

TOWN OF DUBLIN, NEW HAMPSHIRE

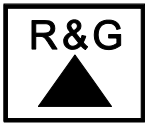
FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017

**TOWN OF DUBLIN, NEW HAMPSHIRE
FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**

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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Dublin, New Hampshire as of and for the year ended December 31, 2017, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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, which 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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.

Basis for Adverse Opinion on the Governmental Activities

As discussed in Note I.B.3. to the financial statements, management has not recorded the capital assets and accumulated depreciation in governmental activities, and accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that the capital assets, including infrastructure, be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities is not reasonably determined.

Adverse Opinion

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the Town of Dublin as of December 31, 2017, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Dublin as of December 31, 2017, and the respective changes in financial position thereof and the budget to actual comparison for the General Fund, for the year then ended in conformity 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 pension related information on pages 28-30 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. 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 Dublin has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dublin's basic financial statements as a whole. The combining and individual fund 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

July 23, 2018

Robert & Greene, PLLC

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,374,238
Investments	1,938,160
Intergovernmental receivable	237,902
Other receivables, net of allowance for uncollectibles	367,906
Tax deeded property held for resale	1,299
Total assets	<u>4,919,505</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>173,633</u>
 LIABILITIES	
Accounts payable	33,887
Accrued payroll and benefits	20,451
Contracts payable	5,400
Accrued interest payable	4,573
Intergovernmental payable	1,661,942
Noncurrent obligations:	
Due within one year:	
Note payable	125,934
Capital lease payable	53,518
Accrued landfill postclosure care costs	2,550
Due in more than one year:	
Capital lease payable	167,889
Accrued landfill postclosure care costs	73,950
Net pension liability	<u>1,032,643</u>
Total liabilities	<u>3,182,737</u>
 DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	321,407
Deferred amounts related to pensions	<u>91,904</u>
Total deferred inflows of resources	<u>413,311</u>
 NET POSITION	
Net investment in capital assets	(347,341)
Restricted for:	
Perpetual care:	
Nonexpendable	269,061
Expendable	129,411
Other purposes	396,360
Unrestricted	<u>1,049,599</u>
Total net position	<u>\$ 1,497,090</u>

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

EXHIBIT 2
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 581,271	\$ 6,508	\$ 10,422	\$ -	\$ (564,341)
Public safety	530,380	11,173	7,645	-	(511,562)
Highways and streets	491,917	300	188,752	67,862	(235,003)
Sanitation	194,056	16,874	-	-	(177,182)
Health	9,049	-	-	-	(9,049)
Welfare	9,522	-	10,123	-	601
Culture and recreation	119,695	9,643	-	-	(110,052)
Conservation	4,715	-	-	-	(4,715)
Interest on long-term debt	8,118	-	-	-	(8,118)
Capital outlay	1,000,851	-	-	-	(1,000,851)
Total governmental activities	<u>\$ 2,949,574</u>	<u>\$ 44,498</u>	<u>\$ 216,942</u>	<u>\$ 67,862</u>	<u>(2,620,272)</u>
General revenues:					
Property taxes					1,167,358
Other taxes					61,917
Licenses and permits					344,136
Grants and contributions not restricted to specific programs					725,817
Miscellaneous					<u>162,866</u>
Total general revenues					<u>2,462,094</u>
Change in net position					(158,178)
Net position, beginning, as restated, see Note III.D.					<u>1,655,268</u>
Net position, ending					<u>\$ 1,497,090</u>

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

EXHIBIT 3
TOWN OF DUBLIN, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2017

	General	Traffic Calming	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,108,480	\$ -	\$ 10,596	\$ 255,162	\$ 2,374,238
Investments	845,303	-	793,235	299,622	1,938,160
Receivables:					
Taxes	365,011	-	-	-	365,011
Accounts	2,895	-	-	-	2,895
Intergovernmental	107,565	130,337	-	-	237,902
Interfund receivable	136,337	-	-	778	137,115
Tax deeded property held for resale	1,299	-	-	-	1,299
Total assets	<u>\$ 3,566,890</u>	<u>\$ 130,337</u>	<u>\$ 803,831</u>	<u>\$ 555,562</u>	<u>\$ 5,056,620</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 33,887	\$ -	\$ -	\$ -	\$ 33,887
Accrued salaries and benefits	20,451	-	-	-	20,451
Contracts payable	2,400	3,000	-	-	5,400
Intergovernmental payable	1,661,942	-	-	-	1,661,942
Interfund payable	778	127,337	9,000	-	137,115
Total liabilities	<u>1,719,458</u>	<u>130,337</u>	<u>9,000</u>	<u>-</u>	<u>1,858,795</u>
Deferred inflows of resources:					
Deferred revenue	<u>631,320</u>	<u>108,520</u>	<u>-</u>	<u>-</u>	<u>739,840</u>
Fund balances:					
Nonspendable	1,299	-	165,020	-	166,319
Restricted	57,430	-	629,811	123,159	810,400
Committed	1,020,371	-	-	432,403	1,452,774
Unassigned	137,012	(108,520)	-	-	28,492
Total fund balances	<u>1,216,112</u>	<u>(108,520)</u>	<u>794,831</u>	<u>555,562</u>	<u>2,457,985</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,566,890</u>	<u>\$ 130,337</u>	<u>\$ 803,831</u>	<u>\$ 555,562</u>	<u>\$ 5,056,620</u>

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

EXHIBIT 4
TOWN OF DUBLIN, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2017

Total fund balances of governmental funds (Exhibit 3)		\$ 2,457,985
Amounts reported for governmental activities in the statement of net position are different because:		
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (137,115)	
Payables	<u>137,115</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 309,913	
Unavailable grant revenue	<u>108,520</u>	
		418,433
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(4,573)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Note outstanding	\$ 125,934	
Capital lease outstanding	221,407	
Accrued landfill postclosure care costs	76,500	
Net pension liability	<u>1,032,643</u>	
		(1,456,484)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 173,633	
Deferred inflows of resources related to pensions	<u>(91,904)</u>	
		81,729
Total net position of governmental activities (Exhibit 1)		<u><u>\$ 1,497,090</u></u>

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

EXHIBIT 5
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Traffic Calming	Permanent	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 1,348,234	\$ -	\$ -	\$ 778	\$ 1,349,012
Licenses, permits and fees	344,136	-	-	-	344,136
Intergovernmental	370,193	528,148	-	-	898,341
Charges for services	27,460	-	-	17,038	44,498
Miscellaneous	71,158	-	75,515	38,217	184,890
Total revenues	<u>2,161,181</u>	<u>528,148</u>	<u>75,515</u>	<u>56,033</u>	<u>2,820,877</u>
Expenditures:					
Current:					
General government	581,271	-	-	-	581,271
Public safety	523,343	-	-	169	523,512
Highways and streets	488,777	-	-	-	488,777
Sanitation	134,823	-	-	-	134,823
Health	9,049	-	-	-	9,049
Welfare	9,522	-	-	-	9,522
Culture and recreation	119,695	-	-	-	119,695
Conservation	4,715	-	-	-	4,715
Debt service:					
Principal	179,406	-	-	-	179,406
Interest	10,864	-	-	-	10,864
Capital outlay	224,137	776,714	-	-	1,000,851
Total expenditures	<u>2,285,602</u>	<u>776,714</u>	<u>-</u>	<u>169</u>	<u>3,062,485</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(124,421)</u>	<u>(248,566)</u>	<u>75,515</u>	<u>55,864</u>	<u>(241,608)</u>
Other financing sources (uses):					
Transfers in	17,200	23,685	575	-	41,460
Transfers out	(24,260)	-	(17,200)	-	(41,460)
Total other financing sources and uses	<u>(7,060)</u>	<u>23,685</u>	<u>(16,625)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(131,481)	(224,881)	58,890	55,864	(241,608)
Fund balances, beginning, as restated, see Note III.D.	1,347,593	116,361	735,941	499,698	2,699,593
Fund balances, ending	<u>\$ 1,216,112</u>	<u>\$ (108,520)</u>	<u>\$ 794,831</u>	<u>\$ 555,562</u>	<u>\$ 2,457,985</u>

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

EXHIBIT 6
TOWN OF DUBLIN, 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, 2017

Net change in fund balances of governmental funds (Exhibit 5)		\$ (241,608)
Amounts reported for governmental activities in the statement of activities are different because:		
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (41,460)	
Transfers out	<u>41,460</u>	-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable tax revenue	\$ (119,737)	
Change in unavailable grant revenue	<u>91,735</u>	(28,002)
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 note principal	\$ 127,065	
Repayment of capital lease principal	<u>52,341</u>	179,406
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	\$ 2,746	
Increase in accrued landfill postclosure care costs	<u>(58,500)</u>	(55,754)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	\$ 94,326	
Cost of benefits earned, net of employee contributions	<u>(106,546)</u>	(12,220)
Change in net position of governmental activities (Exhibit 2)		<u><u>\$ (158,178)</u></u>

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

EXHIBIT 7
TOWN OF DUBLIN, 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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 1,431,490	\$ 1,431,490	\$ 1,228,497	\$ (202,993)
Licenses, permits and fees	294,661	294,661	344,136	49,475
Intergovernmental	193,337	261,199	370,193	108,994
Charges for services	26,856	26,856	27,460	604
Miscellaneous	72,200	72,200	69,971	(2,229)
Total revenues	<u>2,018,544</u>	<u>2,086,406</u>	<u>2,040,257</u>	<u>(46,149)</u>
EXPENDITURES				
Current:				
General government	631,321	631,321	581,271	50,050
Public safety	572,580	572,580	523,343	49,237
Highways and streets	479,090	546,952	546,207	745
Sanitation	143,655	143,655	134,823	8,832
Health	9,378	9,378	9,049	329
Welfare	19,664	19,664	9,522	10,142
Culture and recreation	120,727	120,727	119,695	1,032
Conservation	5,429	5,429	4,715	714
Capital outlay	136,166	136,166	102,759	33,407
Total expenditures	<u>2,118,010</u>	<u>2,185,872</u>	<u>2,031,384</u>	<u>154,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,466)</u>	<u>(99,466)</u>	<u>8,873</u>	<u>108,339</u>
Other financing sources (uses):				
Transfers in	79,865	79,865	77,442	(2,423)
Transfers out	<u>(326,725)</u>	<u>(326,725)</u>	<u>(350,410)</u>	<u>(23,685)</u>
Total other financing sources and uses	<u>(246,860)</u>	<u>(246,860)</u>	<u>(272,968)</u>	<u>(26,108)</u>
Net change in fund balance	<u>\$ (346,326)</u>	<u>\$ (346,326)</u>	<u>(264,095)</u>	<u>\$ 82,231</u>
Decrease in nonspendable fund balance			15,780	
Unassigned fund balance, beginning, as restated			695,240	
Unassigned fund balance, ending			<u>\$ 446,925</u>	

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

EXHIBIT 8
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 4,512	\$ 15,282
Investments	337,729	-
Total assets	342,241	15,282
Liabilities:		
Due to developer	-	15,282
Net position:		
Held in trust for specific purposes	\$ 342,241	\$ -

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

EXHIBIT 9
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2017

	Private Purpose Trust
Additions:	
Investment earnings:	
Interest and dividends	\$ 8,887
Net change in fair value of investments	<u>22,963</u>
Total additions	31,850
Deductions:	
Trust distributions	<u>5,825</u>
Change in net position	26,025
Net position, beginning	<u>316,216</u>
Net position, ending	<u><u>\$ 342,241</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**TOWN OF DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**

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 Dublin (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, 2017.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

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

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

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. 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 DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual, governmental funds are 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, with the exception that it has not reported its capital assets and related depreciation.

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 revenue is recognized in the year for which it is 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 sixty days of the end of the fiscal year. However, property taxes are not deferred on the budgetary basis, or when reporting to the State of New Hampshire 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 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 DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**

I.B.4. Fund Types and Major Funds

Governmental Funds

The Town reports the following major governmental funds:

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.

Traffic Calming Fund – Reports as a capital project fund, and used to account for the traffic calming project.

Permanent Fund – Used to account for the financial resources of the funds held by the trustees of trust funds, from which only income, and not principal, is used for supporting Town purposes.

The Town also reports six nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

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

Agency Fund – Accounts for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency fund is used to account for the money that is held on behalf of NH #1 Rural Cellular, Incorporated.

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.

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

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

I.C.2. *Capital Assets and Depreciation*

Generally, the Town's property, plant and equipment with useful lives of more than one year should be reported in the governmental activities. Because the Town has not prepared an inventory of such capital assets valued at historical cost, there are no capital assets reported in these financial statements. The Town is planning to proceed with developing a capital asset policy, and reporting these assets, including depreciation expense and accumulated depreciation in the future.

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. *Equity*

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

- Net investment in capital assets, which is normally computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets. Because the Town has not reported its capital assets, this amount is negative, reflecting only the debt.
- Restricted for perpetual care, which consists of permanent funds that were established for cemetery care. This balance is broken down between nonexpendable, representing the principal amounts, and expendable, representing income available to be spent.

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- Restricted for other purposes, which consists of the other permanent funds for which the income is to be used for Town purposes.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report fund balances in the following components:

- Nonspendable, which consists of endowments in the Permanent Fund, and the tax deeded property which is not spendable in its current form.
- Restricted, which represents the expendable income in the permanent funds, and the library fund and the remaining balance of the additional highway block grant, whose use is limited by State law.
- Committed, which consists of balances for which the intended use has been established by Town Meeting vote, and would normally require an equally formal action to remove those commitments. This includes the balances of the capital reserve and other expendable trust funds which are reported in the General Fund, and the unrestricted balances of the nonmajor governmental funds.
- Unassigned, which represents the remaining fund balance in the General Fund, and the deficit fund balance of the Traffic Calming Fund.

II. Stewardship, Compliance and Accountability

II.A. 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 2017, none of the unassigned fund balance from 2016 was used for this purpose, and \$346,326 was appropriated from fund balance.

Encumbrance accounting is employed by the governmental funds. Encumbrances outstanding at year-end are reported as restrictions or commitments of fund balance and do not constitute expenditures or liabilities because they will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and

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recreation, conservation, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

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

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 2,117,699
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	429,650
Tax revenue deferred in the current year	(309,913)
Perspective difference:	
Interest on Expendable Trust Funds	1,186
Transfers to General Fund	(60,241)
Per Exhibit 5 (GAAP basis)	<u>\$ 2,178,381</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 2,381,794
Adjustments:	
Basis difference:	
Encumbrances, beginning	137,010
Encumbrances, ending	(73,062)
Perspective difference:	
Transfers to Expendable Trust Funds	(326,725)
Expenditures of Expendable Trust Funds	190,845
Per Exhibit 5 (GAAP basis)	<u>\$ 2,309,862</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 446,925
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(309,913)
Per Exhibit 3 (GAAP basis)	<u>\$ 137,012</u>

II.C. Deficit Fund Balance

The Traffic Calming Fund reports a deficit fund balance at year-end of \$108,520 which arose because of the application of GAAP to revenue recognition. Grant revenue not received within sixty days of year-end is deferred as unavailable. The subsequent receipt of this revenue will remove the deficit.

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III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Cash and Equivalents

Included in the Town's cash balances is \$176,804 invested with Charter Trust Company in money market funds for the Trustees of Trust Funds. These funds are not insured or collateralized.

III.A.2. Investments

As of December 31, 2017, the Town's reporting entity had the following investments:

Certificates of Deposit	\$ 13,859
U.S. Treasury Obligations	804,028
Other Government Bonds	111,157
U.S. Government Agencies	198,011
Equity Funds	127,822
Mutual Funds	316,958
Common Stock	506,821
Corporate Bonds	179,686
New Hampshire Public Deposit Investment Pool	17,547
	<u>\$ 2,275,889</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,938,160
Fiduciary funds - statement of fiduciary net position (Exhibit 8)	337,729
Total	<u>\$ 2,275,889</u>

Investment Risks

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. New Hampshire law limits investments to those described in Note I.C.1. The Town's investment policy does not place any further restrictions on its investment choices.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town does not have an investment policy that addresses limiting interest rate risk.

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities in the possession

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of an outside party. Of the Town's \$2,275,889 of investments, \$2,145,430 has exposure to custodial credit risk because the related securities are uninsured and uncollateralized, and are held by a brokerage firm which is also the counterparty for these securities.

III.A.3. *Receivables, Uncollectible Accounts and Deferred Inflows of Resources*

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 lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2016 property taxes on May 26.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Contoocook Valley School District, and Cheshire 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 deeding, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

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

For the New Hampshire education tax	\$225,852,643
For all other taxes	\$229,861,443

This note continues on the following page.

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The tax rates and amounts assessed for the year ended December 31, 2017 were as follow:

	<u>Per \$1,000 of Assessed Valuation</u>	
Municipal portion	\$6.18	\$ 1,420,328
School portion:		
State of New Hampshire	\$2.51	567,275
Local	\$12.34	2,837,395
County portion	\$3.19	732,184
Total property taxes assessed		<u><u>\$ 5,557,182</u></u>

The following details the taxes receivable at year-end:

Property:	
Levy of 2017	\$ 254,902
Unredeemed (under tax lien):	
Levy of 2016	118,831
Levy of 2015	36,334
Levy of 2014	14,944
Less: allowance for estimated uncollectible taxes	(60,000)
Net taxes receivable	<u><u>\$ 365,011</u></u>

Deferred Inflows of Resources

Deferred revenue of \$739,840 consists of unavailable property taxes and tax liens of \$309,913 and grant revenue of \$108,520 that were not collected within sixty days of year-end; and \$321,407 of prepaid taxes to be applied to the subsequent year's levy. In the Governmental Activities, only the prepaid taxes are considered unearned revenue.

III.B. Liabilities

III.B.1. Intergovernmental Payable

The amount due to other governments at December 31, 2017 of \$1,661,942 represents the balance of the 2017-2018 district assessment due to the Contoocook Valley School District.

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III.B.2. Long-Term Liabilities

Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2017	Current Portion
Note payable:						
Road construction	\$ 500,000	2014	2018	2.125	\$ 125,934	\$ 125,934
Capital lease payable:						
Fire truck	\$ 375,000	2014	2021	2.25	221,407	53,518
Accrued landfill postclosure care costs					76,500	2,550
Net pension liability					1,032,643	-
					<u>\$ 1,456,484</u>	<u>\$ 182,002</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2017:

	Note Payable	Capital Lease Payable	Accrued Landfill Postclosure Care Costs	Net Pension Liability	Total
Balance, beginning	\$ 252,999	\$ 273,748	\$ 18,000	\$ 1,160,331	\$ 1,705,078
Additions	-	-	58,500	-	58,500
Reductions	(127,065)	(52,341)	-	(127,688)	(307,094)
Balance, ending	<u>\$ 125,934</u>	<u>\$ 221,407</u>	<u>\$ 76,500</u>	<u>\$ 1,032,643</u>	<u>\$ 1,456,484</u>

The final debt service payments for the note payable as of year-end are due in 2018 and consist of \$125,934 principal and \$1,990 interest for a total of \$127,924.

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

Year Ending December 31,	Principal	Interest	Total
2018	\$ 53,518	\$ 4,982	\$ 58,500
2019	54,722	3,778	58,500
2020	55,954	2,546	58,500
2021	57,213	1,287	58,500
Totals	<u>\$ 221,407</u>	<u>\$ 12,593</u>	<u>\$ 234,000</u>

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Accrued Landfill Postclosure Care Costs

State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site. The \$76,500 reported as accrued landfill postclosure care costs at December 31, 2017, represents an estimate of what it would cost the Town to perform all the postclosure care as of that date, although these costs will actually be paid over the next nine years or more. Actual costs may be different due to inflation, changes in technology, or changes in regulation. The Town expects to pay for future postclosure care costs by annual appropriation.

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.”

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Traffic calming	\$ 127,337
General	Permanent	9,000
Nonmajor	General	778
		<u>\$ 137,115</u>

At year-end, the General Fund owed \$778 to the Conservation Commission Fund for 50% of the land use change taxes collected. The amount due to the General Fund from the Traffic Calming Fund represents reimbursements for project expenditures that will be repaid when grant proceeds are received, and the amount due to the General Fund from the Permanent Fund represents an amount for cemetery care.

III.C.2. *Transfers*

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made, funding and expending capital reserve accounts, and distributing trust income to the applicable fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns. Because the Expendable Trust Funds are reported in the General Fund, transfers between the General Fund and the Expendable Trust Funds are not reflected in the basic financial statements.

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Transfers during the year were as follow:

	Transfers In:			
	General Fund	Traffic Calming Fund	Permanent Fund	Total
Transfers out:				
General fund	\$ -	\$ 23,685	\$ 575	\$ 24,260
Permanent fund	17,200	-	-	17,200
	<u>\$ 17,200</u>	<u>\$ 23,685</u>	<u>\$ 575</u>	<u>\$ 41,460</u>

During the year, the General Fund transferred \$23,685 to the Traffic Calming Fund for its portion of the project cost and \$575 to the Permanent Fund from the prior year sale of lots; and the Permanent Fund transferred \$17,200 to the General Fund for the care of cemeteries.

III.D. Restatement of Beginning Equity

The equity balances at December 31, 2016 were restated as follow:

	Governmental Activities	General Fund	Traffic Calming Fund	Nonmajor Funds
To correct interfund balance	\$ -	\$ 1,992	\$ -	\$ (1,992)
To record prior year transfer	-	(33,549)	33,549	-
To record prior year payable	(7,084)	-	(7,084)	-
To reclassify Traffic Calming Fund as major	-	-	-	(89,896)
To correct deferred outflows related to pensions	40,744	-	-	-
Net position/fund balance, as previously reported	1,621,608	1,379,150	89,896	591,586
Net position/fund balance, as restated	<u>\$ 1,655,268</u>	<u>\$ 1,347,593</u>	<u>\$ 116,361</u>	<u>\$ 499,698</u>

The notes continue on the following page.

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III.E. Equity Balances

The components of fund balance, as described in Note I.C.4., are categorized as follow:

	General Fund	Traffic Calming Fund	Permanent Fund	Nonmajor Funds
Nonspendable:				
Endowments	\$ -	\$ -	\$ 165,020	\$ -
Tax deeded property	1,299	-	-	-
Total nonspendable	<u>1,299</u>	<u>-</u>	<u>165,020</u>	<u>-</u>
Restricted:				
General government	-	-	629,811	-
Highways and streets	57,430	-	-	-
Culture and recreation	-	-	-	123,159
Total restricted	<u>57,430</u>	<u>-</u>	<u>629,811</u>	<u>123,159</u>
Committed:				
General government	-	-	-	17,547
Public safety	-	-	-	172,949
Sanitation	-	-	-	196,310
Conservation	-	-	-	45,597
Capital outlay	1,020,371	-	-	-
Total committed	<u>1,020,371</u>	<u>-</u>	<u>-</u>	<u>432,403</u>
Unassigned	<u>137,012</u>	<u>(108,520)</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 1,216,112</u>	<u>\$ (108,520)</u>	<u>\$ 794,831</u>	<u>\$ 555,562</u>

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the General Fund. During the the year, the Town was a member of the NH Public Risk Management Exchange (Primex) which is organized to provide certain property and liability protection to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of Primex, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from January 1 through December 31 for property/liability and for workers' compensation.

Contributions paid for property/liability coverage in 2017 recorded as an insurance expenditure/expense totaled \$28,986. There were no unpaid contributions due in 2017. The Town also paid \$9,536 for workers' compensation coverage for the year, and \$1,944 for unemployment compensation insurance. The policy agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for the past year.

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IV.B. Retirement Pensions

General Information about the Pension Plan

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

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers and other employees were 11.55% and 7%, respectively, of gross earnings. During the first six months of 2017, the rates of contribution from the Town were 26.38% for police officers and 11.17% for other employees, increasing effective July 1 to 29.43% and 11.38%, respectively, which are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during the years 2015, 2016, and 2017 were \$83,787, \$85,252 and \$94,326, respectively, which were paid on a monthly basis as due.

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

At December 31, 2017, the Town reported a liability of \$1,032,643 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2017, the Town's proportion was 0.0209%, which was a decrease of 0.0009% from its proportion reported as of June 30, 2016.

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For 2017, the Town recognized pension expense of \$106,546. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 17,060	\$ 65,610
Changes in assumptions	103,691	-
Differences between expected and actual experience	2,341	13,143
Net difference between projected and actual earnings on pension plan investments	-	13,151
Town contributions subsequent to the measurement date	50,541	-
	<u>\$ 173,633</u>	<u>\$ 91,904</u>

The Town reported \$50,541 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year 2018.

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

Year Ended December 31,	
2018	\$ 8,875
2019	29,921
2020	16,927
2021	(24,535)
	<u>\$ 31,188</u>

Actuarial Assumptions

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

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

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The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Mortality rates were based on the RP-2014 Healthy Annuitant and Employee Generational Mortality Tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Town's proportionate share of net pension liability	\$ 1,360,455	\$ 1,032,643	\$ 764,014

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

IV.C. Contingent Liabilities

Because the Town has received grants from the State and Federal governments, there is always a chance that these governments will audit grant expenditures/expenses and determine that some are not allowable. The Town does not believe that this will occur, and that if it does, it is believed that any amounts involved would not be material.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 10
TOWN OF DUBLIN, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	2017	2016	2015	2014
Town's proportion of the net pension liability	0.0209%	0.0218%	0.0226%	0.0235%
Town's proportionate share of the net pension liability	\$1,032,643	\$1,160,331	\$895,638	\$882,444
Town's covered-employee payroll	\$577,602	\$541,943	\$537,717	\$534,431
Town's proportionate share of the net pension liability as a percentage of the covered-employee payroll	178.78%	214.11%	166.56%	165.12%
Plan net position as a percentage of the total pension liability	62.7%	58.3%	65.5%	66.3%

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

EXHIBIT 11
TOWN OF DUBLIN, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 94,326	\$ 85,252	\$ 75,849	\$ 76,270
Contribution in relation to the contractually required contribution	<u>(94,326)</u>	<u>(85,252)</u>	<u>(75,849)</u>	<u>(76,270)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$577,602	\$541,943	\$537,717	\$534,431
Contribution as a percentage of covered-employee payroll	16.33%	15.73%	14.11%	14.27%

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

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NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
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The Schedule of the Town's Proportionate Share of the Net Pension Liability and the Schedule of the Town's Pension Contributions are meant to present related information for ten years. Because this is the third year that the Town has presented the pension schedules, only four years are presented. An additional year's information will be added until there are ten years shown.

COMBINING AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 12
TOWN OF DUBLIN, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Special Revenue Funds						Total
	Library	History	Recycling	Police Grants	Conservation Commission	Phyllis Burt Fire & Police	
ASSETS							
Cash and cash equivalents	\$ 10,247	\$ -	\$ 196,310	\$ 1,527	\$ 44,819	\$ 2,259	\$ 255,162
Investments	112,912	17,547	-	-	-	169,163	299,622
Interfund receivable	-	-	-	-	778	-	778
Total assets	<u>\$ 123,159</u>	<u>\$ 17,547</u>	<u>\$ 196,310</u>	<u>\$ 1,527</u>	<u>\$ 45,597</u>	<u>\$ 171,422</u>	<u>\$ 555,562</u>
FUND BALANCES							
Restricted	\$ 123,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,159
Committed	-	17,547	196,310	1,527	45,597	171,422	432,403
Total fund balances	<u>\$ 123,159</u>	<u>\$ 17,547</u>	<u>\$ 196,310</u>	<u>\$ 1,527</u>	<u>\$ 45,597</u>	<u>\$ 171,422</u>	<u>\$ 555,562</u>

EXHIBIT 13
TOWN OF DUBLIN, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2017

	Special Revenue Funds						Total
	Library	History	Recycling	Police Grants	Conservation Commission	Phyllis Burt Fire & Police	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 778	\$ -	\$ 778
Charges for services	-	-	16,874	164	-	-	17,038
Miscellaneous	21,126	161	427	-	101	16,402	38,217
Total revenues	<u>21,126</u>	<u>161</u>	<u>17,301</u>	<u>164</u>	<u>879</u>	<u>16,402</u>	<u>56,033</u>
EXPENDITURES							
Current:							
Public safety	-	-	-	169	-	-	169
Net change in fund balances	21,126	161	17,301	(5)	879	16,402	55,864
Fund balances, beginning, as restated, see Note III.D.	102,033	17,386	179,009	1,532	44,718	155,020	499,698
Fund balances, ending	<u>\$ 123,159</u>	<u>\$ 17,547</u>	<u>\$ 196,310</u>	<u>\$ 1,527</u>	<u>\$ 45,597</u>	<u>\$ 171,422</u>	<u>\$ 555,562</u>

EXHIBIT 14
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,385,209	\$ 1,167,358	\$ (217,851)
Land use change	777	778	1
Timber	15,600	15,619	19
Excavation	90	90	-
Payments in lieu of taxes	19,814	17,590	(2,224)
Interest and penalties on delinquent taxes	10,000	27,062	17,062
Total taxes	<u>1,431,490</u>	<u>1,228,497</u>	<u>(202,993)</u>
Licenses, permits and fees:			
Motor vehicle permits	275,000	320,644	45,644
Building permits	15,500	19,199	3,699
Other	4,161	4,293	132
Total licenses, permits and fees	<u>294,661</u>	<u>344,136</u>	<u>49,475</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	81,496	81,496	-
Highway block grant	79,365	79,364	(1)
Additional highway block grant	67,863	67,862	(1)
State and federal forest land	617	617	-
Flood control	24,359	23,821	(538)
Other	4	-	(4)
Federal sources:			
Police grants	7,492	7,645	153
FEMA	2	-	(2)
Safe routes to school	1	109,388	109,387
Total intergovernmental	<u>261,199</u>	<u>370,193</u>	<u>108,994</u>
Charges for services:			
Income from departments	<u>26,856</u>	<u>27,460</u>	<u>604</u>
Miscellaneous:			
Sale of property	50,100	48,377	(1,723)
Interest on investments	38	43	5
Rent of property	21,060	21,250	190
Contributions and donations	1,002	301	(701)
Total miscellaneous	<u>72,200</u>	<u>69,971</u>	<u>(2,229)</u>
Other financing sources:			
Transfers in:			
Expendable trust fund	62,165	55,294	(6,871)
Nonmajor funds	17,700	22,148	4,448
Total other financing sources	<u>79,865</u>	<u>77,442</u>	<u>(2,423)</u>
Total revenues and other financing sources	2,166,271	<u>\$ 2,117,699</u>	<u>\$ (48,572)</u>
Appropriations from fund balance	346,326		
Total revenues, other financing sources and use of fund balance	<u>\$ 2,512,597</u>		

EXHIBIT 15
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 116,858	\$ 116,632	\$ -	\$ 226
Election and registration	-	3,350	2,631	-	719
Financial administration	-	82,781	84,053	-	(1,272)
Revaluation of property	-	22,825	23,575	-	(750)
Legal	-	35,500	20,659	-	14,841
Personnel administration	-	245,244	214,565	-	30,679
Planning and zoning	-	7,545	9,262	-	(1,717)
General government buildings	-	26,957	25,344	-	1,613
Cemeteries	-	21,136	17,237	-	3,899
Insurance, not otherwise allocated	-	29,450	28,966	-	484
Advertising and regional associations	-	3,348	3,348	-	-
Other	-	36,327	34,999	-	1,328
Total general government	-	631,321	581,271	-	50,050
Public safety:					
Police	-	334,649	317,016	-	17,633
Fire	-	209,378	182,159	-	27,219
Building inspection	-	20,024	17,878	-	2,146
Emergency management	-	8,529	6,290	-	2,239
Total public safety	-	572,580	523,343	-	49,237
Highways and streets:					
Highways and streets	-	537,952	479,699	57,430	823
Street lighting	-	9,000	9,078	-	(78)
Total highways and streets	-	546,952	488,777	57,430	745
Sanitation:					
Solid waste disposal	-	143,655	134,823	-	8,832
Health:					
Administration	-	8	-	-	8
Animal control	-	2,039	1,718	-	321
Health agencies and hospitals	-	7,331	7,331	-	-
Total health	-	9,378	9,049	-	329
Welfare	-	19,664	9,522	-	10,142
Culture and recreation:					
Parks and recreation	-	23,596	22,833	-	763
Public library	-	82,931	82,820	-	111
Patriotic purposes	-	1,200	1,042	-	158
Other	-	13,000	13,000	-	-
Total culture and recreation	-	120,727	119,695	-	1,032
Conservation	-	5,429	4,715	-	714

(continued)

EXHIBIT 15 (continued)
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund

Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay:					
Land	-	12,500	6,057	-	6,443
Machinery, vehicles and equipment	-	67,916	59,060	-	8,856
Buildings	-	55,750	50,003	4,867	880
Improvements other than buildings	137,010	-	109,017	10,765	17,228
Total capital outlay	137,010	136,166	224,137	15,632	33,407
Other financing uses:					
Transfers out:					
Expendable trust funds	-	325,900	325,900	-	-
Nonmajor funds	-	825	24,510	-	(23,685)
Total other financing uses	-	326,725	350,410	-	(23,685)
Total encumbrances, appropriations, expenditures and other financing uses	\$ 137,010	\$ 2,512,597	\$ 2,445,742	\$ 73,062	\$ 130,803

EXHIBIT 16
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

Unassigned fund balance, beginning, as restated		\$ 695,240
Changes:		
Unassigned fund balance appropriated		(346,326)
Budget summary:		
Revenue shortfall (Exhibit 14)	\$ (48,572)	
Unexpended balance of appropriations (Exhibit 15)	<u>130,803</u>	
Budget surplus		82,231
Decrease in nonspendable fund balance		<u>15,780</u>
Unassigned fund balance, ending		<u><u>\$ 446,925</u></u>



Roberts & Greene, PLLC

LETTER TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Dublin as of and for the year ended December 31, 2017, 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. We do consider the following matter to be a significant deficiency in internal control.

Grant Revenue and Expenditures

During the year, the Town had two significant construction projects in process that were being funded by federal grants passing through the State. While receipts and disbursements related to these projects were properly recorded, receivables from the State and payables were difficult to determine. This was caused by untimely lapses between the Town's incurring expenditures and being billed for them; between bills being paid and reimbursement requests being made to the State; and between the requests being made and reimbursements being received. This was further exacerbated by some contractor and engineer invoices that were not detailed as to what period they covered which made it especially difficult to determine in which year expenditures were incurred.

In order to alleviate this issue in the future, we recommend that copies of all documentation related to a project (grant applications, award letters, contacts and change orders, invoices received, checks paying

them, reimbursement requests, documentation of receipts, etc.) be maintained in separate folders and presented for audit. We further recommend that when contracting with engineers and contractors, the Town stipulate that it must receive invoices by mid-January of each year that cut off and clearly show all work performed through December 31. This especially true for projects being funded with federal money for which it is necessary to determine total federal expenditures of any given year.

We also want to discuss the following other matter:

Other Postemployment Benefits (OPEB)

The Town does not report a liability or annual cost for OPEB in its governmental activities because these amounts are considered to be immaterial in that up until now, the only reporting requirement has been the Town's annual cost less contributions made. However, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, takes effect for the year ending December 31, 2018, and requires the Town to include in its governmental activities, an actuarial accrued liability which is likely to be material to the financial statements. If management wishes to get an unmodified opinion on the governmental activities, the Town will have to obtain a measurement valuation to determine to determine its liability. This can be done by an actuary or by using an alternative measurement method.

The Town currently is receiving an opinion modification on the governmental activities as described in the Independent Auditor's Report, due to the omission of the capital assets and related depreciation. So in regard to the preceding paragraph, both of these issues would have to be addressed in order for the opinion to be unmodified.

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

July 23, 2018

Robert J. Greene, PLU