Total
Receivables:			
Accounts	\$ 8,423	\$ 971,834	\$ 980,257
Intergovernmental	2,532	10,293	12,825
Gross receivables	10,955	982,127	993,082
Less: allowance for uncollectible	-	(808,012)	(808,012)
Net total receivables	\$ 10,955	\$ 174,115	\$ 185,070

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NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 consisted of the following:

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, ending</u>
At cost:				
Not being depreciated:				
Land	\$ 3,811,948	\$ -	\$ -	\$ 3,811,948
Construction in progress	9,310,068	852,876	-	10,162,944
Total capital assets not being depreciated	<u>13,122,016</u>	<u>852,876</u>	<u>-</u>	<u>13,974,892</u>
Being depreciated:				
Buildings and building improvements	28,862,666	101,141	-	28,963,807
Improvements other than buildings	993,373	-	-	993,373
Equipment and vehicles	6,552,416	377,238	(229,050)	6,700,604
Infrastructure	71,291,145	151,310	-	71,442,455
Total capital assets being depreciated	<u>107,699,600</u>	<u>629,689</u>	<u>(229,050)</u>	<u>108,100,239</u>
Total all capital assets	<u>120,821,616</u>	<u>1,482,565</u>	<u>(229,050)</u>	<u>122,075,131</u>
Less accumulated depreciation:				
Buildings and building improvements	(12,119,330)	(664,954)	-	(12,784,284)
Improvements other than buildings	(499,646)	(38,076)	-	(537,722)
Equipment and vehicles	(3,903,182)	(485,854)	129,669	(4,259,367)
Infrastructure	(29,913,210)	(1,532,216)	-	(31,445,426)
Total accumulated depreciation	<u>(46,435,368)</u>	<u>(2,721,100)</u>	<u>129,669</u>	<u>(49,026,799)</u>
Net book value, capital assets being depreciated	<u>61,264,232</u>	<u>(2,091,411)</u>	<u>(99,381)</u>	<u>59,073,440</u>
Net book value, all capital assets	<u>\$ 74,386,248</u>	<u>\$ (1,238,535)</u>	<u>\$ (99,381)</u>	<u>\$ 73,048,332</u>

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 29,728
Public safety	300,211
Highways and streets	699,199
Water distribution and treatment	1,571,898
Culture and recreation	120,064
Total depreciation expense	<u>\$ 2,721,100</u>

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at December 31, 2011, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 10,302
Nonmajor	General	34,778
		<u>\$ 45,080</u>

Interfund transfers during the year ended December 31, 2011 are as follows:

	<u>Transfers In:</u>
	General
	<u>Fund</u>
Transfers out:	
Nonmajor funds	<u>\$ 10,477</u>

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Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due of \$7,682,319 to other governments at December 31, 2011, consist of the following:

Balance of 2011-2012 district assessment due to the Seabrook School District	\$ 5,236,980
Balance of 2011-2012 district assessment due to the Winnacunnet Cooperative School District	2,303,018
Retirement fees due to the New Hampshire Retirement System	139,725
Treasurer, State of New Hampshire	988
United States Treasury	1,608
Total intergovernmental payables	<u><u>\$ 7,682,319</u></u>

NOTE 11 – SHORT-TERM DEBT

Short-term debt provides financing for governmental activities. In 2011, the Town issued a tax anticipation note in the amount of \$5,000,000. This debt was issued for interim financing of general fund operations. On December 22, 2011, the Town repaid the note plus \$7,824 in interest at a rate of 2.68%.

The following is a summary of changes in short-term debt for the year ended December 31, 2011:

Balance, January 1, 2011	\$ -
Additions	5,000,000
Reductions	<u>(5,000,000)</u>
Balance, December 31, 2011	<u><u>\$ -</u></u>

NOTE 12 – LONG-TERM LIABILITIES

Changes in the Town's long-term obligations consisted of the following for the year ended December 31, 2011:

	General Obligation Bonds Payable	Capital Leases Payable	Compensated Absences Payable	Total
Balance, beginning, as restated (see Note 16)	\$ 5,849,800	\$ 72,931	\$ 919,161	\$ 6,841,892
Additions	-	54,261	94,707	148,968
Reductions	<u>(267,400)</u>	<u>(32,816)</u>	-	<u>(300,216)</u>
Balance, ending	<u><u>\$ 5,582,400</u></u>	<u><u>\$ 94,376</u></u>	<u><u>\$ 1,013,868</u></u>	<u><u>\$ 6,690,644</u></u>

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Long-term liabilities payable are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2011	Current Portion
General obligation bonds payable:						
Arsenic removal	\$ 462,000	2007	2012	4.29	\$ 92,400	\$ 92,400
Water treatment plant	\$ 6,000,000	2008	2037	4.0-4.5	5,490,000	180,000
					<u>5,582,400</u>	<u>272,400</u>
Capital leases payable:						
Police vehicle	\$ 22,633	2010	2013	6.75	17,097	5,462
Police vehicle	\$ 14,439	2008	2012	5.95	3,049	3,049
Recreation vehicle	\$ 33,900	2009	2013	4.13	13,889	6,761
Toshiba copier	\$ 9,600	2009	2012	N/A	2,400	2,400
Canon copier	\$ 12,555	2011	2015	N/A	11,440	3,120
Canon copier	\$ 4,521	2011	2014	N/A	3,876	1,368
Canon copier	\$ 19,710	2011	2017	N/A	19,710	3,020
Canon copier	\$ 17,475	2011	2016	N/A	16,315	3,480
Canon copier	\$ 10,875	2010	2013	N/A	6,600	3,600
					<u>94,376</u>	<u>32,260</u>
Compensated absences payable:						
Vested sick leave					413,077	263,960
Accrued vacation leave					600,791	209,239
					<u>1,013,868</u>	<u>473,199</u>
Total					<u>\$ 6,690,644</u>	<u>\$ 777,859</u>

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 2011, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2012	\$ 272,400	\$ 259,233	\$ 531,633
2013	185,000	246,269	431,269
2014	195,000	236,556	431,556
2015	200,000	226,319	426,319
2016	195,000	215,819	410,819
2017-2021	925,000	923,219	1,848,219
2022-2026	855,000	734,800	1,589,800
2027-2031	1,100,000	525,375	1,625,375
2032-2036	1,345,000	254,925	1,599,925
2037	310,000	13,950	323,950
Totals	<u>\$ 5,582,400</u>	<u>\$ 3,636,465</u>	<u>\$ 9,218,865</u>

The annual requirements to amortize the capital leases payable as of December 31, 2011, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2012	\$ 32,260	\$ 2,117	\$ 34,377
2013	27,584	1,201	28,785
2014	17,471	420	17,891
2015	9,487	-	9,487
2016	6,592	-	6,592
2017	982	-	982
Totals	<u>\$ 94,376</u>	<u>\$ 3,738</u>	<u>\$ 98,114</u>

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All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

NOTE 13 – ENCUMBRANCES

Encumbrances outstanding in the general fund of \$363,216 at December 31, 2011, are as follows:

<u>Description</u>	
General government	\$ 16,208
Public safety	40,000
Welfare	7,196
Capital outlay	279,389
Other financing uses	<u>20,423</u>
Total	<u><u>\$ 363,216</u></u>

NOTE 14 – GOVERNMENTAL ACTIVITIES NET ASSETS

Governmental activities net assets reported on the government-wide statement of net assets at December 31, 2011 include the following:

Invested in capital assets, net of related debt:	
Capital assets, net of accumulated depreciation	\$ 73,048,332
Less:	
General obligation bonds payable	(5,582,400)
Capital leases payable	<u>(94,376)</u>
Total invested in capital assets, net of related debt	<u>67,371,556</u>
Restricted for:	
Tax deeded property, subject to resale	26,944
Prepaid items	1,704
Perpetual care	13,531
Donations	807,500
Library purposes	594,469
Capital project	<u>1,104,540</u>
Total restricted for special purposes	<u>2,548,688</u>
Unrestricted	<u>8,390,240</u>
Total net assets	<u><u>\$ 78,310,484</u></u>

NOTE 15 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2011 include the following:

Nonspendable:		
Major fund:		
General:		
Tax deeded property, subject to resale	\$ 26,944	
Prepaid items	<u>1,704</u>	
	28,648	
Nonmajor fund:		
Permanent:		
Principal portion	<u>13,531</u>	
Total nonspendable fund balance		\$ 42,179

(Continued)

TOWN OF SEABROOK, NEW HAMPSHIRE
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Government fund balances continued:

Restricted:		
Major fund:		
General:		
Donations	\$ 807,500	
Library	594,469	
	<u>594,469</u>	
Nonmajor fund:		
Capital project:		
Water treatment plant	1,104,540	
Total restricted fund balance	<u>1,104,540</u>	2,506,509
Committed:		
Major fund:		
General:		
Non-lapsing warrant articles	\$ 349,041	
Town pier maintenance	5,000	
Expendable trusts	2,859,319	
Water department	459,112	
Sewer department	671,408	
	<u>4,343,880</u>	
Nonmajor funds:		
Special revenue:		
Conservation commission	167,957	
Transportation	137,179	
Economic development	21,532	
Recreation revolving	49,137	
Police outside detail	21,972	
Ambulance revolving	496,143	
Recycling revolving	101,537	
	<u>995,457</u>	
Total committed fund balance		5,339,337
Assigned:		
Major fund:		
General:		
Contingency	\$ 604,561	
Encumbrances	14,175	
Drug forfeiture	6,787	
Total assigned fund balance	<u>625,523</u>	625,523
Unassigned:		
Major fund:		
General		<u>4,127,702</u>
Total governmental fund balances		<u><u>\$ 12,641,250</u></u>

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NOTE 16 – PRIOR PERIOD ADJUSTMENTS

Fund equity at January 1, 2011 was restated as follows:

	General Fund	Other Governmental Funds	Governmental-wide Financial Statements
To record funds previously recorded as special revenue funds, that under GASB Statement No. 54 are now considered part of the general fund:			
Expendable trust funds	\$ 2,857,843	\$ (2,857,843)	\$ -
Public library	557,482	(557,482)	-
Water department	167,825	(167,825)	-
Sewer department	450,746	(450,746)	-
To record two capital leases not previously reported	-	-	(33,508)
Fund balance, as previously reported	5,859,604	6,963,541	79,898,728
Fund balance, as restated	<u>\$ 9,893,500</u>	<u>\$ 2,929,645</u>	<u>\$ 79,865,220</u>

NOTE 17 – EMPLOYEE RETIREMENT PLAN

The Town participates in the New Hampshire Retirement System (the System) which is the administrator of a cost-sharing multiple-employer contributory pension plan and trust 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 plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Provision for benefits and contributions are established and can be amended by the New Hampshire Legislature. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Through June 30, 2011, all employees except police officers and firefighters were required to contribute 5% of earnable compensation. Police officers and firefighters were required to contribute 9.3% of gross earnings. Effective July 1, 2011, the contribution rates changed to 7% for employees other than police officers and firefighters, 11.55% for police officers, and 11.80% for firefighters. The Town’s contribution rates for 2011 were as follows:

	Police	Firefighters	Other Employees
January 1 through June 30	14.63%	18.52%	9.16%
July 1 through July 31	25.57%	30.90%	11.09%
August 1 through December 31	19.95%	22.89%	8.80%

The contribution requirements for the Town of Seabrook for the fiscal years 2009, 2010, and 2011 were \$531,903, \$602,810, and \$732,786, respectively, which were paid in full in each year.

For the first six months of 2011, the State of New Hampshire funded 25% of the total employer normal contribution rate for police officers and firefighters employed by the Town. As of July 1, House Bill 2 (Chapter 0224, *Laws of 2011*) amended RSA 100-A:16 by eliminating the State’s cost sharing, thereby requiring employers to fund 100% of the total employer contributions. The total amount contributed by the State for 2011, \$123,785, is reported as an “on-behalf payment” as an expenditure and revenue on the governmental fund operating statement, and as an expense and revenue on the government-wide Statement of Activities.

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to pension benefits described in preceding note, the Town provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents. The benefits are provided in accordance with the Town’s agreements, collective bargaining agreements, and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility include: years of service, employee age, and whether the employee has vested in the respective retirement plan

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The Town funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay set premiums for a portion of the cost with the Town subsidizing the remaining costs. Expenses for the postretirement health care benefits are recognized as eligible employee claims are paid.

The Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 was implemented by the Town during fiscal year 2009, and requires that the long-term cost of retirement health care and obligations for other postemployment benefits (OPEB) be determined on an actuarial basis and reported similar to pension plans. GASB Statement No. 45 does not mandate the pre-funding of postemployment benefit liabilities. However, any pre-funding of these benefits will help minimize or eliminate the postemployment benefit obligation that will be required to be reported on the financial statements.

The Town has only partially funded (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2011:

Annual required contribution/OPEB cost	\$ 265,596
Contributions made (pay-as-you-go)	<u>(74,571)</u>
Increase in net OPEB obligation	191,025
Net OPEB obligation, beginning	<u>399,627</u>
Net OPEB obligation, ending	<u><u>\$ 590,652</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 was as follows:

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions (pay-as-you-go)	Percentage Contributed	Net OPEB Obligation
December 31, 2011	\$ 265,596	\$ 74,571	28.10%	\$ 590,652

As of January 1, 2009, the date of the most recent actuarial valuation, the actuarial accrued liability (AAL) for benefits was \$2,177,109 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,177,109. The covered payroll (annual payroll of active employees covered by the plan) was \$6,241,665 during fiscal year 2011, and the ratio of the UAAL to the covered payroll was 34.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefits Plan, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return per annum. The projected annual healthcare cost trend is 10% initially, reduced by decrements to an ultimate rate of 5% after four years. The UAAL is being amortized as a level dollar amount over an open basis. The remaining amortization period at December 31, 2011 was 27 years.

TOWN OF SEABROOK, NEW HAMPSHIRE
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NOTE 19 – 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; or natural disasters. During fiscal year 2011, the Town was a member of the Local Government Center Property-Liability Trust, LLC, and the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation Program. These entities are considered public entity risk pools, currently operating as common risk management and insurance programs for member Towns and cities.

The Local Government Center Property-Liability Trust, LLC, is a Trust organized to provide certain property and liability insurance coverages to member Towns, cities and other qualified political subdivisions of New Hampshire. As a member of the Local Government Center Property-Liability Trust, LLC, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 to June 30. The program maintains a self-insured retention above which it purchases reinsurance and excess insurance. This policy covers property, auto physical damage, crime, general liability, and public officials' liability subject to a \$1,000 deductible.

Contributions paid in fiscal year ending December 31, 2011, to be recorded as an insurance expenditure totaled \$169,255. There were no unpaid contributions for the year ended December 31, 2011. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of any additional assessments for past years.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation Program is a pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2011 to December 31, 2011 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. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The estimated net contribution from the Town of Seabrook billed and paid for the year ended December 31, 2011 was \$474,752 for workers' compensation. 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. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

NOTE 20 – CONTINGENT LIABILITIES

There are various legal claims and suits pending against the Town which arose 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.

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

NOTE 21 – DONATION

The Town received an \$800,000 donation during 2007 from a commercial entity in support of road construction and highway improvements. This amount has been restricted for special purposes until such time as work is begun on the project.

NOTE 22 – RELATED PARTY TRANSACTIONS

Financial reporting standards require disclosure of significant related party transactions, including the nature of the relationship, a description of the transactions, and dollar amounts of the transaction. The Town's Fire Department received training courses from Seabrook Emergency Training Association. This organization is a nonprofit organization which is operated by the Town's Fire Chief. Payments made to Seabrook Emergency Training Association totaled \$50,800 for the year ended December 31, 2011.

TOWN OF SEABROOK, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 23 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

In March 2009 the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements of Statement No. 54 are mandatory for the Town for fiscal year ended December 31, 2011 and accordingly have been implemented. GASB Statement Nos. 60 through No. 64 were issued during 2010 and 2011 and are not effective for financial statements until the subsequent years.

NOTE 24 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through November 8, 2012, the date the December 31, 2011 financial statements were issued, and no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF SEABROOK, NEW HAMPSHIRE
Schedule of Funding Progress for Other Postemployment Benefit Plan
For the Fiscal Year Ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
January 1, 2009	\$ -	\$ 2,177,109	\$ 2,177,109	0.00%	\$ 6,241,665	34.9%

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

TOWN OF SEABROOK, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

Schedule of Funding Progress for Other Postemployment Benefits (OPEB)

As required by GASB Statement No. 45, Exhibit F represents the actuarial determined costs associated with the Town's other postemployment benefits for the fiscal year ended December 31, 2011.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF SEABROOK, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 15,510,530	\$ 15,874,066	\$ 363,536
Excavation	1,039	1,039	-
Interest and penalties on taxes	161,200	179,317	18,117
Total from taxes	<u>15,672,769</u>	<u>16,054,422</u>	<u>381,653</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	47,585	51,626	4,041
Motor vehicle permit fees	1,300,000	1,325,362	25,362
Building permits	47,850	57,984	10,134
Other	154,905	168,909	14,004
Total from licenses, permits, and fees	<u>1,550,340</u>	<u>1,603,881</u>	<u>53,541</u>
Intergovernmental:			
State:			
Meals and rooms distribution	388,311	388,311	-
Highway block grant	170,151	170,151	-
Other	-	2,249	2,249
Federal:			
FEMA	-	12,335	12,335
Other	50,000	50,000	-
Total from intergovernmental	<u>608,462</u>	<u>623,046</u>	<u>14,584</u>
Charges for services:			
Income from departments	102,753	121,108	18,355
Miscellaneous:			
Sale of municipal property	3,000	4,125	1,125
Interest on investments	13,000	14,026	1,026
Other	14,987	48,350	33,363
Total from miscellaneous	<u>30,987</u>	<u>66,501</u>	<u>35,514</u>
Other financing sources:			
Transfers in	6,580	10,477	3,897
Total revenues and other financing sources	17,971,891	<u>\$ 18,479,435</u>	<u>\$ 507,544</u>
Unassigned fund balance used to reduce tax rate	430,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 18,401,891</u>		

SCHEDULE 2
TOWN OF SEABROOK, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 537,861	\$ 533,440	\$ -	\$ 4,421
Election and registration	-	356,683	302,059	-	54,624
Financial administration	58,411	1,115,155	1,087,134	4,500	81,932
Legal	-	175,000	436,836	-	(261,836)
Planning and zoning	-	86,741	126,868	-	(40,127)
General government buildings	-	128,896	136,615	9,675	(17,394)
Cemeteries	3,590	141,790	138,984	2,033	4,363
Insurance, not otherwise allocated	-	668,310	669,827	-	(1,517)
Total general government	<u>62,001</u>	<u>3,210,436</u>	<u>3,431,763</u>	<u>16,208</u>	<u>(175,534)</u>
Public safety:					
Police	97,000	3,728,738	3,676,540	-	149,198
Fire	-	3,044,750	3,108,612	40,000	(103,862)
Building inspection	-	123,803	123,066	-	737
Emergency management	-	125,992	121,678	-	4,314
Total public safety	<u>97,000</u>	<u>7,023,283</u>	<u>7,029,896</u>	<u>40,000</u>	<u>50,387</u>
Highways and streets:					
Administration	-	1,274,164	1,277,151	-	(2,987)
Street lighting	-	67,182	72,596	-	(5,414)
Total highways and streets	<u>-</u>	<u>1,341,346</u>	<u>1,349,747</u>	<u>-</u>	<u>(8,401)</u>
Water distribution and treatment	<u>19,265</u>	<u>116,000</u>	<u>79,412</u>	<u>-</u>	<u>55,853</u>
Sanitation:					
Administration	-	26,415	27,466	-	(1,051)
Solid waste collection	-	1,330,905	1,363,046	-	(32,141)
Total sanitation	<u>-</u>	<u>1,357,320</u>	<u>1,390,512</u>	<u>-</u>	<u>(33,192)</u>
Health:					
Administration	-	72,887	71,795	-	1,092
Pest control	-	140,541	131,399	-	9,142
Total health	<u>-</u>	<u>213,428</u>	<u>203,194</u>	<u>-</u>	<u>10,234</u>
Welfare:					
Administration	-	89,072	86,184	-	2,888
Vendor payments	5,000	317,317	263,525	-	58,792
Other	1,755	2,500	2,059	7,196	(5,000)
Total welfare	<u>6,755</u>	<u>408,889</u>	<u>351,768</u>	<u>7,196</u>	<u>56,680</u>
Culture and recreation:					
Parks and recreation	-	843,982	775,772	-	68,210
Patriotic purposes	-	31,181	31,104	-	77
Total culture and recreation	<u>-</u>	<u>875,163</u>	<u>806,876</u>	<u>-</u>	<u>68,287</u>
Conservation	<u>-</u>	<u>5,845</u>	<u>1,926</u>	<u>-</u>	<u>3,919</u>

(Continued)

SCHEDULE 2 (Continued)
TOWN OF SEABROOK, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal of long-term debt	-	267,400	267,400	-	-
Interest on long-term debt	-	271,947	271,947	-	-
Interest on tax anticipation notes	-	-	7,824	-	(7,824)
Total debt service	-	539,347	547,171	-	(7,824)
Capital outlay:					
Machinery, equipment, and vehicles	-	115,000	75,249	39,751	-
Buildings	5,980	120,500	3,630	120,500	2,350
Improvements other than buildings	169,033	268,000	317,876	119,138	19
Total capital outlay	175,013	503,500	396,755	279,389	2,369
Other financing uses:					
Transfers out	19,694	2,807,334	2,806,605	20,423	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 379,728	\$ 18,401,891	\$ 18,395,625	\$ 363,216	\$ 22,778

SCHEDULE 3
TOWN OF SEABROOK, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

Unassigned fund balance, beginning		\$ 4,184,712
Changes:		
Unassigned fund balance used to reduce 2011 tax rate		(430,000)
2011 Budget summary:		
Revenue surplus (Schedule 1)	\$ 507,544	
Unexpended balance of appropriations (Schedule 2)	22,778	
2011 Budget surplus		530,322
Increase in nonspendable fund balance		(18,441)
Decrease in restricted fund balance		1,899
Increase in committed fund balance		(354,041)
Decrease in assigned fund balance		213,251
Unassigned fund balance, ending		\$ 4,127,702

SCHEDULE 4
TOWN OF SEABROOK, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2011

	Special Revenue Funds			
	Conservation Commission	Transportation	Economic Development	Recreation Revolving
ASSETS				
Cash and cash equivalents	\$ 169,673	\$ 135,119	\$ 21,532	\$ 50,769
Receivables, net of allowance for uncollectable:				
Accounts	20	-	-	-
Intergovernmental	-	-	-	-
Interfund receivable	-	2,060	-	-
Total assets	<u>\$ 169,693</u>	<u>\$ 137,179</u>	<u>\$ 21,532</u>	<u>\$ 50,769</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,736	\$ -	\$ -	\$ 1,632
Accrued salaries and benefits	-	-	-	-
Interfund payable	-	-	-	-
Total liabilities	<u>1,736</u>	<u>-</u>	<u>-</u>	<u>1,632</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	167,957	137,179	21,532	49,137
Total fund balances	<u>167,957</u>	<u>137,179</u>	<u>21,532</u>	<u>49,137</u>
Total liabilities and fund balances	<u>\$ 169,693</u>	<u>\$ 137,179</u>	<u>\$ 21,532</u>	<u>\$ 50,769</u>

Special Revenue Funds				Capital Project Fund		
Police Outside Detail	Grants	Ambulance Revolving	Recycling Revolving	Water Treatment Plant	Permanent	Total
\$ 6,771	\$ -	\$ 320,630	\$ 100,441	\$ 1,150,697	\$ 13,540	\$ 1,969,172
18,553	-	144,153	1,096	-	-	163,822
-	10,293	-	-	-	-	10,293
-	-	32,718	-	-	-	34,778
<u>\$ 25,324</u>	<u>\$ 10,293</u>	<u>\$ 497,501</u>	<u>\$ 101,537</u>	<u>\$ 1,150,697</u>	<u>\$ 13,540</u>	<u>\$ 2,178,065</u>
\$ -	\$ -	\$ 1,358	\$ -	\$ 46,157	\$ -	\$ 50,883
3,352	-	-	-	-	-	3,352
-	10,293	-	-	-	9	10,302
<u>3,352</u>	<u>10,293</u>	<u>1,358</u>	<u>-</u>	<u>46,157</u>	<u>9</u>	<u>64,537</u>
-	-	-	-	-	13,531	13,531
-	-	-	-	1,104,540	-	1,104,540
21,972	-	496,143	101,537	-	-	995,457
<u>21,972</u>	<u>-</u>	<u>496,143</u>	<u>101,537</u>	<u>1,104,540</u>	<u>13,531</u>	<u>2,113,528</u>
<u>\$ 25,324</u>	<u>\$ 10,293</u>	<u>\$ 497,501</u>	<u>\$ 101,537</u>	<u>\$ 1,150,697</u>	<u>\$ 13,540</u>	<u>\$ 2,178,065</u>

SCHEDULE 5
TOWN OF SEABROOK, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2011

	Special Revenue Funds			
	Conservation Commission	Transportation	Economic Development	Recreation Revolving
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	22,869
Miscellaneous	82	26,669	-	24,677
Total revenues	<u>82</u>	<u>26,669</u>	<u>-</u>	<u>47,546</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Culture and recreation	-	-	-	38,115
Conservation	1,803	-	-	-
Economic development	-	-	4,540	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,803</u>	<u>-</u>	<u>4,540</u>	<u>38,115</u>
Excess (deficiency) of revenues over (under) expenditures	(1,721)	26,669	(4,540)	9,431
Other financing uses:				
Transfers out	-	(6,568)	-	-
Net change in fund balances	(1,721)	20,101	(4,540)	9,431
Fund balances, beginning	169,678	117,078	26,072	39,706
Fund balances, ending	<u>\$ 167,957</u>	<u>\$ 137,179</u>	<u>\$ 21,532</u>	<u>\$ 49,137</u>

Police Outside Detail	Special Revenue Funds			Capital Project Fund	Permanent	Total
	Grants	Ambulance Revolving	Recycling Revolving	Water Treatment Plant		
\$ -	\$ 40,736	\$ -	\$ -	\$ -	\$ -	\$ 40,736
162,814	-	233,137	87,293	-	-	506,113
-	-	18,358	30	1,113	9	70,938
<u>162,814</u>	<u>40,736</u>	<u>251,495</u>	<u>87,323</u>	<u>1,113</u>	<u>9</u>	<u>617,787</u>
148,018	40,736	181,494	-	-	-	370,248
-	-	-	-	-	-	38,115
-	-	-	-	-	-	1,803
-	-	-	-	-	-	4,540
-	-	297,684	-	711,037	-	1,008,721
<u>148,018</u>	<u>40,736</u>	<u>479,178</u>	<u>-</u>	<u>711,037</u>	<u>-</u>	<u>1,423,427</u>
14,796	-	(227,683)	87,323	(709,924)	9	(805,640)
(3,900)	-	-	-	-	(9)	(10,477)
10,896	-	(227,683)	87,323	(709,924)	-	(816,117)
11,076	-	723,826	14,214	1,814,464	13,531	2,929,645
<u>\$ 21,972</u>	<u>\$ -</u>	<u>\$ 496,143</u>	<u>\$ 101,537</u>	<u>\$ 1,104,540</u>	<u>\$ 13,531</u>	<u>\$ 2,113,528</u>