

TOWN OF DUBLIN, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2010

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Roberts, Greene & Drolet, 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, 2010, 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 Dublin'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.

As discussed in Note I.C.2 to the financial statements, management has not recorded the capital assets 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 general capital assets, including infrastructure, be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities is not reasonably determinable.

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, 2010, or the changes in financial position thereof for the year then ended.

In addition, 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, New Hampshire as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2011, on our consideration of the Town of Dublin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information on page 23 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. 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.

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. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Town of Dublin. The combining and individual fund schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Roberts, Greene & Drolet, PLLC

May 9, 2011

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 734,667
Investments	1,990,725
Intergovernmental receivable	432,490
Other receivables, net of allowance for uncollectibles	472,392
Prepaid items	3,244
Tax deeded property	24,612
Total assets	3,658,130
LIABILITIES	
Accounts payable	52,299
Contract payable	11,958
Accrued interest payable	6,663
Intergovernmental payable	1,423,849
Noncurrent obligations:	
Due within one year:	
Note payable	17,750
Capital lease payable	43,733
Accrued landfill postclosure care costs	3,000
Due in more than one year:	
Note payable	18,633
Capital leases payable	193,817
Accrued landfill postclosure care costs	27,000
Total liabilities	1,798,702
NET ASSETS	
Invested in capital assets, net of related debt	(273,933)
Restricted for:	
Perpetual care	248,848
Other purposes	293,247
Unrestricted	1,591,266
Total net assets	\$ 1,859,428

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, 2010

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 338,581	\$ 9,106	\$ 60,796	\$ -	\$ (268,679)
Public safety	426,104	6,151	30,206	-	(389,747)
Highways and streets	552,482	1,200	-	102,720	(448,562)
Sanitation	139,950	18,556	-	-	(121,394)
Health	4,130	-	-	-	(4,130)
Welfare	24,429	-	-	-	(24,429)
Culture and recreation	114,211	13,505	-	-	(100,706)
Conservation	4,163	-	750	-	(3,413)
Interest on long-term debt	12,812	-	-	-	(12,812)
Capital outlay	667,823	-	-	515,387	(152,436)
Total governmental activities	<u>\$ 2,284,685</u>	<u>\$ 48,518</u>	<u>\$ 91,752</u>	<u>\$ 618,107</u>	<u>(1,526,308)</u>
General revenues:					
Property taxes					1,344,132
Other taxes					65,480
Licenses and permits					241,633
Grants and contributions not restricted to specific programs					81,411
Miscellaneous					89,927
Total general revenues					<u>1,822,583</u>
Change in net assets					296,275
Net assets, beginning					<u>1,563,153</u>
Net assets, ending					<u>\$ 1,859,428</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, 2010

	General	Expendable Trust	Traffic Calming Project	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 156,161	\$ 445,192	\$ -	\$ 24,274	\$ 109,040	\$ 734,667
Investments	1,269,578	119,744	-	517,821	83,582	1,990,725
Receivables (net of allowance for uncollectibles):						
Taxes	340,392	-	-	-	-	340,392
Intergovernmental	7,000	-	425,490	-	-	432,490
Interfund receivable	413,532	-	-	-	3,741	417,273
Prepaid items	3,244	-	-	-	-	3,244
Tax deeded property for resale	24,612	-	-	-	-	24,612
Total assets	<u>\$ 2,214,519</u>	<u>\$ 564,936</u>	<u>\$ 425,490</u>	<u>\$ 542,095</u>	<u>\$ 196,363</u>	<u>\$ 3,943,403</u>
LIABILITIES						
Accounts payable	\$ 52,299	\$ -	\$ -	\$ -	\$ -	\$ 52,299
Contracts payable	-	-	11,958	-	-	11,958
Intergovernmental payable	1,423,849	-	-	-	-	1,423,849
Interfund payable	3,741	-	413,532	-	-	417,273
Total liabilities	<u>1,479,889</u>	<u>-</u>	<u>425,490</u>	<u>-</u>	<u>-</u>	<u>1,905,379</u>
FUND BALANCES						
Reserved for encumbrances	107,510	-	-	-	-	107,510
Reserved for endowments	-	-	-	353,454	-	353,454
Reserved for special purposes	-	-	-	188,641	-	188,641
Reserved for tax deeded property	24,612	-	-	-	-	24,612
Unreserved, undesignated, reported in:						
General fund	602,508	-	-	-	-	602,508
Special revenue funds	-	564,936	-	-	196,363	761,299
Total fund balances	<u>734,630</u>	<u>564,936</u>	<u>-</u>	<u>542,095</u>	<u>196,363</u>	<u>2,038,024</u>
Total liabilities and fund balances	<u>\$ 2,214,519</u>	<u>\$ 564,936</u>	<u>\$ 425,490</u>	<u>\$ 542,095</u>	<u>\$ 196,363</u>	<u>\$ 3,943,403</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 Assets
December 31, 2010

Total fund balances of governmental funds (Exhibit 3)		\$ 2,038,024
Amounts reported for governmental activities in the statement of net assets are different because:		
Interfund receivables and payables between governmental funds are eliminated on the statement of net assets.		
Receivables	\$ (417,273)	
Payables	<u>417,273</u>	-
Long-term revenues are not available to pay for current period expenditures, and therefore, are deferred in the funds.		
Allowance for unavailable taxes		132,000
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(6,663)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Note outstanding	\$ 36,383	
Capital lease outstanding	237,550	
Accrued landfill postclosure care costs	<u>30,000</u>	<u>(303,933)</u>
Total net assets of governmental activities (Exhibit 1)		<u><u>\$ 1,859,428</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, 2010

	General	Expendable Trust	Traffic Calming Project	Permanent	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 1,402,612	\$ -	\$ -	\$ -	\$ 750	\$ 1,403,362
Licenses, permits and fees	241,633	-	-	-	-	241,633
Intergovernmental	200,637	-	515,387	-	-	716,024
Charges for services	29,333	-	-	-	19,185	48,518
Miscellaneous	80,388	13,756	-	60,740	9,539	164,423
Total revenues	<u>1,954,603</u>	<u>13,756</u>	<u>515,387</u>	<u>60,740</u>	<u>29,474</u>	<u>2,573,960</u>
Expenditures:						
Current:						
General government	337,381	1,200	-	-	-	338,581
Public safety	420,254	5,514	-	-	336	426,104
Highways and streets	552,482	-	-	-	-	552,482
Sanitation	149,950	-	-	-	-	149,950
Health	4,130	-	-	-	-	4,130
Welfare	24,429	-	-	-	-	24,429
Culture and recreation	111,495	-	-	-	2,716	114,211
Conservation	4,163	-	-	-	-	4,163
Debt service:						
Principal	16,913	41,994	-	-	-	58,907
Interest	2,749	11,580	-	-	-	14,329
Capital outlay	152,436	-	515,387	-	-	667,823
Total expenditures	<u>1,776,382</u>	<u>60,288</u>	<u>515,387</u>	<u>-</u>	<u>3,052</u>	<u>2,355,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>178,221</u>	<u>(46,532)</u>	<u>-</u>	<u>60,740</u>	<u>26,422</u>	<u>218,851</u>
Other financing sources (uses):						
Transfers in	136,500	76,901	-	-	497	213,898
Transfers out	(77,398)	(122,000)	-	(14,500)	-	(213,898)
Total other financing sources and uses	<u>59,102</u>	<u>(45,099)</u>	<u>-</u>	<u>(14,500)</u>	<u>497</u>	<u>-</u>
Net change in fund balances	237,323	(91,631)	-	46,240	26,919	218,851
Fund balances, beginning	497,307	656,567	-	495,855	169,444	1,819,173
Fund balances, ending	<u>\$ 734,630</u>	<u>\$ 564,936</u>	<u>\$ -</u>	<u>\$ 542,095</u>	<u>\$ 196,363</u>	<u>\$ 2,038,024</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, 2010

Net change in fund balances of governmental funds (Exhibit 5)		\$ 218,851
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	\$ (213,898)	
Transfers out	<u>213,898</u>	-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in deferred tax revenue		7,000
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net assets.		
Repayment of note principal	\$ 16,913	
Repayment of capital lease principal	<u>41,994</u>	58,907
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	\$ 1,517	
Decrease in accrued landfill postclosure care costs	<u>10,000</u>	<u>11,517</u>
Change in net assets of governmental activities (Exhibit 2)		<u><u>\$ 296,275</u></u>

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

EXHIBIT 7
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Cash and cash equivalents	\$ 10,616	\$ 15,202
Investments	226,472	-
Total assets	<u>237,088</u>	<u>15,202</u>
Liabilities:		
Due to developers	<u>-</u>	<u>15,202</u>
Net assets:		
Held in trust for specific purposes	<u>\$ 237,088</u>	<u>\$ -</u>

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

EXHIBIT 8
TOWN OF DUBLIN, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2010

	<u>Private Purpose Trust</u>
Additions:	
Investment earnings:	
Interest	\$ 2,888
Net change in fair value of investments	<u>21,062</u>
Total additions	<u>23,950</u>
 Deductions:	
Trust distributions	<u>7,900</u>
 Change in net assets	16,050
Net assets, beginning	<u>221,038</u>
Net assets, ending	<u><u>\$ 237,088</u></u>

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

**TOWN OF DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2010**

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, 2010.

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 assets 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 fund 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
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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.

1.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 of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which the Town feels would be immaterial and therefore, not necessary to apply.

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 60 days of the end of the fiscal year, with the exception of property taxes which are recognized if expected to be collected in time to pay the liability to the school district that is due over the next six months. 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. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

**TOWN OF DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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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.

Expendable Trust Fund – Reports as a special revenue fund and used to account for the financial resources of funds in the custody of the trustees of trust funds where both principal and income can be used to support Town programs.

Traffic Calming Project Fund – Reports as a capital project fund and used to account for the transactions related to 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 five nonmajor governmental funds.

Fiduciary Funds

The Town also reports the following fiduciary funds:

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

Agency 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 monies held on behalf of NH #1 Rural Cellular Inc.

I.C. Assets, Liabilities, and Net Assets 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,

**TOWN OF DUBLIN, NEW HAMPSHIRE
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collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

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

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

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

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

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. 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. *Fund Equity*

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

- Invested in capital assets, net of related debt, 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 the capital assets, this amount is negative, reflecting only the debt.

**TOWN OF DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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- Restricted for perpetual care, which consists of the balance of the permanent funds that is allowed to be used only for cemetery care.
- Restricted for other purposes, which consists of the balance of the permanent funds that is allowed to be used for other Town purposes.
- Unrestricted, which consists of the remaining balance of net assets.

The governmental funds report the following reservations of fund balance:

- Reserve for encumbrances, which consists of the balance of unexpended appropriations for specific purposes to be carried over to supplement the appropriations of the subsequent year.
- Reserve for endowments, which consists of the balance of permanent funds that was donated or left to the Town for specific purposes.
- Reserve for special purposes, which consists of the remaining balance of the permanent funds (without the endowments).
- Reserve for tax deeded property, which consists of the property acquired by tax deed that although a component of fund balance, is not available for appropriation.
- Unreserved, undesignated, which is comprised of the remainder of the fund balances.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2010, \$77,726 of the unreserved fund balance from 2009 was voted to be used for specific purposes.

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

**TOWN OF DUBLIN, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
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Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Investments

As of December 31, 2010, the Town’s reporting entity had the following investments:

Certificates of Deposit	\$ 1,284,596
Mutual Funds	404,246
Common Stock	511,111
New Hampshire Public Deposit Investment Pool	17,244
	\$ 2,217,197

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,990,725
Fiduciary funds - statement of fiduciary net assets (Exhibit 7)	226,472
Total	\$ 2,217,197

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.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Town’s investment in a single issuer. The Town does not have an investment policy that addresses concentration of credit risk. As of December 31, 2010, the only investments that exceeded 5% of the total investments were those in Vanguard GNMA Fund (\$127,693), Vanguard Short-Term Investment Grade Fund (\$65,199) and Vanguard 500 Index Fund (\$51,488) which represent 13.48%, 6.88% and 5.44%, respectively.

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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 of an outside party. Of the Town's \$947,619 of investments, \$915,358 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.2. Receivables, and Uncollectible Accounts

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year's billing. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of liened taxes. Properties not redeemed within two years of the date of the tax lien are deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2009 property taxes on May 13.

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 deedings, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

The net assessed valuation as of April 1, 2010, upon which the 2010 property tax levy was based was:

For the New Hampshire education tax	\$ 252,292,146
For all other taxes	\$ 255,487,846

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The tax rates and amounts assessed for the year ended December 31, 2010 were as follow:

	Per \$1,000 of Assessed Valuation	
Municipal portion	\$5.59	\$ 1,427,917
School portion:		
State of New Hampshire	\$2.25	566,943
Local	\$10.49	2,680,225
County portion	\$3.07	785,165
Total property taxes assessed		\$ 5,460,250

The following details the taxes receivable at year-end:

Property:		
Levy of 2010		\$ 345,513
Unredeemed (under tax lien):		
Levy of 2009		72,026
Levy of 2008		47,832
Levy of 2007		6,806
Timber		215
Less: allowance for estimated uncollectible taxes		(132,000)
Net taxes receivable		\$ 340,392

III.B. Liabilities

III.B.1 Intergovernmental Payables

The amount due to other governments at December 31, 2010 of \$1,423,849 represents the balance of the 2010-2011 district assessment due to the Contoocook Valley School District.

III.B.2 Long-Term Debt

General obligation notes are approved by the voters and repaid with general revenues (property taxes). These notes are backed by the full faith and credit of the Town. Other debt includes a capital lease and accrued landfill postclosure care costs. Long-term debt currently outstanding is as follows:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2010	Current Portion
General obligation note payable:						
Land purchase	\$ 150,000	2002	2012	5.25	\$ 36,383	\$ 17,750
Capital lease payable:						
Fire truck	\$ 319,867	2008	2015	4.15	237,550	43,733
Accrued landfill postclosure care costs					30,000	3,000
					\$ 303,933	\$ 64,483

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Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2010:

	General Obligation Note Payable	Capital Lease Payable	Accrued Landfill Postclosure Care Costs	Total
Balance, beginning	\$ 53,296	\$ 279,544	\$ 40,000	\$ 372,840
Reductions	(16,913)	(41,994)	(10,000)	(68,907)
Balance, ending	<u>\$ 36,383</u>	<u>\$ 237,550</u>	<u>\$ 30,000</u>	<u>\$ 303,933</u>

Debt Service Requirements to Maturity

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

Fiscal Year Ending December 31,	Principal	Interest	Total
2011	\$ 17,750	\$ 1,872	\$ 19,622
2012	18,633	989	19,622
Totals	<u>\$ 36,383</u>	<u>\$ 2,861</u>	<u>\$ 39,244</u>

The annual debt service requirements to maturity for the capital lease as of year-end are as follow:

Fiscal Year Ending December 31,	Principal	Interest	Total
2011	\$ 43,733	\$ 9,841	\$ 53,574
2012	45,545	8,029	53,574
2013	47,432	6,142	53,574
2014	49,397	4,177	53,574
2015	51,443	2,131	53,574
Totals	<u>\$ 237,550</u>	<u>\$ 30,320</u>	<u>\$ 267,870</u>

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

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lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as "interfund receivables/payables."

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

Receivable Fund	Payable Fund	Amount
General	Traffic Calming Project	\$ 413,532
Nonmajor	General	3,741
		\$ 417,273

The amount due to the General Fund from the Traffic Calming Project represents expenditures made from the pooled cash fund for the project to be reimbursed with grant funding. The amount due to the nonmajor funds from the General Fund represents \$2,494 due back to the Recycling Fund for the overpayment of 2008 Special Warrant Articles, and \$1,247 due to the Conservation Commission Land Acquisition Fund for half of the land use change tax collected and the unspent balance of the conservation appropriation.

III.C.2. Transfers

Transfers within the reporting entity were substantially for the purposes of funding or expending capital reserve and other expendable accounts, moving income earned in the Permanent Fund for cemetery or welfare purposes to the General Fund for expenditure, moving \$18,000 from the Recycling Fund to be used for the baler purchase, moving the previous year's sale of lots income to the Permanent Fund, and putting the unexpended balance of the conservation line into the Conservation Commission Fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

The following schedule reports transfers within the reporting entity:

	Transfers In:			Total
	General Fund	Expendable Trust Fund	Nonmajor Funds	
Transfers out:				
General Fund	\$ -	\$ 76,901	\$ 497	\$ 77,398
Expendable Trust Fund	122,000	-	-	122,000
Permanent Fund	14,500	-	-	14,500
	\$ 136,500	\$ 76,901	\$ 497	\$ 213,898

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IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the Town was a member of the Local Government Center Property-Liability Trust, Inc., which is considered a public entity risk pool, currently operating as a common risk management and insurance program for member governmental entities.

Local Government Center Property-Liability Trust, Inc. (the Trust) – This Trust 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 the Trust, 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.

Contributions paid in 2010 for fiscal year 2011 ending June 30, 2011; to be recorded as an insurance expenditure/expense totaled \$25,477. There were no unpaid contributions for the year ending June 30, 2011 and due in 2010. 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 Town also paid \$19,467 for workers' compensation coverage for the year ended December 31, 2010.

IV.B. Retirement Pensions

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

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rate of contribution for police is 9.3% of gross earnings. The rate of contribution for other employees is 5% of gross earnings. For the period of January 1 to June 30, the rate of contribution for pension and the medical subsidy from the Town was 13.66% for police, and 9.16% for other employees, which consisted of 70% of the total employer cost for police, and 100% of the total cost for other employees. For the period of July 1 to December 31, the rate of contribution for pension and the medical subsidy was 14.63% for police, and 9.16% for other employees, which consisted of 75% of the total employer cost for police, and 100% of the total cost for other employees. The balance of the employer cost for police was paid by the State of New Hampshire. Employer contributions from the

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Town during the years 2008, 2009 and 2010 were \$48,059, \$50,432 and \$51,531, respectively. The amounts are paid on a monthly basis as due. The amount paid by the State for 2010 was \$7,842. This amount has been reported as an expenditure/expense and revenue on the government-wide statement of activities and on the governmental funds statement of revenues, expenditures and changes in fund balances.

IV.C. Contingent Liabilities

There are a couple of possible claims pending against the Town that arose in the normal course of operations. The Town does not feel that ultimate settlement of these claims will result in any material effect to the financial statements. Also, there is always a possibility when federal and state grants are received, that the awarding or pass-through agencies may determine that certain expenditures are not allowable, but the Town does not feel that it is likely that any material amounts of the grants expended during the year will be disallowed.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 9
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 1,447,010	\$ 1,447,010	\$ 1,402,612	\$ (44,398)
Licenses, permits and fees	234,500	234,500	241,633	7,133
Intergovernmental	177,704	187,704	192,795	5,091
Charges for services	20,000	20,000	29,333	9,333
Miscellaneous	34,545	34,545	80,388	45,843
Total revenues	<u>1,913,759</u>	<u>1,923,759</u>	<u>1,946,761</u>	<u>23,002</u>
EXPENDITURES				
Current:				
General government	370,178	370,178	337,381	32,797
Public safety	464,768	464,768	412,412	52,356
Highways and streets	577,051	577,051	550,982	26,069
Sanitation	154,889	154,889	149,950	4,939
Health	7,398	7,398	4,130	3,268
Welfare	46,080	46,080	24,429	21,651
Culture and recreation	112,950	112,950	111,495	1,455
Conservation	4,661	4,661	4,163	498
Debt service:				
Principal	16,864	16,864	16,913	(49)
Interest	2,799	2,799	2,749	50
Capital outlay	293,446	303,446	259,946	43,500
Total expenditures	<u>2,051,084</u>	<u>2,061,084</u>	<u>1,874,550</u>	<u>186,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(137,325)</u>	<u>(137,325)</u>	<u>72,211</u>	<u>209,536</u>
Other financing sources (uses):				
Transfers in	136,500	136,500	136,500	-
Transfers out	(76,901)	(76,901)	(77,398)	(497)
Total other financing sources and uses	<u>59,599</u>	<u>59,599</u>	<u>59,102</u>	<u>(497)</u>
Net change in fund balance	<u>\$ (77,726)</u>	<u>\$ (77,726)</u>	131,313	<u>\$ 209,039</u>
Increase in reserve for tax deeded property			(24,612)	
Unreserved fund balance, beginning			495,807	
Unreserved fund balance, ending			<u>\$ 602,508</u>	

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

**TOWN OF DUBLIN, NEW HAMPSHIRE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
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Reconciliation of General Fund Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 9 (budgetary basis)	\$ 2,083,261
Adjustment:	
Basis difference:	
On-behalf retirement contribution payments made by the State of New Hampshire recognized as revenue on the GAAP basis, but not on the budgetary basis	7,842
Per Exhibit 5 (GAAP basis)	<u>\$ 2,091,103</u>
 Expenditures and other financing uses:	
Per Exhibit 9 (budgetary basis)	\$ 1,951,948
Adjustments:	
Basis difference:	
Encumbrances, beginning	1,500
Encumbrances, ending	(107,510)
On-behalf retirement contribution payments made by the State of New Hampshire recognized as expenditures on the GAAP basis, but not on the budgetary basis	7,842
Per Exhibit 5 (GAAP basis)	<u>\$ 1,853,780</u>

COMBINING AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 10
TOWN OF DUBLIN, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2010

	Special Revenue Funds					Total
	Library	History	Recycling	Police Special	Conservation Commission	
ASSETS						
Cash and cash equivalents	\$ 8,898	\$ -	\$ 72,332	\$ 516	\$ 27,294	\$ 109,040
Investments	66,338	17,244	-	-	-	83,582
Interfund receivable	-	-	2,494	-	1,247	3,741
Total assets	<u>\$ 75,236</u>	<u>\$ 17,244</u>	<u>\$ 74,826</u>	<u>\$ 516</u>	<u>\$ 28,541</u>	<u>\$ 196,363</u>
FUND BALANCES						
Unreserved, undesignated	<u>\$ 75,236</u>	<u>\$ 17,244</u>	<u>\$ 74,826</u>	<u>\$ 516</u>	<u>\$ 28,541</u>	<u>\$ 196,363</u>

EXHIBIT 11
TOWN OF DUBLIN, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2010

	Special Revenue Funds					Total
	Library	History	Recycling	Police Special	Conservation Commission	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 750
Charges for services	399	-	18,556	230	-	19,185
Miscellaneous	9,059	36	179	201	64	9,539
Total revenues	<u>9,458</u>	<u>36</u>	<u>18,735</u>	<u>431</u>	<u>814</u>	<u>29,474</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	336	-	336
Culture and recreation	2,716	-	-	-	-	2,716
Total expenditures	<u>2,716</u>	<u>-</u>	<u>-</u>	<u>336</u>	<u>-</u>	<u>3,052</u>
Excess of revenues over expenditures	<u>6,742</u>	<u>36</u>	<u>18,735</u>	<u>95</u>	<u>814</u>	<u>26,422</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	497	497
Net change in fund balances	6,742	36	18,735	95	1,311	26,919
Fund balance, beginning	68,494	17,208	56,091	421	27,230	169,444
Fund balances, ending	<u>\$ 75,236</u>	<u>\$ 17,244</u>	<u>\$ 74,826</u>	<u>\$ 516</u>	<u>\$ 28,541</u>	<u>\$ 196,363</u>

EXHIBIT 12
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2010

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,383,538	\$ 1,337,132	\$ (46,406)
Land use	750	950	200
Timber	8,000	6,801	(1,199)
Excavation	210	211	1
Payments in lieu of taxes	14,512	15,791	1,279
Interest and penalties on delinquent taxes	40,000	41,727	1,727
Total taxes	<u>1,447,010</u>	<u>1,402,612</u>	<u>(44,398)</u>
Licenses, permits and fees:			
Motor vehicle permits	225,000	232,047	7,047
Building permits	6,500	6,513	13
Other	3,000	3,073	73
Total licenses, permits and fees	<u>234,500</u>	<u>241,633</u>	<u>7,133</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	68,713	68,713	-
Highway block grant	74,437	74,437	-
State and federal forest land	149	636	487
Flood control reimbursement	12,062	12,062	-
Emergency management	22,343	18,283	(4,060)
Federal sources:			
Hazard mitigation	10,000	10,000	-
Police	-	8,664	8,664
Total intergovernmental	<u>187,704</u>	<u>192,795</u>	<u>5,091</u>
Charges for services:			
Income from departments	<u>20,000</u>	<u>29,333</u>	<u>9,333</u>
Miscellaneous:			
Sale of property	7,230	43,980	36,750
Interest on investments	10,000	9,860	(140)
Rents	17,315	21,060	3,745
Insurance dividends and reimbursements	-	4,000	4,000
Contributions and donations	-	520	520
Other	-	968	968
Total miscellaneous	<u>34,545</u>	<u>80,388</u>	<u>45,843</u>
Other financing sources:			
Transfers in			
Expendable trust funds	117,000	122,000	5,000
Nonmajor funds	19,500	14,500	(5,000)
Total other financing sources	<u>136,500</u>	<u>136,500</u>	<u>-</u>
Total revenues and other financing sources	2,060,259	<u>\$ 2,083,261</u>	<u>\$ 23,002</u>
Use of fund balance to reduce taxes	77,726		
Total revenues, other financing sources and use of fund balance	<u>\$ 2,137,985</u>		

EXHIBIT 13
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2010

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 100,211	\$ 97,998	\$ -	\$ 2,213
Election and registration	-	5,146	4,628	-	518
Financial administration	-	85,572	82,021	-	3,551
Revaluation of property	-	21,854	18,138	-	3,716
Legal	-	22,500	18,684	-	3,816
Personnel administration	-	22,900	21,829	-	1,071
Planning and zoning	-	7,805	4,564	-	3,241
General government buildings	-	26,719	26,282	-	437
Cemeteries	-	18,073	15,776	-	2,297
Insurance, not otherwise allocated	-	29,785	25,182	-	4,603
Advertising and regional associations	-	3,033	3,007	-	26
Other	-	26,580	19,272	-	7,308
Total general government	-	370,178	337,381	-	32,797
Public safety:					
Police	-	319,457	283,944	-	35,513
Fire	-	130,557	115,943	-	14,614
Building inspection	-	6,669	5,229	-	1,440
Emergency management	-	8,085	7,296	-	789
Total public safety	-	464,768	412,412	-	52,356
Highways and streets:					
Highways and streets	1,500	569,751	543,935	-	27,316
Street lighting	-	7,300	8,547	-	(1,247)
Total highways and streets	1,500	577,051	552,482	-	26,069
Sanitation:					
Solid waste disposal	-	154,889	149,950	-	4,939
Health:					
Administration	-	3,449	496	-	2,953
Pest control	-	2,014	1,713	-	301
Health agencies and hospitals	-	1,935	1,921	-	14
Total health	-	7,398	4,130	-	3,268
Welfare	-	46,080	24,429	-	21,651
Culture and recreation:					
Parks and recreation	-	31,027	29,462	-	1,565
Public library	-	79,053	73,952	-	5,101
Patriotic purposes	-	1,000	995	-	5
Other	-	1,870	7,086	-	(5,216)
Total culture and recreation	-	112,950	111,495	-	1,455
Conservation	-	4,661	4,163	-	498

continued

EXHIBIT 13 (Continued)
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2010

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal	-	16,864	16,913	-	(49)
Interest	-	2,799	2,749	-	50
Total debt service	-	19,663	19,662	-	1
Capital outlay:					
Machinery, vehicles and equipment	-	130,500	116,668	-	13,832
Buildings	-	47,726	20,633	-	27,093
Improvements other than buildings	-	125,220	15,135	107,510	2,575
Total capital outlay	-	303,446	152,436	107,510	43,500
Other financing uses:					
Transfers out:					
Expendable trust funds	-	76,901	76,901	-	-
Nonmajor funds	-	-	497	-	(497)
Total other financing uses	-	76,901	77,398	-	(497)
Total encumbrances, appropriations, expenditures and other financing uses	\$ 1,500	\$ 2,137,985	\$ 1,845,938	\$ 107,510	\$ 186,037

EXHIBIT 14
TOWN OF DUBLIN, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unreserved - Undesignated Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2010

Unreserved, undesignated fund balance, beginning		\$ 495,807
Changes:		
Unreserved fund balance used to reduce tax rate		(77,726)
Budget summary:		
Revenue surplus (Exhibit 12)	\$ 23,002	
Unexpended balance of appropriations (Exhibit 13)	<u>186,037</u>	
Budget surplus		209,039
Increase in reserve for tax deeded property		<u>(24,612)</u>
Unreserved, undesignated fund balance, ending		<u><u>\$ 602,508</u></u>

SINGLE AUDIT RELATED INFORMATION

EXHIBIT 15
TOWN OF DUBLIN, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	CFDA Number	Pass Through Grantor's Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the State of New Hampshire Department of Transportation			
Highway Planning and Construction:			
Traffic Calming and Safety	20.205	14318	\$ 142,339
Main Street Sidewalks	20.205	14319	<u>373,048</u>
PROGRAM TOTAL			<u>515,387</u>
Passed through the State of New Hampshire Department of Safety			
State and Community Highway Safety:			
Booking Room Video	20.600	308-10A-168	2,500
Speed Control	20.600	315-10A-116	<u>3,532</u>
PROGRAM TOTAL			<u>6,032</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants:			
DWI Patrols	20.601	308-10A-065	1,184
DWI Patrols	20.601	308-10A-117	<u>848</u>
PROGRAM TOTAL			<u>2,032</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the State of New Hampshire Department of Safety			
Emergency Management Performance Grants	97.042		<u>10,000</u>
DIRECT FUNDING			
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program			<u>600</u>
GRAND TOTAL			<u>\$ 534,051</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

TOWN OF DUBLIN, NEW HAMPSHIRE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Dublin under programs of the federal government for the year ended December 31, 2010. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Town of Dublin, it is not intended to and does not present the financial position or changes in net assets of the Town of Dublin.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.



Roberts, Greene & Drolet, PLLC

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited 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, 2010, which collectively comprise the Town of Dublin's basic financial statements and have issued our report thereon dated May 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Dublin's internal control over financial reporting as a basis for designing our auditing procedures 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 of Dublin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Dublin's internal control over financial reporting.

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 Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dublin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Selectmen, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Roberts, Greene & Drolet, PLLC

May 9, 2011



Roberts, Greene & Drolet, PLLC

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Town of Dublin's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2010. The Town of Dublin's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Town of Dublin's management. Our responsibility is to express an opinion on the Town of Dublin's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Dublin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Dublin's compliance with those requirements.

In our opinion, the Town of Dublin complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the Town of Dublin is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Dublin's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Dublin's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

TOWN OF DUBLIN, NEW HAMPSHIRE
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CORCULAR A-133

This report is intended solely for the information and use of management, the Board of Selectmen, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Roberts, Greene & Drolet, PLLC

May 9, 2011

**TOWN OF DUBLIN, NEW HAMPSHIRE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

1. The auditor’s report issued contained an unqualified opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information.
2. There were no material weaknesses identified in the internal control over financial reporting.
3. There were no significant deficiencies identified in the internal control over financial reporting that were not considered to be material weaknesses.
4. There was no noncompliance material to the financial statements noted.

Federal Awards

1. There were no material weaknesses identified in the internal control over major programs.
2. There were no significant deficiencies identified in the internal control over major programs that were not considered to be material weaknesses.
3. The auditor’s report issued on compliance for major programs contained an unqualified opinion.
4. There were no audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133.
5. The program tested as a major program was CFDA No. 20.205: Highway Planning and Construction.
6. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
7. The auditee did not qualify as a low-risk auditee.

Section II – Financial Statement Finding

NONE

Section III – Federal Award Findings and Questioned Costs

NONE