

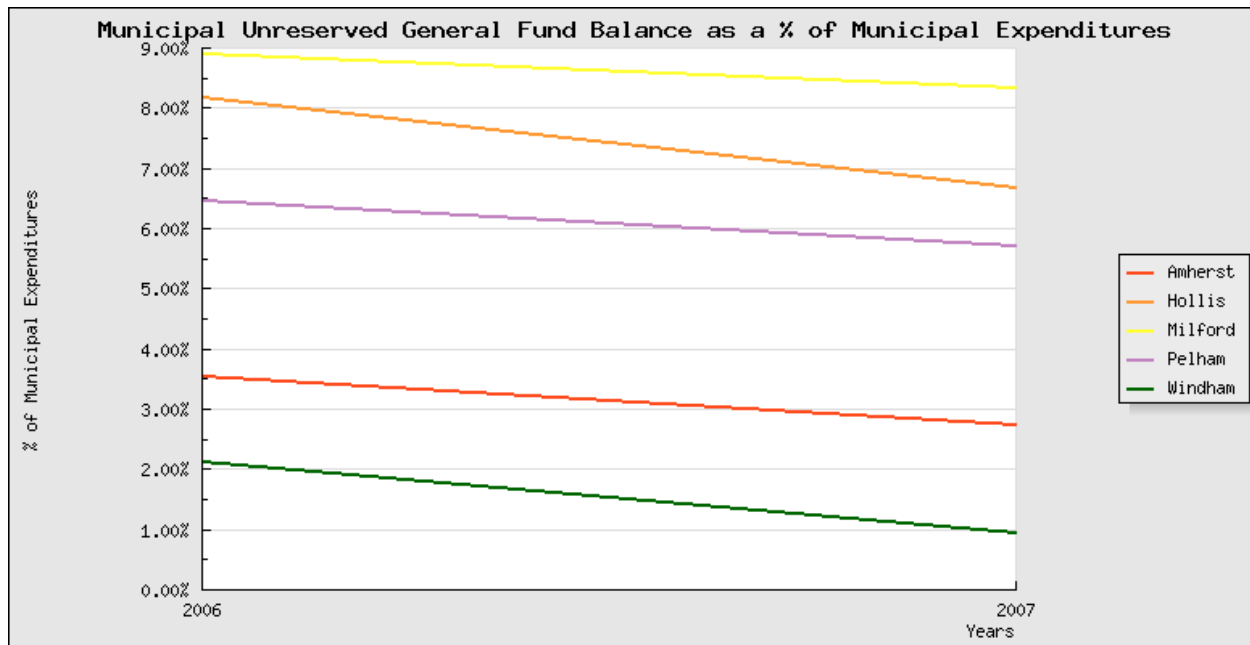
Fund Balance & Tax Rate Setting

The following shows the budgetary basis undesignated fund balance that is reported to the NH Department of Revenue Administration (DRA) on the Town's annual MS-5 report (*as reflected in Schedule 1 of the Required Supplementary Information per the audited financial statements*):

	2009	2008	2007	2006	2005	2004
Total fund balance – budgetary basis	\$776,516	\$888,627	\$742,886	\$965,871	\$985,491	\$1,395,935
Portion designated for continuing appropriations	(196,152)	(250,012)	(360,050)	(165,393)	(395,803)	(662,113)
Available for tax rate setting	\$580,364	\$638,615	\$382,836	\$800,478	\$589,688	\$733,822
Amount used to reduce next year's tax rate	\$280,364	\$338,615	\$82,836	\$550,478	\$324,600	\$483,822
Remainder	\$300,000	\$300,000	\$300,000	\$250,000	\$265,088	\$250,000

Note: The Board of Selectmen voted in September 2008 to maintain the retained amount of fund balance at \$300,000.

The DRA recommends an undesignated fund balance of between 5% and 10% of total gross appropriations for Town, School and County. For 2009, total appropriations (representing total property tax commitment) were \$43,022,112, therefore, at 5% of that, we would need to have \$2.2 million, versus our \$300,000. See graph below for comparable information based on other NH municipalities.



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Underlying Data for Graph (obtained from each municipality's Annual Report, Form MS-5 submitted to the DRA):

<u>2007</u>	UNDESIG FB	TOTAL EXPENDITURES	
Amherst	1,123,354	41,097,035	2.73%
Hollis	1,845,112	27,661,632	6.67%
Milford	2,688,501	32,246,564	8.34%
Pelham	1,764,979	30,988,227	5.70%
Windham	382,837	40,365,839	0.95%