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Annual Report



Lancaster,
New Hampshire

1985

UNIVERSITY OF NEW HAMPSHIRE

LIFE

(Cover photo: The A. J. Marshall building on Middle Street, located on the site now occupied by Kilkenny Building Supply.)

Annual Report

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New Hampshire

Democrat Printing, Lancaster, N.H.

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Elected Officials

Selectmen	
Dean H. Wesson	1986
John P. Martin	1987
Michael W. Beattie	1988
Moderator	
Robert D. Calamari	1986
Town Clerk	
Jean E. Oleson	1987
Town Treasurer	
Michael W. Nadeau	1987
Supervisors of the Check List	
Robert C. Rich	1986
Constance Cardinal	1988
Clifford A. Rowe	1990
Trustees of Trust Funds	
Daniel J. Truland	1986
Dennis Merrow	1987
Mary Jane Falkenham	1988
Library Trustees	
Susan E. Leslie (resigned)	1986
Albert Tetreault	1987
Eva Matthews	1988
Col. Town Spending Committee	
Geraldine Tetreault	1986
James Hampton	1986
David Haas	1986
Clifford A. Rowe	1987
James B. Fitch	1987
Ronald N. Bailey	1987
Harrison Southworth	1988
Phillip Page, D.V.M.	1988
Elwin Falkenham, M.D.	1988

Col. Town Investment Committee

Douglas B. McCaig
Hugh Galbraith
Richard Rochefort

Raymond Carr
Kevin Kopp
James Seppala

Cemetery Trustees

Ronald N. Bailey 1986
Betty E. Newell 1987
Raymond Wheeler 1988

Emmons Smith Fund Committee

Mary B. Smith 1986
Eleanor D. Kenney 1987
Jean Foss 1988

Budget Committee

Clifford A. Rowe 1986
Maynard G. White (deceased) 1986
Earle K. Amadon 1986
Charlotte D. Quay 1986
Lee Eastman, Sr. 1987
Philip Page, D.V.M. 1987
Janet M. Ouellet 1987
Atty. Robert D. Calamari 1988
Howard R. Piche 1988
James Seppala 1988

Representative of the Budget Committee

Dean H. Wesson

APPOINTED

Town Manager

Tax Collector - Building Inspector

Deputy Tax Collector, Water/Sewer Collector

Town Accountant

Town Counsel

Health Officer

Public Health Nurse

Overseer of Public Welfare

Donald E. Crane

Arn M. Huddleston

Michael W. Nadeau

Atty. Robert D. Calamari

Elwin R. Falkenham, M.D.

Roberta Daycock, Director

Zoning Board of Appeal

Norman Vashaw 1986
Carl Ramsdell 1987
Eleanor D. Kenney 1987
Paul E. Thurston 1988
Chester Savage, Jr. 1988

Planning Board	
Aurore Hood	1986
Roger Gingue	1986
John P. Martin	1987
Paul T. Crane	1987
Atty. Paul P. Desjardins	1987
Wayne Marshall	1988
George Smith	1988

Conservation Commission	
Richard C. Belmore	1986
Robert Napolitano	1986
Priscilla Handler	1987
Dana Blais	1987
Fred Emerson	1988
Irene Connary	1988

Town History Committee	
Faith Kent	Glenn S. Sheridan
Edna E. Whyte	James B. Fitch
Cecile Costine	

Housing Authority	
Dennis Merrow	Kevin Kopp
Millard Martin, Jr.	James Seppala

Librarians
 Barbara Miller (retired)
 Barbara Roberts
 Holly Verrier

Fire Chief
 David Fuller (Appointed 12/84)

Chief of Police
 Allvin L. Leonard

Superintendent of Recreation
 Louis F. Leaver

Water Department Foreman
 Roger N. Emery

Highway Foreman
 James Savage

Ambulance Corp Director
 Daniel J. Truland

Report to Citizens

Lancaster took a turn for the better as the "Downtown" has a brighter look, an encouraging sign of even better things to come. Many in the business community deserve appropriate recognition for their courage and foresite. Encouraging were the new commercial buildings and rehabilitation of older structures, and many residential properties with new looks.

The wastewater treatment facility in the Grange area began this year. The new sanitary sewer line, in part of Summer Street, Cemetery Street and Depot Street, was installed and will be completed in 1986.

A police station design was prepared and construction approval will be requested at the 1986 Town Meeting.

New insulated doors for the fire station were purchased and will be installed early 1986, continuing the energy conservation effort.

A proposed new bridge over the Israel River, Main Street, was heard at a public information hearing. Further information will be made available in 1986.

The tax rate dropped for the second successive year. This years reduction can be credited to the new School Aid Program.

The year ended with a budget surplus of \$145,136.00, resulting from unexpended balances of appropriations of \$95,364.00 and excess revenues over estimates of \$49,772.00, less reserves for encumbrances of \$58,159.

I express my appreciation to the Board of Selectmen for their continued leadership, the department heads and employees for the dedicated service; the various committee members and citizens for their cooperation.

DONALD E. CRANE,
Town Manager

Town Budget

The proposed budget for the fiscal year 1986 follows: The budget is prepared by the Budget Committee from information furnished by the Board of Selectmen and other Town Officers. The Budget Committee held a public hearing for a general discussion of all recommended appropriations. Expression from the public is a determining factor as to the amount of appropriations, or a particular appropriation. Many long hours were spent by the Committee and Town Officials in preparation of the Budget. It is their feeling that the expression of the public is reflected in the Budget.

Included is the estimate of revenues and actual revenues; appropriations and expenditures of the previous year, 1985.

PURPOSES OF APPROPRIATION (RSA 31:4)	Actual Appropriations 1985 (1985-86)	Actual Expenditures 1985 (1985-86)	Selectmen's Budget 1986 (1986-87)	Budget Committee	
				Recommended 1986 (1986-87)	Not Recommended
GENERAL GOVERNMENT					
1 Town Officers Salary	\$ 51,920.00	51,915.00	54,410.00	54,410.00	
2 Town Officers Expenses	23,350.00	27,634.81	25,000.00	25,000.00	
3 Election and Registration Expenses	500.00	381.41	1,400.00	1,400.00	
4 Cemeteries	1,500.00	1,500.00	2,500.00	2,500.00	
5 General Government Buildings	25,760.00	27,161.86	26,460.00	26,460.00	
6 Reappraisal of Property	20,000.00	20,000.00	25,500.00	25,500.00	
7 Planning and Zoning	4,331.00	4,292.06	4,331.00	4,331.00	
8 Legal Expenses	6,000.00	3,928.44	4,000.00	4,000.00	
9 Advertising and Regional Association	5,200.00	5,151.77	15,850.00	15,850.00	
10 Contingency Fund	8,000.00	-0-	8,000.00	8,000.00	
11					
12					
13					
14					
PUBLIC SAFETY					
15 Police Department	139,300.00	149,725.50	148,300.00	148,300.00	
16 Fire Department	25,300.00	18,069.52	30,800.00	30,800.00	
17 Civil Defense					
18 Building Inspection					
19					
20					
21					
22					
HIGHWAYS, STREETS & BRIDGES					
23 Town Maintenance	236,800.00	249,448.97	254,950.00	254,950.00	
24 General Highway Department Expenses					
25 Street Lighting	34,000.00	33,344.53	34,000.00	34,000.00	
26 Whitefield Regional Airport	-0-	-0-	-0-	500.00	
27					
28					
29					
30					
SANITATION					
31 Solid Waste Disposal	69,641.00	68,323.16	76,950.00	76,950.00	
32 Garbage Removal	4,000.00	3,930.42	4,050.00	4,050.00	
33					
34					
35					
36					
HEALTH					
37 Health Department	13,994.00	13,994.00	400.00	14,094.00	
38 Hospitals and Ambulances	17,000.00	22,113.54	20,500.00	20,500.00	
39 Animal Control	900.00	719.00	900.00	900.00	
40 Vital Statistics					
41					
42					
43					

WELFARE					
44	General Assistance	20,000.00	7,410.27	11,000.00	11,000.00
45	Old Age Assistance	19,500.00	17,955.66	4,000.00	4,000.00
46	Aid to the Disabled				
47	C.A.P., Outreach	1,550.00	1,550.00	-0-	1,600.00
48					

PURPOSES OF APPROPRIATION (RSA 31:4)	Actual Appropriations 1985 (1985-86)	Actual Expenditures 1985 (1985-86)	Selectmen's Budget 1986 (1986-87)	Budget Committee		
				Recommended 1986 (1986-87)	Not Recommended	
CULTURE AND RECREATION						
49	Library	\$ 25,884.00	34,376.98	34,564.00	36,564.00	
50	Parks and Recreation	162,933.00	162,086.08	152,324.00	153,824.00	
51	Patriotic Purposes	400.00	400.00	500.00	500.00	
52	Conservation Commission					
53						
54						
55						
56						
DEBT SERVICE						
57	Principal of Long-Term Bonds & Notes	123,725.00	123,725.00	123,725.00	123,725.00	
58	Interest Expense - Long-Term Bonds & Notes	38,175.00	38,160.53	32,235.00	32,235.00	
59	Interest Expense - Tax Anticipation Notes	11,500.00	11,397.26	11,500.00	11,500.00	
60	Fiscal Charges on Debt					
61						
62						
CAPITAL OUTLAY						
63	New Equipment	64,500.00	55,974.85	42,500.00	42,500.00	
64	Ambulance	-0-	-0-	54,000.00	54,000.00	
65	Solid Waste Disposal Engrng.	-0-	-0-	13,600.00	13,600.00	
66	Police Station Design/Constr.	2,000.00	1,500.00	97,000.00	97,000.00	
OPERATING TRANSFERS OUT						
67	Payments to Capital Reserve Funds:					
68	Highway Department	20,000.00	20,000.00	24,000.00	24,000.00	
69	Fire Equipment	8,000.00	8,000.00	8,000.00	8,000.00	
70	Ambulance	3,000.00	3,000.00	3,000.00	3,000.00	
71						
72						
73						
74						
75						
MISCELLANEOUS						
76	Municipal Water Department	73,000.00	68,982.25	88,300.00	88,300.00	
77	Municipal Sewer Department	62,400.00	54,720.37	66,550.00	66,550.00	
78	Municipal Electric Department					
79	FICA, Retirement & Pension Contributions	34,500.00	29,694.37	30,500.00	30,500.00	
80	Insurance	59,010.00	60,356.63	77,010.00	77,010.00	
81	Unemployment Compensation	2,650.00	2,508.85	2,600.00	2,600.00	
82						
83						
84						
85	TOTAL APPROPRIATIONS	1,420,223.	1,403,433.09	1,615,209	1,632,903.	1,600.00

Less: Amount of Estimated Revenues, Exclusive of Taxes (Line 133) _____

Amount of Taxes to be Raised (Exclusive of School and County Taxes) _____

BUDGET OF THE TOWN OF LANCASTER, N.H.

BUDGET FOR TOWNS WHICH HAVE ADOPTED THE PROVISIONS
OF THE MUNICIPAL BUDGET LAW

SOURCES OF REVENUE		Estimated Revenues 1985 (1985-86)	Actual Revenues 1985 (1985-86)	Selectmen's Budget 1986 (1986-87)	Estimated Revenues 1986 (1986-87)
TAXES					
86	Resident Taxes	\$ 20,740.00	\$ 17,743.00	\$ 20,700.00	\$ 20,700.00
87	National Bank Stock Taxes	2,000.00	1,899.70	2,000.00	2,000.00
88	Yield Taxes	5,000.00	8,663.87	5,000.00	5,000.00
89	Interest and Penalties on Taxes	59,000.00	51,317.81	51,500.00	51,500.00
90	Inventory Penalties				
91					
92					
INTERGOVERNMENTAL REVENUES - STATE					
93	Shared Revenue - Block Grant	77,091.00	77,091.50	77,090.00	77,090.00
94	Highway Block Grant	49,862.00	49,862.37	47,045.00	47,045.00
95	Railroad Tax				
96	State Aid Water Pollution Projects	75,756.00	75,756.00	73,631.00	73,631.00
97	Reimb. a/c State-Federal Forest Land	2,387.00	2,024.22	2,387.00	2,387.00
98	Other Reimbursements				
99	Business Profits Tax	144,923.00	144,923.00	144,900.00	144,900.00
100					
101					
102					
INTERGOVERNMENTAL REVENUES - FEDERAL					
103					
104					
105					
106					
107					
LICENSES AND PERMITS					
108	Motor Vehicle Permit Fees	120,000.00	146,796.00	147,000.00	147,000.00
109	Dog Licenses	1,100.00	987.00	1,100.00	1,100.00
110	Business Licenses, Permits and Filing Fees	6,300.00	9,398.31	9,300.00	9,300.00
111					
112					
113					
CHARGES FOR SERVICES					
114	Income from Departments	6,000.00	6,000.00	6,000.00	6,000.00
115	Rent of Town Property	2,600.00	2,450.00	5,700.00	5,700.00
116	Ambulance Fees	20,450.00	23,702.60	22,935.00	22,935.00
117					
118					
119					
MISCELLANEOUS REVENUES					
120	Interest on Deposits	112,200.00	106,440.40	80,224.00	80,224.00
121	Sale of Town Property				
122	Parking Meter Income	5,000.00	5,453.98	5,000.00	5,000.00
123	Col. Town Trust Fund	159,433.00	159,433.00	150,324.00	150,324.00
124	Ambulance Replacement Fund	-0-	-0-	45,000.00	45,000.00
125					
OTHER FINANCING SOURCES					
126	Proceeds of Bonds and Long-Term Notes	-0-	-0-	97,000.00	97,000.00
127	Income from Water and Sewer Departments	136,400.00	135,262.29	154,850.00	154,850.00
128	Withdrawal from Capital Reserve	25,000.00	25,000.00	9,000.00	9,000.00
129	Revenue Sharing Fund	62,000.00	63,378.00	58,200.00	58,200.00
130	Fund Balance	79,911.00	79,911.00	-0-	-0-
131	EPA Grant (Sewer Project)	18,127.00	18,127.00	18,127.00	18,127.00
132					
133	TOTAL REVENUES AND CREDITS	\$1,191,280.00	\$1,211,621.05	\$1,234,013.00	\$1,234,013.00

Board of Assessors

The Board of Selectmen-Assessors are charged with the responsibility of fairly and equitably assessing all taxable property at its full and true value, the assessors have accomplished that very difficult responsibility. The gross assessed valuation of taxable property reached \$29,888,095. Deducted from the gross figure was \$1,306,005 for current use assessments, \$14,400 blind exemption, \$318,150 of valuation for elderly exemptions and solar exemptions totaled \$11,000, making a net taxable valuation of \$28,238,540. The equalization valuation remained at 48% full value.

The current use assessment law offers qualified land owners an assessment on their land at its current use, i.e., farm land, forest land, etc., not taking into consideration its location or its true value or market value. The range of land valuations are determined by the Current Use Advisory Board. Land to qualify must first meet the criteria established under the Current Use Law. The law also contains a provision for a land use change tax of 10 percent, which becomes due if the land changes to a non-qualifying use. Initial applications for current use assessment must be filed before April 16th.

The elderly exemptions are for those property owners, (husband and wife), who have reached the age of 68 years of age and do not have a combined income of more than \$6,000, or for a single person, more than \$5,000 and do not have assets in excess of \$35,000. The elderly exemption is \$5,000 in valuation and is not reduced by the equalization figure. Initial applications are required and must be filed before April 16th of the year in which an exemption is claimed. Application forms are available at the Municipal Offices.

The Board approved a total of 262 applications for Veterans' Exemption, six at \$700 for service connected disability, 256 at \$50 per application or less. The exemption is on taxes and the total taxes exempted was \$17,000.

The Board assessed the \$10 Resident Tax to all known persons between the ages of 18 and 65.

The Board of Assessors held meetings to receive inventories of taxable property forms and answer all inquiries relating to them. Other meetings were arranged for particular situations involving assessments. The Board attended meetings conducted by the New Hampshire Department of Revenue Administration. The Board responded to several assessment appeals and held hearings to hear testimony and receive evidence.

Taxes, Revenues and Tax Rate

Property Taxes: The 1985 property taxes committed to the Tax Collector was \$1,914,573. Add to that amount, \$17,000 for approved Veterans Exemptions and \$12,042 for overlay, abatements and refunds, making the gross property taxes \$1,943,615. The Schools' share of the tax was \$2,030,454, the Town received \$368,128 and Coos County \$184,290.

Other Taxes: The \$10.00 Resident Tax committed totaled \$20,740, while timber Taxes reached a total of \$5,000. National Bank Stock tax received was \$2,000.00.

Revenues: Motor Vehicle permit fees reached a high of \$146,797 and is the single highest local revenue producer. The Town Clerk is the Municipal Agent for the Motor Vehicle Department and issues re-registration certificates for a fee of \$1.50. The Town Clerk's office fees returned \$7,865, license and fees amounted to \$1,533.31. Interest earned on deposits and short term loans totaled \$31,240.

Revenues received from the State included Highway Block Grant, \$49,862, (from the gas tax), Shared Revenues, (formerly Savings Bank Taxes, Rooms and Meals Taxes and Interest & Dividend Tax), \$77,091 and Business Profits Tax of \$144,923, of which the town benefited by \$37,680.00, the remainder being for the schools and county.

Federal Revenue Sharing: The Town received \$62,000 in Federal Revenue and earned interest on the fund of \$3,026.41.

Tax Rate: The approved 1985 tax rate was \$67.80 per \$1,000 of valuation, a reduction of \$4.80 over 1984. The rate for each entity of government was: Municipal \$12.74, School \$48.79 and County \$6.27. The tax rate is determined by applying the total net amount of money necessary to be raised by property taxes to the net taxable valuation of the Town. The 1985 property taxes totaled \$1,914,573 and the net taxable valuation was \$28,238,540.

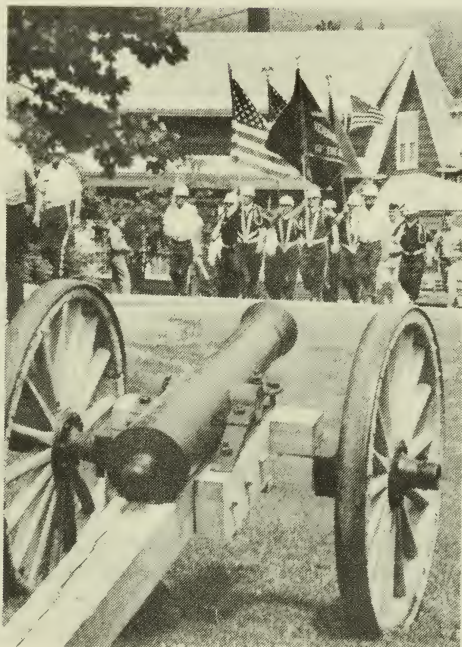
Budget Summary

A summary of the Town's, School's (Lancaster's share of the White Mountain Regional School District) and Coos County, (Lancaster's share) budgets are listed below. The previous year is included for comparison.

<u>SCHOOL</u>	<u>1985</u>	<u>1984</u>
Total Budget Appropriations	\$ 5,242,703.00	\$ 4,722,926.00
Less: Fund Balance & Revenues	1,685,035.00	851,587.00
Raised by District Property Taxes	<u>\$ 3,557,668.00</u>	<u>\$ 3,871,339.00</u>
 Lancaster's Share Total Budget	 2,348,165.00	 2,094,712.00
Less: Fund Balance Share	190,579.00	169,088.00
Revenue Share	197,295.00	208,607.00
Foundation Aid	482,255.00	97,729.00
	<u>\$ 1,478,036.00</u>	<u>\$ 1,619,287.00</u>
 Plus: Property Adjustment	 -0-	 -0-
	<u>1,478,036.00</u>	<u>1,619,287.00</u>
Less Applicable Business Profits Tax	<u>100,142.00</u>	<u>105,075.00</u>
Net Raised by Property Taxes	\$ 1,377,894.00	\$ 1,514,212.00
 <u>TOWN</u>		
Total Appropriations	\$ 1,420,233.00	\$ 1,428,407.00
Less: Revenues	1,052,095.00	1,080,232.00
	<u>368,138.00</u>	<u>348,175.00</u>
Less: Applicable Business Profits Tax	37,680.00	39,536.00
Plus: Veterans Exemptions & Overlay	<u>29,042.00</u>	<u>28,923.00</u>
Net Raised by Property Taxes	\$ 359,500.00	\$ 337,562.00
 <u>COOS COUNTY</u>		
Lancaster's Share Coos County Budget	\$ 184,290.00	\$ 169,981.00
Less: Applicable Business Profits Tax	<u>7,101.00</u>	<u>7,451.00</u>
Net by Property Taxes	\$ 177,189.00	\$ 162,530.00
TOTAL TO BE RAISED BY PROPERTY TAXES	\$ 1,914,583.00	\$ 2,014,304.00
Net Taxable Valuation	\$28,238,540.00	\$27,745,235.00
 TAX RATE:	1985 - School \$48.79 - Town \$12.74 - County \$6.27-Total 67.80	
	1984 - School \$54.58 - Town \$12.16 - County \$5.86-Total 72.60	
	School	Town
Percent of Property Taxes	72.0%	19.0%
		County
		9.0%

SUMMARY OF VALUATIONS

	<u>1985</u>	<u>1984</u>
Lands	\$ 6,034,475.00	\$ 5,981,875.00
Buildings	21,917,595.00	21,481,545.00
Manufactured Housing	429,350.00	424,800.00
Electric Plants	984,325.00	986,570.00
Pipe Lines	351,650.00	351,650.00
Machinery	170,700.00	170,700.00
	<hr/>	<hr/>
TOTAL VALUATION	\$ 29,888,095.00	\$ 29,397,140.00
Less: Current Land Use Assessment	\$ 1,306,005.00	\$ 1,280,155.00
Less: Elderly Exemptions	318,150.00	340,150.00
Less: Blind Exemptions	14,400.00	21,600.00
Less: Solar Exemptions	11,000.00	10,000.00
	<hr/>	<hr/>
NET TAXABLE VALUATION	\$ 28,238,540.00	\$ 27,745,235.00



Town Clerk's Report

Registration of Motor Vehicles

Motor Vehicle Permits Issued in 1985 (3,290)	\$ 146,799.00
Municipal Agent Fees Collected	<u>2,503.50</u>
 Total Collected	 \$ 149,302.50

Licenses & Fines

Dog Licenses Issued	\$ 987.00
Dog Fines Collected	<u>50.00</u>
 Total Collected	 \$ 1,037.00

Town Record Fees

Automobile Title Applications	\$ 811.00
Certified Copies of Vital Records	2,667.00
Filing, Terminating & Searching UCCs	1,534.00
Marriage Intentions	600.00
Legitimations	14.00
Recording Fees for Tax Liens	32.00
Licenses & Fees	<u>97.10</u>
 Total Collected	 \$ 5,755.10

TOTAL REMITTED TO TREASURER	\$ <u>156,094.60</u>
-----------------------------	----------------------

VITAL RECORDS

	<u>1983</u>	<u>1984</u>	<u>1985</u>
Marriages	39	35	30
Births	170	185	189
Deaths	110	77	136

50 of Births were Lancaster residents and 15 were Births of Lancaster residents out of town.

45 of the recorded Deaths were Lancaster residents, 2 Deaths were Lancaster residents who died out of town.

Planning and Zoning

The Lancaster Planning Board meets monthly the second Tuesday of each month, beginning at 7:30 P.M. The hearings are held in the District Court Room, second floor of the Town Hall and are open to the public.

Land owners planning to subdivide their land are reminded that subdivision approval is required prior to a sale.

The Planning Board approved 12 land subdivisions with a total of 25 lots, commercial use and 1 re-subdivision.

One revision of a subdivision that received prior approval was approved by the Board.

ZONING

The Zoning Board of Adjustment held 6 public hearings and heard 6 appeals to build closer to the lot line than the required minimum distance under the Ordinance, one was later withdrawn, 2 requests for temporary use of mobile homes and a request to locate a mobile home in a residential district. A special exception to build a commercial property in the agricultural district was received and approved. All appeals were approved except the request for a mobile home permit.

A reminder that permits are required from the N.H. Energy Office for new buildings and substantial additions to existing buildings. Another requirement by law, that new homes and all rented space must have smoke detectors.

The Building Inspector received 33 applications for building permits, 4 had to be referred to the Zoning Board of Adjustment. Permits were issued for new structures, additions to existing structures and renovations. A summary of the permits and the estimated values follows:

Permits Issued	Estimated Costs
5 Single Residential Family Units	\$ 309,000.00
8 Additions, Alterations, Improvements	99,000.00
6 Garages and Carports	34,500.00
1 Commercial Building	500,000.00
2 Agricultural	6,500.00
6 Other	10,000.00
3 Commercial Additions & Alterations	123,000.00
	<hr/>
TOTAL	\$ 1,082,000.00

North Country Council

Calendar year 1985 was a busy and productive year for the North Country Council as it continued to provide a wide range of assistance to towns and cities in the North Country.

The Council is a regional non-profit, public agency chartered under NH RSA 36:45 and is responsible for providing its member communities assistance in local community planning, economic development, solid waste, transportation and various other community services. Besides the direct assistance the Council provides each member community, it is an advocate for all North Country towns in legislative and funding issues at the state and federal governments.

In Lancaster, we provided recommendations to Town Officials regarding a proposed sign regulation and information on a proposed historic preservation district. We continued to develop a solid waste plan for the community. Town Officials also participated with the Council in initiating a regional economic marketing program.

Economic development is an important part of the Council's overall agency mission. This year the Council produced a video promoting the North Country as "The Sensible Place to do Business." The video was developed to be a marketing tool to assist local development organizations publicize to southern New Hampshire businesses why the North Country is a logical choice of location. In October, the Council co-hosted with Governor John Sununu a development forum in Manchester to discuss with southern New Hampshire business executives the advantages of expanding to the North Country. Over 85 businesses participated in this affair and the response from the business community was very positive. The Council is now developing follow-up contact with interested businesses through the State Office of Industrial Development.

The Council again provided information and guidance to several towns on federal and state grant and loan programs. This past year saw well over \$2.0 million in Community Development Block Grant funds come to the region for such activities as housing rehabilitation, downtown revitalization, business revolving loan funds, and housing rehabilitation feasibility studies.

Community planning assistance has emphasized master planning and improvement in local land use controls. New state mandates and commercial and residential growth in several towns have created busy work loads for planning boards. The Council's assistance takes many forms: regional workshops, newsletters, regulation review and update, and assistance on a regular or one-time basis for subdivision and site plan application.

Overall, the Council's major objective is to work with North Country towns in solving local and regional problems. We rely on and appreciate the involvement of town officials and residents and look forward to assisting your town this coming year.

Elections and Registrations

TOWN MEETING 1985: The meeting opened at 10:00 A.M. March 12th by Moderator Robert D. Calamari. Voting for all Town Officers by official ballot continued until 7:00 P.M., at which time the meeting re-opened for voting on the remaining Articles on the Warrant.

The total official ballots cast were 473 and the results of the ballot voting was:

Selectman	Michael W. Beattie	3 year term
Trustee of Trust Funds	Mary Jane Falkenham	3 year term
Library Trustee	Eva Matthews	3 year term
	Albert Tetreault	2 year term
Budget Committee	Atty. Robert D. Calamari	3 year term
	Howard R. Piche	3 year term
	James A. Seppala	3 year term
Col. Town Spending Committee	Elwin Falkenham, M.D.	3 year term
	Phillip Page, D.V.M.	3 year term
	Harrison Southworth	3 year term
Col. Town Investment Comm.	Richard Rochefort, R.Ph.	3 year term
	James Seppala	3 year term
Ermons Smith Fund Committee	Jean Foss	3 year term

The business session, began at 7:00 P.M. with meaningful discussions.

Article 2, authorized the Selectmen and Town Treasurer to borrow short term money in anticipation of tax revenues and the meeting authorized the Selectmen to dispose of any real estate acquired by Tax Collector's Deed under Article 3.

The meeting authorized withdrawal from the Revenue Sharing Fund the total of \$62,000 and as setoffs against the appropriation for New Equipment in the amount of \$24,500.00 to be used to purchase a body materials spreader, (\$6,000), a motorized Roller, (\$8,500) and \$10,000 toward a front-end loader, the balance coming from the Capital Reserve Fund. Approved \$13,500 to highway maintenance, Fire Dept. supplies \$2,500 and \$19,500 to the Police Department appropriation. The remaining \$2,000 will be used to pay the cost of a design for a police station.

Article 5 approval made it possible for the Town to apply for and expend certain Federal and State Funds, should such funds become available. The authority is limited and if funds were received a public hearing will be held to inform the public.

Article 6 asking authorization to withdraw \$40,000 from the Capital Reserve Fund to be used towards the purchase of a front end loader was amended to \$25,000 and was approved. The bid price of the unit was less than the earlier estimate.

The next 4 articles, 7 to 10, were for appropriations for special interest, all receiving approval; \$1,500.00 Community Action Outreach

Program; Mt. Prospect Ski Area \$1,500.00 and \$1,500 to assist the Chamber of Commerce. The White Mountain Mental Health and Developmental Service will receive \$2,500.00.

The proposed amendment to the Parking Meter Ordinance, under Article 11, received the most debate and finally approved after an amendment was offered. The proposed \$5.00 fine for violations was amended to \$2.00 for the first offense and \$5.00 for each offense thereafter, up to 4, by a standing vote of 49 yes, 44 no. The other amendment for a maximum fine of \$100.00, by the Court, survived a standing vote, 82 yes, 13 no.

The meeting approved the Town Budget appropriations as submitted by the Budget Committee and raised and appropriated the sum of \$1,418,673.00. The amount to be raised by property taxes, after consideration of estimated revenues is approximately \$320,920.00 and authorized the Selectmen to expend the money raised.

The polls closed at 8:20 P.M. after all persons who wished to vote, had voted.



Police Department

Your Police Department is again, as in the past, sincerely grateful for your wholehearted support and cooperation. The special concern and sincere interest shown toward us, by you, the citizenry of Lancaster accomodates the accomplishments and efficiency of your Police Department.

During the past year the department made some changes in our policy and procedures. These changes were made in response to needs to combat the problems noted in certain areas in 1984. During the summer months we increased our foot patrol hours by 30% and at the same time, an increased area of coverage was established within the center portion of the compact area. This change did eliminate much of destruction of property, drinking in public and rowdiness, but at the expense of other enforcement activities. Other changes mandated was more emphasis placed on Main Street traffic control and meter enforcement. The latter being in answer to complaints registered on parking.

There was a very slight decrease noted in over-all complaints filed in 1985, with most of the decrease falling in the category mentioned above. Juvenile complaints, we are proud to report, dropped 58% over last year. Increases were noted in theft and unauthorized entries, with a total of 309 complaints, of these, 196 or 63% were cleared or marked unfounded. A majority of these cases were perpetrated outside the compact area of town. Breach of Peace cases also increased from 340 to 355.

Motor vehicle complaints processed through court decreased from last year by 80 cases. The predominant reason for this short fall was the reduction in time allocated to traffic control and assignment to foot patrol. Since we are a small police department and are limited to one motor vehicle, when we concentrate on one area enforcement of other activities suffer. The biggest decrease in motor vehicle cases was under speeding, dropping from 150 to 93, with all others decreasing slightly with exception of DWI which increased to 31.

Under the criminal court complaints filed with the court, we noted a 41 case reduction. Decreases were in fraud, (bad checks), theft and unauthorized entries. There was an increase in illegal possession of alcohol, but still held below the high of 1983. Criminal court conviction rate for all cases was 96%.

Lancaster's accident rate increased this year to an all time high of 149, an increase of 34%. We are proud of the fact that 1985 was, for the second year in a row, without an auto fatality.

To show our appreciation for your support, we continue to upgrade our professional standards so that you can have one of the better trained and informed Police Department in the state. During the past year one patrolman graduated from ten week Police Academy. Other officers attended school on DWI, Firearms Instructor Refresher, Officer Survival, Budget issues and Police Prosecutor. All full and part time officers completed the State mandate firearm course. Our thanks to Danny Lufkin for his support in helping us with the department's new pistol range.

We were indeed gratified by the support of the people in allocating money for the design of a new police station, a much needed item. Our thanks to the study committee who volunteered their time and effort in this endeavor. A new police station is dearly needed, not only for a more effective and safe place of business, but to insure accessibility to the handicapped and elderly, which now is not the case. We hope and encourage that your support will continue in this effort.

Complaints Filed - 1,955

Animal (dog, cat, etc.)	261
Family	62
Juvenile	16
Theft & Unauthorized Entries	309
Theft & Unauthorized Entries (Cleared or Unfounded)	196
Breach of Peace (Assaults, Disorderly Conduct, etc.)	455
Bad Checks	54
Missing Persons (Runaways)	10
Public Indecency	1
Possession of Alcohol	21
Trespass	15
Prowler	10
Harrassment	6
Untimely Death	4
Destruction of Property	61
Attempted Suicide	2
Stolen Vehicles	10
Hit and Run	17
Miscellaneous	436
Drugs	6
Sexual Assault	2

Motor Vehicle Court Cases - 263

Operating Under influence of liquor or drugs.	31
Speeding (Radar, clocked, unreasonable)	93
Non-Inspection	22
Yellow Line and Improper Passing	16
Failure to stop or yield	12
Defective or Unsafe equipment	3
Unregistered Motor Vehicles	22
Operating without a License	14
Operating after suspension or revocation	10
Conduct after an accident	4
Operating to endanger or reckless operation	2
Failure to use protective equipment	3
Allowing improper person to operate	3
U - Turn	3
No Fuel User Permit	6
Misuse of plates	3
Following too close	3
Improper movement	3
Operating OHRV on a public way	5
Disobeying a Police Officer	2
Habitual offender	2
Illegal Parking (Handicap)	1

Criminal Court Cases - 161

Theft (Unauthorized taking, service, stolen property, etc.)	8
Unauthorized Entries (Burglary, trespass, etc.)	9

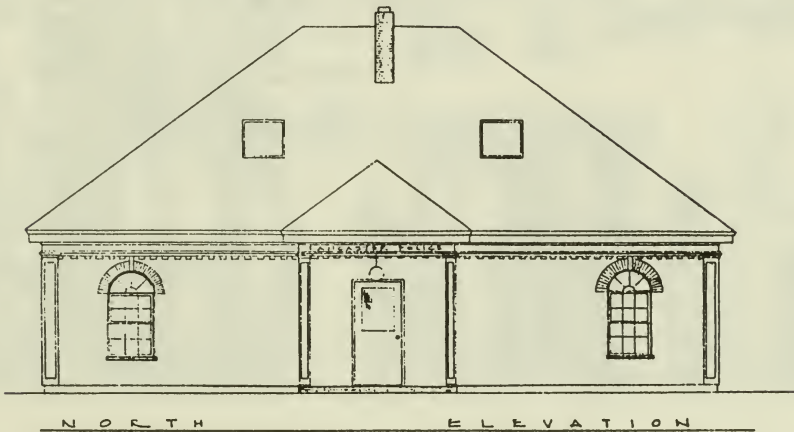
Fraud (Forgery, bad checks, on creditors, etc.)	63
Obstructing Government Operation (Resisting arrest, etc.)	5
Breach of Peace (Disorderly conduct, intoxication)	6
Assault (Simple, aggravated, criminal threatening)	11
Destruction of Property (Criminal mischief)	4
Possession of Controlled Drug	1
Sale of Controlled Drug	4
Juvenile Cases (Burglary, assault, theft, criminal)	14
Illegal Possession of Alcoholic Beverage	19
Concealed Weapon	2
Consuming Alcoholic Beverage on Main Street	9
Trespassing Stock	1
False report to Law Enforcement	1
Prohibited Sales	1
Fugitive from Justice	1
Transporting Alcoholic Beverage	1
Littering	1

Accidents - 149

Property Damage under \$500.00	74
Property Damage over \$500.00	66
Property Damage Listed as Total	9
Accidents Involving Pedestrians	3
Number of One Car Accidents	57
Number of Accidents Involving Animals	2
Hit and Run Accidents	17
Accidents with Personal Injury	17
Number of Two Car Accidents	92

Other Activities - 2,393

Motor Vehicles Checked	359
Motor Vehicle Warnings	234
DE Tags Issued	91
Emergency Blood Runs	5
Assistance to Sick and Injured	47
Assistance to Motorist in Trouble	262
Doors & Windows Found Open	208
Parking Tickets Issued	580
Assistance to Other Departments	162
Breath Tests Given	3
Blood Tests	22
Escorts	8
Relays	97
Fire	55
Assistance to Other Agencies (Ambulance, Highway, etc.)	137
Routine Check of Persons	77
Illegally Parked Vehicles	46



Fire Department

The number of serious high loss fires were down this year. Better public awareness in fire safety and continued high standard of training of firefighters are contributing factors.

Training has continued to be a very important part of the Fire Department. The Department has two regular training meetings per month. Several members have also traveled throughout the state to attend additional training sessions.

Safety of firefighters has been increased, several new policies and new equipment have been added making the dangerous job of firefighting safer.

Engine #3 (1967 Ford) is nearing twenty years of age. A committee of members was created to look at a possible replacement. After extensive research and testing, it was found that the engine still performed at 100% of its original capacity. It is expected that the Department will be able to get several more years of service from the engine.

The Department is very fortunate to have several members to do the maintenance work on the equipment. In-house service has saved the Town large sums of tax dollars.

The Fire Department wishes to thank the residents for their support that allows us to do the best job possible.



Chimney Fires	20
Oil Burners	0
Structure Fires	6
Partition Fires	3
Smoke Scares	2
Electrical Fires	11
Vehicle Fires	2
False Alarms	13
False Alarms (Malicious)	0
Grass Fires	4
Forest Fires	0
Brush Fires	3
Automobile Accidents	2
Mutual Aid	0
Woodstove	1
Illegal Kindling	1
Gas Spills/ Hazardous Material	5
Others	9

REPORT OF THE TOWN FOREST FIRE WARDEN AND STATE FOREST RANGER

Between July 1984 and June 1985 we experienced more forest fires throughout our state than in any year in the last 50. Two of the leading causes of the 1,605 fires were children and fires kindled without written permission of a Forest Fire Warden. Both causes are preventable, but only with your help.

Please help our town and state forest fire officials with forest fire prevention. Contact your Forest Fire Warden for more information.

Enforcement of a state timber harvest regulations is the responsibility of State Forestry officials. Our state has excellent timber harvest regulations; however, your assistance is needed.

If you know of a logging operation and suspect a state timber harvest law may be violated, call your Forest Fire Warden.

If you own forest land, you will become responsible for the timber tax payment starting April 1, 1986. This is a change in the Timber Tax Law that will impact all forest landowners. Contact your Board of Selectmen for timber tax forms.

1985 STATISTICS

	<u>State</u>	<u>District-8</u>	<u>Town of Lancaster</u>
Number of Fires	1,605	15	3
Number of Acres	1,580	26	3
Cost of Suppression	\$246,017.00		

Richard C. Belmore, Forest Ranger

David Fuller, Forest Fire Warden

Public Works

Highway Department

The Streets, roads, sidewalks and parks were maintained for safe use and travel, both vehicular and pedestrian. High Street, Stevens Terrace and Fletcher Street received a one-inch application of hot asphalt, applied by a paver and compacted with a heavy roller.

Several Streets received a liquid asphalt treatment of their surfaces. Prior to the asphalt application, the Streets were leveled with hot asphalt.

In cooperation with the Boston and Maine Railroad new grades crossings were constructed on High, Bunker Hill, Middle and Mechanic Streets. Many sections of sidewalks on Middle and Elm Streets received new asphalt surfaces. Shorter sections of sidewalks on other streets were improved.

A 3 ton power roller was purchased to better compact asphalt when leveling streets and other street work and paving sidewalks.

The front end loader was replaced with a same size and model unit. A material spreader was added, which more efficiently spreads sand and salt in the winter and sand spread on liquid asphalt applied to the Streets.

The Flaherty Road was widened and prepared for gravel, that work was accomplished under the former Town Road Aid program, a State subsidized program. Rural gravel roads were chlorinated for compaction and dust control and graded during the year as needed.

Water Department

A section of the Bridge Street 1 1/4 inch water line was replaced with a 6" cast iron water main. The plan is to replace the balance of the 1 1/4" line early 1986 to improve the water service in that area and fire protection. Several old service lines were replaced with copper piping for long-life and freedom of corrosion. New service lines were added to the system, including one commercial user.

The agreed upon 3 year schedule with N.H. Water Supply & Pollution Control Comm., replacing the water storage reservoir, began. An appropriation for engineering costs will be requested in 1986.

The N.H. Water Supply & Pollution Control Commission is now requiring installation of corrosion control equipment in the water system. A step in that direction begins in 1986.

The system generally functioned well with little or no interruption of delivering safe water to all customers.

It became necessary to increase water rates and another increase

will come in 1986. The cost to the customer continues to be lower than most municipal water systems, principally because ours is a gravity system.

Sewer Department

Construction began on the waste water treatment facility for the Grange area and the new sanitary sewer line on part of Summer, Cemetery Streets and to Main Street, via Depot Street. The project will be completed in 1986. The old line will serve as surface and subsurface drainage.

The operation and maintenance of the sewer system continued in a satisfactory manner and caused little problem to users.

Cemeteries

The Municipal Cemeteries were well maintained under the leadership of the Cemetery Trustees. The Trustees adopted new regulations for all cemeteries and are available for public inspection.

Foreman Bill Moran supervised the care of all public cemeteries Summer Street, Wilder, #10, Martin Meadow Pond Road and the North Road Cemetery.



Schedule of Town Property

The values shown are not intended to be true values; some are cost basis and others are estimates used for prior specific purposes.

<u>Description</u>	<u>Value</u>
Town Hall, Lands & Buildings	\$ 250,000.00
Weeks Memorial Library	200,000.00
Fire Dept., Lands & Buildings	100,000.00
Highway Dept., Lands & Buildings	150,000.00
Parks, Commons & Playgrounds	200,000.00
Water Supply Facilities	2,000,000.00
Sewer Plant Facilities	4,000,000.00
Parking Lots	20,000.00
Town Forest	13,000.00
Recreation Lands & Buildings	200,000.00

Lands acquired through Tax Collector's Deeds:

Riverside Drive Lot (assessed value)	400.00
Causeway St. Lot (assessed value)	200.00
Page Hill Lot (assessed value)	100.00

Inventory of Municipal Equipment

Highway

1982	John Deere Motor Grader 670A
1985	John Deere Loader 544C
1971	Elgin Sweeper
1981	GMC Dump Truck w/Plow
1979	John Deere Loader/Backhoe
1982	GMC Dump Truck w/Plow
1983	GMC Dump Truck w/Plow
1976	Ford L-800 w/Spreader Body
1978	Bombardier Sidewalk Plow/Sander
1973	100C Int'l. Loader - Dump
1966	General Utility Trailer
1985	Eager Beaver Roller SRH300
1978	Steam Thawing Unit - Lookout Boiler
1978	Sicard Model 2100 Snowblower
1965	Joy Compressor
1983	Simplicity Mower
1985	Swenson Material Body Spreader
1984	Frink Material Body Spreader

Fire Dept.

1978	Mack-Boyer Pumper (Universal)
1976	Chevrolet - Tanker (Water)
1967	Ford - Thibault, Pumper
1964	Dodge Panel
1952	Jeep
1949	Seagrave Ladder Truck (Used)
1934	Maxim Pumper

Police Dept.

1985	Chevrolet Impala - Cruiser
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Ambulance Corp.

1975	GMC Modular Wolf
1984	Ford Van - Type II Wheeled Coach

Water & Sewer

1984	Ford Pickup - Sewer
1985	Ford Pickup w/Plow - Water
1972	Sewer Rodder

Public Welfare

TOWN WELFARE: Qualifying applicants for public assistance furnished by the Town totaled 73 people, 31 adults and 42 children. Most were for short duration until accepted under a State program or became employed

Some recipients of public assistance, physically able to work, are assigned work responsibilities to offset assistance received. Certain assets of some recipients may be attached, and if later sold, the Town receives reimbursement for the assistance given, plus interest.

The Town gave support to 3 children outside the home until placed in a suitable approved environment. These youths were first placed by the Court.

STATE WELFARE ASSISTANCE: The N.H. Department of Health & Human Services, Division of Welfare, administers the Old Age Assistance program, which is financed jointly by Federal, State and local governments, the formula is 30% Town, 20% State and 50% Federal. The State also administers aid to families with dependent children and aid to qualified disabled people. The Medicaid Program is designed to assist persons who do not have the means to provide for their medical care, or who do so only at a great financial sacrifice. Through this program, pharmaceutical, laboratory, skilled nursing home care and physicians' services are supplied in whole, or in part. In determining eligibility for these services, certain limitations have been established on the amount of annual income and assets that person may have. Information concerning these programs may be received by contacting the N.H. Division of Human Services, Littleton, N.H. Telephone 1-800-552-8959.

The administration and financing of the total Welfare program change effective with January 1, 1986. Effectively all direct relief will be a responsibility of the applicants resident community. The State Aid Program will be administered by the State and financial support will be shared by the County, State and Federal Government. Court ordered placement of juveniles will be the total responsibility of State government.

FOOD STAMPS: Lancaster residents may contact the N.H. Division of Human Services, Littleton, N.H., Telephone 1-800-552-8959 for an appointment to apply for food stamps. Anyone may telephone for eligibility requirements.

The Federal Fuel Assistance program for eligible low income families and for qualifying elderly persons was available through the Community Action Program.

Weeks Memorial Library

1985 was a year of changes for the Weeks Memorial Library. Mrs. Barbara Miller, who had been librarian for over thirty years, retired at the end of May and Mrs. Barbara Roberts was hired to fill her position. Both part-time assistants who began the year, either moved or changed positions and were replaced by Mrs. Deborah Turaj and Mrs. Elaine Root. Mrs. Holly Verrier continues as juvenile librarian and Mrs. Virginia Richardson as library assistant.

There were some major building improvements. A new roof had to be installed because of severe leaks, which were threatening the books. Storm windows are now in place on windows which had never had them before. Patrons and staff have already noticed how much less drafty the building is. Also a new sign with the library's name and hours has been added to the front lawn near the sidewalk. The library's furnace is doing remarkably well at age twenty-three, but may have to be replaced sometime in the next few years.

One final change, initiated in 1985, was the addition of two hours on Saturday to the present library schedule at the request of patrons. Our full schedule is now:

Monday/Wednesday/Friday	1:00-4:30, 7:00-9:00
Tuesday/Thursday	9:00-4:30
Saturday	10:00-12:00
Juvenile Library	2:00-4:30, Monday-Friday

Book circulation in the adult department dropped slightly in 1985, but rose over 2000 in the juvenile section. The library continues to have active story hour programs weekly during the school year and has been experimenting with different afterschool programs for school-age children. The success of these programs is reflected in the increased juvenile circulation.

There were over 600 books purchased for the adults and more than 500 for the juveniles. Both adult and juvenile sections have been extensively weeded during the last year to make space for new books and to update the collections. The discarded books were sold at two book sales held by the library trustees and staff. The proceeds of these sales have been set aside toward the purchase of a much needed rug for the juvenile library.

We always appreciate suggestions for book purchases and for programs and we hope that people will continue to use the library actively. We thank the town and all our patrons for their continued support of the library and its services.

WEEKS MEMORIAL LIBRARY

Financial Statement

1985

Cash on Hand, January 1, 1985 \$ 6,514.43

Receipts:

Town Appropriation	\$ 24,500.00
Col. Town Spending Committee	2,500.00
Trustees of Trust Funds	4,386.79
Certificate of Deposit Interest	495.14
Brackett Fund Interest	6.25
Shurtleff Fund Interest	29.00
Fines & Photocopier Income	959.30
Donations	395.00
Book Sales	566.69
Miscellaneous (Reimbursement)	24.80

 Total Receipts \$ 33,862.97
\$ 40,377.40Expenditures:

Head Librarian	\$ 5,500.00
Juvenile Librarian	3,959.00
Assistant Librarian	3,200.00
Part-time Assistants	1,819.61
Story-Hour Program	355.00
Bookkeeper	500.00
Janitor	1,500.00
Adult Books	6,605.92
Juvenile Books	2,906.07
Periodicals & Newspapers	1,162.81
Heat	2,264.26
Lights, Telephone, Water, Sewer	1,073.87
Office & Janitor Supplies	973.12
Equipment Maintenance	552.89
Maintenance	1,417.75
Energy Conservation	2,441.00
New Equipment	424.08
Insurance	1,387.00
Social Security & Other Benefits	1,480.65
Advertising	110.90
Education	244.00
Miscellaneous	420.00

 Total Expenditures \$ 40,297.93
Cash on Hand, December 31, 1985 \$ 79.47

Ambulance Service

The Lancaster Ambulance Service has just finished its busiest year in its 15 years of existence. We made 550 runs in the past year against 440 runs for the year before, a 25% increase.

We successfully completed the first fund drive in our history to obtain a new ambulance. We gratefully thank all the area residents and businesses that supported us. With the donations received, interest on our deposits and the sale of our 11 year old ambulance, we will have more than enough to pay for the new Wheeled Coach ambulance, at a cost of just over \$50,000.00.

We also thank the many people and organizations who donated to our Memorial Fund. With this fund we are able to buy most of the needed new equipment for our service without asking the taxpayers to provide these items.

The Ambulance Service is mostly self-supporting from the Ambulance Fees charged the users and from subsidies from the towns of Jefferson, Lunenburg-Gilman, Dalton and Guildhall. We also earn additional income from our coverage of Riverside Race Track in Groveton on Saturday evenings during the summer. In 1986 we will again be providing coverage for the Lancaster Fair.

There are about 22 licensed ambulance attendants in the Service, making it the largest service in the area. With such a large membership we are able to make the many long daytime transfers to Hanover and Burlington with patients that need treatment that can't be provided in the local hospitals.

To keep current, members are required to take a refresher CPR course every year and a 25 hour EMT Refresher every two years. Many of the members also belong to the National Registry of Emergency Medical Technicians. This membership requires an additional 48 hours of training every two years. These hours are obtained by attendance at monthly seminars held at Weeks Memorial and Littleton Hospitals, and at other meetings held throughout New Hampshire and Vermont.

Thanks to everyone for their support during the past years and we pledge to continue this necessary service to the area in even better ways with our new equipment.

Public Health

LANCASTER PUBLIC HEALTH NURSING SERVICE, INC.

Public Health Nursing Service has served the Town of Lancaster since 1919. The visiting nurse is available Monday through Friday, 8:00 A.M. - 4:00 P.M. on a regularly scheduled basis and evenings, weekends and holidays when special arrangements are made. There is one full time registered nurse and several part time aides responsible for the Lancaster area.

Skilled nursing visits include such activities as dressing changes, injections, colostomy care, blood pressure checks and health teaching, under orders from a physician. Home Health Aides perform such duties as assistance with bathing, shampoos or following a treatment plan established by a physical therapist, speech therapist or occupational therapist under the supervision of a registered nurse. The Homemaker/Nutrition aide, under the supervision of a Registered Nurse, assists with light housekeeping, laundry, shopping or meal preparation. Although services are available to all age groups, the majority of clients are the elderly, whose medical problems have created a need for the agency's services.

Children enrolled in the well child clinics receive physical examinations, developmental testing, hearing and vision screening, nutrition counseling, immunizations and dental care. Newborns receive a visit from the Maternal Child Health Nurse, if the physician or parents request it.

Blood pressure clinics are held on the first Monday each month at the McKee Inn and there is no charge. All residents of the town are welcome to participate.

A total of 8,305 visits were made in the six town area the Agency serves. There were 2,432 visits to the residents of Lancaster. They were as follows:

Skilled nursing	1,027
Home Health Aide	391
Homemaker	770
Physical Therapy	149
Speech Therapy	5

Public Health Nursing provides physical therapy and speech therapy at Morrison Hospital and Country Village Health Care Center.

The continuing ability of Public Health Nursing to meet the health needs of our communities and to provide service is dependent on the contributions of time, effort and appropriations to the Agency from the communities served.

Conservation Commission

The six member Conservation Commission met several times last year. Some of the projects completed include, preparing a forest management plan for the town forest, pruning the lilacs at the bandstand in Centennial Park, sending a student to the N.H. Youth Conservation Camp and entering the 1984 tree and flower planting projects in a municipal beautification contest.

The Commission also maintained the trees planted in 1984, reviewed dredge and fill permits throughout the year and made plans for future projects including a possible small park in town. Members welcome suggestions from residents about activities and projects for the Commission. Elected officers were Richard Belmore, Chairman; Priscilla Handler, Secretary; Irene Connary, Treasurer; Dana Blais, Fred Emerson and Robert Napolitano, members.



Debt Service

BOND ISSUE: The principal payment on the Sewer Bond was \$110,000.00 and interest of \$40,725.00. The State of New Hampshire paid \$77,882.00 as its share of the principal and interest.

LONG TERM NOTES: Payments of \$13,726 principal and \$3,368.25 in interest were made on long term notes.

TEMPORARY LOANS & INTEREST: Interest of \$11,397.26 was paid to borrow \$400,000.00 of short term money. Re-investment of part of the funds returned \$10,232.81. The loan is paid July 1st.

The schedule of Indebtedness follows:

Sewer Bonds

	4.50 percent
Amount of Original Issue	\$ 2,170,000.00
Date of Original Issue	March 1, 1972
Principal Payable Dates	March 1
Interest Payable Dates	March 1 and September 1
Payable at	Boston Safe Deposit and Trust Company

Maturities - Fiscal Year Ending	Principal	Interest
December 31, 1986	\$ 110,000.00	\$ 30,825.00
December 31, 1987	110,000.00	25,875.00
December 31, 1988	110,000.00	20,925.00
December 31, 1989	110,000.00	15,975.00
December 31, 1990	100,000.00	11,250.00
December 31, 1991	100,000.00	6,750.00
December 31, 1992	100,000.00	2,250.00
	\$ 740,000.00	\$ 113,850.00

GRADER NOTE

7.50 percent

Amount of Original Issue \$ 30,000.00
 Principal Payable Date December 20
 Interest Payable Dates July and December
 Payable at Lancaster National Bank

Maturities	Principal	Interest
December 1986	7,500.00	562.50

GARLAND ROAD BRIDGE NOTE

6.75 percent

Amount of Original Issue \$ 24,000.00
 Date of Original Issue December 1982
 Principal Payable Date August 1
 Interest payable Date February and August
 Payable at Siwooganock Guarantee Savings Bank

Maturities	Principal	Interest
August 1986	\$ 6,225.00	\$ 840.38
August 1987	6,225.00	420.19
	<u>\$12,450.00</u>	<u>\$1,260.57</u>

Colonel Town Recreation Department

1985 Annual Report by Superintendent of Recreation

The Colonel Town Recreation Department is operated with funds from the Colonel Francis L. Town Trust. The nine member Spending Committee establishes policy and guides the operation of the facilities and programs. The Committee and I welcome ideas that will improve our services to residents.

The Colonel Town Recreation Department offers a wide range of year-round activities for all ages. Our indoor facility, The Community House, has meeting rooms, a gymnasium, game room, locker rooms and a kitchen. While the gymnasium is being utilized for an activity, such as basketball, the meeting rooms are often simultaneously hosting an adult business meeting, a training seminar, watching a film or slides, or enjoying a lunch and friendly conversation. The game room with its opportunities to play pool, bowl, table tennis, table shuffle board, marble football, air hockey, table soccer and many other table games that may be checked out from the office, is being utilized also for scout meetings and special interest group get togethers. The third floor library is used for craft classes and is selected when a group wishes a quiet-private meeting place.

The Colonel Town outdoor facilities include the Community Field, Community Camp and Ice Skating Rink. The Community Field features a varsity baseball field, two youth baseball/softball diamonds, play equipment areas and a soccer field. Recent federal Land & Water Conservation Fund projects have made our outdoor recreation area facilities to be proud of.

The Colonel Town outdoor swimming pool offers an outstanding instructional and recreational swim program under the leadership of Pool Supervisor Miss Ellie Emery. We would like to increase use of the pool by adults. Plan to swim often this coming summer at your pool.

Facility improvements during 1985 included refinishing the boys and girls locker room shower stalls with formica walls, adding an electrically cooled water fountain and glass backboards in the gym, and major repair on the baby grand piano on the stage. At the Community Camp, No. 4 picnic shelter's floor was torn out and replaced, and the bridge leading to the rental cabin was replaced. A forestry trail, designed by Coos County Extension Forester Dana Blais, was completed in the fall. Camp users and school groups are encouraged to use the trail for an educational walk in the woods before or after a picnic lunch. The grandstand at the Community Field has a new metal roof, refurbished underpinning and a new coat of paint. The community House trim was painted and vinyl siding installed over 3/8" styrofoam insulation in the Committee's efforts to continue energy conservation measures.

The Colonel Town Bambino League, under the leadership of President Jean Oleson, made the big news of the year. The local league tournament team won the New Hampshire State Championship in Nashua and then traveled

to Revere, Massachusetts where they won the 1985 Bambino New England title earning a trip to the National Tournament in Shelbyville, Indiana. You had some mighty proud age 11-12 boys stroll onto a jet at Boston's Logan airport and fly to Indianapolis with a three hour layover at the famous O'Hara International airport in Chicago. In the Nationals the team lost 5-3 to Shelbyville and 7-5 to Cedar Rapids, Iowa, but returned with many new friends and a summer of memories that will stay with them for a lifetime.

During the summer of 1986, Lancaster residents will have the opportunity to return the many kindnesses shown our boys during their three weeks of playing baseball in the tournaments when Lancaster hosts the 1986 NEW ENGLAND BAMBINO TOURNAMENT, July 25th - August 1st, at the Colonel Town Community Field. Housing Chairperson, Sylvia Martin, is looking for the best 60 homes in the Lancaster area to house 2 boys each during their stay in town, (from 3-7 days). Please telephone Mrs. John Martin and volunteer to be a host family during the tournament. The players, ages 11-12, will make your summer very exiting as you will find you can't help going to the games and rooting for your hosted son. Many volunteer tournament workers are needed. Offer your help and insure a successful New England tournament. The winner flies to Commerce, Georgia for the National tourney.

Lancaster's recreation opportunities are improved because of the cooperation between the school department administrators, the town office crew and the town highway and water departments. Their assistance and cooperation is very much appreciated.

Volunteers again played an important role in expanding and improving the recreational opportunities offered through Colonel Town. Hockey coaches Colin Sutherland, Tom Culver and Richard Brisson are entirely responsible for the growing interest and success our youngsters are having on the ice playing hockey. The strong Bambino leaders resulted in National tournament participation and the White Mt. Babe Ruth League's growth and popularity is caused by strong volunteer leaders like Jim Hampton and Jim Haley, plus a host of others. YOU may be the other volunteer leader we need now. Please contact your recreation department and offer to serve.

Andrea and I express our appreciation to the members of the Spending Committee for their leadership and support. We credit the programs success to the volunteer leaders and coaches who give so unselfishly of their time. A special thanks to each person who has served on the Colonel Town staff during the year for their dedication.

Colonel Town Spending Committee

Annual Report

Year Ended December 31, 1985

Checkbook Balance January 1, 1985	\$ 2,457.49
HI FI Balance January 1, 1985	15,707.65
Certificate of Deposit Balance January 1, 1985	10,467.83
	\$ 28,632.97

RECEIPTS

Col. Town Trust Fund Balance of \$ 30,354.52 1984 earnings	
Col. Town Trust Fund Received in 1985 Earnings	75,000.00
	\$ 105,354.52
 Interest Income:	
Checking Account	\$ 416.01
HI FI Account	1,901.16
Certificate of Deposit	658.94
	\$ 2,976.11
 House Fees	
Camp Fees	\$ 640.00
Camp - Woods Project Income	653.03
Swimming Pool - Season Tickets/Fees	1,165.36
Vehicle - Trip Reimbursements	7,176.46
	241.00

SPECIAL ACTIVITIES

Class Fees	\$ 3,942.00
Coca Cola	1,648.55
Softball Lights Reimbursements	500.00
Sale of Candy, Pool Table Income	156.80
Rebounder Donations	350.00
Theatre of Maine Performance	284.00
Passbook Cancelled & Ins. Claim	97.02
Ticket Refund	125.00
Tennis & Halloween	372.83
	\$ 7,476.20

TOTAL RECEIPTS TO DECEMBER 31, 1985	\$ 125,682.68
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TOTAL FUNDS AVAILIABLE TO DECEMBER 31, 1985	\$ 154,315.65
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EXPENDITURES

Wages & Salaries		\$ 51,583.29
Insurances:		
Workmen's Compensation	\$ 2,339.00	
Multi-Peril	11,234.00	
Unemployment	609.94	
Employee Life	90.00	
Bus/Pickup Truck	2,086.00	
Treasurer's Bond	30.00	
		\$ 16,388.94
Social Security		\$ 3,636.14
Blue Cross/Blue Shield		3,597.36
Retirement		2,183.79
Fuel Oil - House		6,742.50
Electricity - House		2,869.79
Telephone - House		1,112.25
Office Supplies		260.93
Maintenance Supplies		2,361.24
Repairs and Maintenance		2,510.13
Recreation Supplies and Expenses		3,937.56
Recreation Conferences and Meetings		1,450.00
<u>MISCELLANEOUS</u>		
Treasurer's Fee	\$ 800.00	
Treasurers' Supplies	78.96	
Water and Sewer	640.00	
Television Cable	211.10	
Dues/Memberships	81.00	
Col. F.L. Town Cemetery Lot Flowers	156.00	
Miscellaneous	210.00	
		\$ 2,177.06
<u>APPROPRIATIONS</u>		
Juvenile Library	\$ 2,500.00	
Girl Scouts	350.00	
Junior Hockey	186.00	
School Awards	200.00	
		\$ 3,236.00
Community Field		3,290.88
Vehicles: Gasoline	\$ 1,909.08	
Repairs & Service	1,734.38	
		\$ 3,643.46

SKATING RINK

Repairs/Supplies/Advertising	\$	576.51	
Electricity		351.51	
Fuel Oil		523.38	
		<hr/>	\$ 1,451.40

SWIMMING POOL

Repairs	\$	1,120.94	
Supplies/Chemicals		1,898.78	
Electricity		1,969.82	
Fuel Oil		710.24	
Telephone		347.03	
		<hr/>	\$ 6,046.81

COMMUNITY CAMP

Repairs/Maintenance/Supplies	\$	1,261.68	
Electricity		308.69	
Telephone		230.95	
		<hr/>	\$ 1,801.32

SPECIAL ACTIVITIES

Instructors Fees	\$	3,199.00	
Coca Cola		1,627.78	
Theatre of Maine		350.00	
Advertising and Flowers		61.45	
Rebounder and Knee Supports		943.84	
Ticket Reimbursement		125.00	
		<hr/>	\$ 6,307.07

CAPITAL EXPENDITURES

Boys/Girls Showers	\$	2,737.37	
Water Fountain		784.02	
Backboards		2,148.00	
Grandstand Repairs		1,592.80	
Balance of Special Project		1,290.00	
House Trim Painting		1,700.00	
Piano Repair		1,020.00	
Camp Bridge & Signs		495.79	
Vinyl Siding Deposit		8,500.00	
		<hr/>	\$ 20,267.98

TOTAL EXPENDITURES \$ 146,855.90

Balance on Hand December 31, 1985 \$ 7,459.75

Checkbook Balance December 31, 1985 6,224.17

HI FI Balance December 31, 1985 1,235.58

\$ 7,459.75

Colonel F.L. Town Trust Fund

YEAR ENDED DECEMBER 31, 1985

Investments, December 31, 1984		\$ 1,370,974.07
Income From Investments - 1985		127,148.30
Cash Income on Hand - 1/1/85		1,356.12
Profits From Security Sales		49,422.47
		<u>\$ 1,548,900.96</u>
Payments to F.L. Town Spending Comm. (Sch. 4)		\$ 108,486.69
Expenses of Administration * (Sch. 5)		12,787.23
Overpayment of Option Income (Sch. 6)		1,626.51
Cash Income in Transit (Sch. 8)		5,603.99
Investemmts, December 31, 1985		1,420,396.54
		<u>\$ 1,548,900.96</u>
 * Expenses of Administration:		
Fiduciary Bond	\$ 47.00	
Probate Fees	30.00	
Safe Deposit Box	35.00	
Accounting Fee	750.00	
Postage, Phone, etc.	23.95	
Management Fee	<u>11,901.28</u>	
	<u>\$ 12,787.23</u>	
 Original Trust - 1926		 \$ 335,022.50
Profits		1,276,942.14
Losses		<u>(191,568.10)</u>
Fund - December 31, 1985		<u>\$ 1,420,396.54</u>

COL. F. L. TOWN FUND - YEAR ENDED DECEMBER 31, 1985 - INVENTORY - INCOME - GAINS (LOSSES)

NAME OF SECURITY	DATE OF PURCHASE	PAR OR SHARES	INVENTORY 12/31/84	INVENTORY 12/31/85	YEAR END MARKET	1985 INCOME	GAINS (LOSSES)
Alabama Power Company	7 3/4 2002	50,000.00	50,000.00	50,000.00	39,750.00	3,875.00	
Columbia Gas System	7 1/2 1997	50,000.00	50,000.00	50,000.00	40,812.50	3,750.00	
Consolidated Edison Co.	9 3/8 2000	15,000.00	15,000.00	15,000.00	14,231.25	1,406.26	
General Motors Corp.	9 1/2 1985	50,000.00	50,000.00	-0-	-0-	2,012.50	
Ohio Edison Company	9 1/4 2000	20,000.00	20,000.00	20,000.00	17,325.00	1,850.00	
U. S. Treasury Notes	13 3/4 1986	30,000.00	29,268.75	29,268.75	30,665.70	4,125.00	
U. S. Treasury Notes	9 1987	40,000.00	40,000.00	40,000.00	40,687.60	3,600.00	
U. S. Treasury Notes	9 1/4 1989	50,000.00	50,000.00	50,000.00	51,422.00	4,625.00	
U. S. Treasury Notes	14 1/2 1991	50,000.00	50,000.00	50,000.00	62,015.50	7,250.00	
U. S. Treasury Notes	11 7/8 1993	50,000.00	49,984.38	49,984.38	57,812.50	5,937.50	
U. S. Treasury Bonds	10 1/2 1995	50,000.00	-0-	49,000.00	54,390.50	2,625.00	
Aetna Life & Casualty Co.	01/30/85	1500	-0-	58,252.90	80,250.00	1,900.00	
American Tel & Tel Company	11/30/79	1000	15,453.70	15,453.70	25,000.00	2,200.00	
Bell South Corporation	02/21/84	500	13,216.87	13,216.87	24,500.00	1,375.00	
Cincinnati Gas & Electric Co.	01/25/82	1075	25,511.68	25,611.68	23,784.37	2,322.00	
Dresser Industries, Inc.	01/06/83	2500	52,414.23	52,414.23	45,312.50	2,000.00	
Duquesne Light Company	03/10/61	600	17,776.88	17,776.88	9,750.00	1,236.00	
Exxon Corporation	10/28/75	2000	45,279.65	45,279.65	110,250.00	6,900.00	
Federal Nat'l Mortgage Corporation	09/20/61	400	8,494.80	8,494.80	51,750.00	320.00	
Florida Power & Light Company	12/21/70	1000	14,382.28	14,382.28	22,600.00	1,552.00	
Freeport McMoran Oil & Gas	09/30/83	1077	1.00	1.00	7,942.87	2,235.75	
Freeport McMoran Company	09/26/79	5385	31,352.21	60-	-0-	2,423.25	70,356.18
General Electric Corporation	01/25/85	1000	-0-	60,246.57	72,750.00	1,650.00	
Halliburton Corporation	01/06/83	1500	58,797.72	58,797.72	41,250.00	2,700.00	
International Business Machines	08/09/84	600	72,808.73	72,808.73	93,300.00	2,640.00	
Iowa Resources, Inc.	07/23/69	1000	27,357.50	27,357.50	36,125.00	3,080.00	
Irving Bank Corporation	11/27/74	3000	31,341.80	31,341.80	132,375.00	5,880.00	
Mary Kay Cosmetics, Inc.	07/29/83	2000	51,164.55	-0-	-0-	120.00	(25,147.96)
Merck & Company, Inc.	06/14/78	800	48,848.31	48,848.31	109,600.00	2,560.00	
Northrop Corporation	08/09/84	2100	72,781.01	72,781.01	92,662.50	2,520.00	
Ohio Edison Company	09/20/60	1700	39,921.11	39,921.11	27,837.50	3,196.00	
Pacific Telesis Corporation	02/21/84	500	28,280.27	28,280.27	47,312.50	2,820.00	
Philadelphia Electric Corporation	12/21/70	600	13,010.28	13,010.28	10,425.00	1,320.00	
Southern New England Telephone	07/08/65	874	23,533.34	23,533.34	39,330.00	2,377.28	
Syntax Corporation	11/03/83	1200	70,180.11	-0-	-0-	4,450.00	4,214.25
Union Electric Company	09/20/61	1500	47,152.37	47,152.37	53,437.50	1,728.00	
Pfizer, Inc.	11/21/85	2500	-0-	75,312.50	75,937.50	555.00	
Sivooganock Guaranty - Savings	09/20/61	15,000.00	15,000.00	15,000.00	-0-	1,572.66	
Sivooganock Guaranty - NOW		-0-	-0-	-0-	-0-	557.33	
Burgess & Leith - Advest - Options		-0-	-0-	-0-	-0-	16,804.49	
Burgess & Leith - Advest - Interest		-0-	-0-	-0-	-0-	5,027.28	
			142,660.54	151,967.91	151,967.91		
			1,370,974.07	1,420,396.54	1,804,362.70		49,422.47

Report of the Trust Funds of the City or Town of

LANCASTER

on December 31, 19⁸⁵

DATE OF CREATION	NAME OF TRUST FUND Let first three trust invested in a common trust fund	PURPOSE OF TRUST FUND	HOW INVESTED Whether bank deposits, Stock, bonds, etc. (List major trust - So State)	%	PRINCIPAL				INCOME													
					Balance Beginning Year	New Principal Created	Gifts or Loans on Sale of Securities	Capital Dividends	Balance Beginning Year	Income During Year Percent	Income During Year Amount	Expended During Year	Balance Ending Year									
														Year	Year	Year	Year	Year	Year			
	School Trust	Benefit of School	Savings		573	19				573	19		33	29	33	49		33	29	33	29	
	Stevens Trust	Beautify Cemetery	Savings		501	17				501	17			29	11	29	11		29	29	29	11
	Honehan Trust	Benefit of Public Building	A/C Savings/ \$26442		1,095	20				1,095	20			89	04	20	60		89	04	20	60
	Lyman Blandin	Benefit of Needy	Savings		345	81				345	81			1,126	91	1,126	91		1,126	91	273	35
	Lyman Blandin	Benefit of Needy	Cart. of Deposit		15,000	00				15,000	00			1,515	91	1,515	91		1,515	91	1,323	23
	U.H.R.S.D. Capital Reserve - Bus	Purchase School Bus	Savings		3,722	44				3,722	44			465	96	465	96		465	96	2,722	63
	Town of Lancaster Capital Reserve - Fire	Purchase Fire Equipment	Savings		55,984	38		8,000	00	63,984	38			5,741	65	23,246	49		60,871	48	41,972	42
	Town of Lancaster Capital Reserve - Water	Purchase Water Dept. Equipment	Savings		52,871	48		8,000	00	60,871	48			7,405	52	49,377	94		19,000	00	4,021	14
	Town of Lancaster Capital Reserve - Sanitation	Purchase Sanitation Equipment	Savings		11,000	00		8,000	00	19,000	00			1,191	87	5,213	01		53,198	67	17,681	08
	Town of Lancaster Capital Reserve - Highway	Purchase Highway Equipment	Savings		56,092	67		(2,894	00)	53,198	67			4,821	98	22,503	06		5,715	00	3,379	34
	Town of Lancaster Capital Reserve - Ambulance	Purchase Ambulance	Savings		2,715	00		3,000	00	5,715	00			482	85	3,864	19		4,015	45	2,310	17
	Lancaster Town Garage Capital Reserve -	Purchase Town Garage	Savings		4,015	45				4,015	45			490	86	2,800	03		16,000	00	1,598	11
2/82	School Septic System Capital Reserve - WORGSD	Improve School Septic System	Savings		12,000	00		4,000	00	16,000	00			1,182	39	2,786	50		7,450	00	12,782	30
1984	Scholarship Fund U.H.R.S.D. -	Scholarship Fund	Cart. of Deposit/ Savings		-0-			7,450	00	7,450	00			1,594	39	705	81		2,000	00	-0-	
1985	Capital Reserve	Purchase Copier	Savings		-0-			2,000	00	2,000	00			54	04	54	04					
					663,694	90		43,631	00	735,270	10			71,036	44	41,514	65		145,540	26		
			TOTALS																			

Report of the Trust Funds of the City or Town of Lancaster on December 31, 19 85

DATE OF CREATION	NAME OF TRUST FUND <small>Let first three words invested in a common trust fund</small>	PURPOSE OF TRUST FUND	HOW INVESTED <small>Where: bank deposits, Street bonds, etc. (List - See Note)</small>	%	PRINCIPAL			INCOME					
					Balance Brought Over	New Money Received	Gains or (Losses) on Sale of Securities	Capital Dividends	Balance Brought Over	Income During Year	Expected for Next Year		
					Year	Year	Year	Year	Year	Year	Year	Year	Year
	Lyman Blandin Fund	Benefit of Needy	Common	12.43	45,334.62		4,409.24		49,763.86	3,959.99	4,542.40	3,959.99	4,542.40
	Cemetery Trust	Care of Cemetery	Common	36.86	134,487.12		13,075.20		147,562.32	11,742.97	13,470.07	11,742.97	13,470.07
	Wilen Wilder Cross Dennison Trust	Cross Park	Common	1.36	4,925.38		482.43		5,407.81	444.10		-0-	941.10
	Jas. L. Dow - Truse Fund	Benefit Cemetery	Common	1.27	4,633.18		430.50		5,063.68	1,028.59	464.11	-0-	1,492.70
	Historical Trust	Compile History	Common	22	801.33		78.04		879.37	70.09	80.40	70.09	80.40
	Chapin C. Brooks School District	Benefit of Lancaster School	Common	1.20	4,373.45		425.67		4,799.12	382.30	438.53	382.30	438.53
	Emma S. Salth Trust	Benefit of Needy	Common	11.14	40,638.59		3,951.65		44,610.24	3,549.01	4,070.99	3,549.01	4,070.99
	Geo. H. Stevens Trust	Benefit Cemetery	Common	35.52	129,590.95		12,599.86		142,190.81	11,316.07	12,980.37	11,316.07	12,980.37
	TOTAL COMMON TRUST FUNDS			100.00	364,874.62		35,471.59		400,347.21	32,493.12	36,543.87	31,076.43	38,016.56
	Cemetery Trust	Benefit Cemetery	Savings/M.H.		17,609.69	6,075.00			23,684.69	(1,249.32)	1,548.06	867.80	(569.06)
	Cemetery Trust	Benefit Cemetery	Savings/Deposit		25,000.00	-0-			25,000.00	4,927.46	3,053.98	2,810.34	5,171.10
	Dennison Trust	Cross Park	Savings		925.35				925.35	2,411.80	267.87		2,679.47
	Dow Trust	Benefit Parks and Cemeteries	Savings		353.06				353.06	1,123.14	84.66		1,207.80
	Historical Trust	Compile History of Town	Savings		23.48				23.48	1.37	1.37	1.37	1.37
	Library Trust	Benefit of Needy Library	Savings		1,853.37				1,853.37	140.12	108.09	140.12	108.09
	Salth Trust	Benefit of Needy Library	Savings		1,074.18				1,074.18	67.75	62.41	67.75	62.41
	Library Trust	Benefit of Needy Library	Colonial Option		36,084.36	(28,555.97)	(7,528.39)		-0-	-0-	3,560.23	3,560.23	-0-
	Library Trust	Benefit of Needy Library	Kemper I.P.I.		-0-	28,555.97	-0-		28,555.97	-0-	686.44	686.44	-0-
	TOTALS												

of The Common Trust Fund Investments of The City or Town of LANCASTER on December 31, 19 85

	HOW INVESTED					PRINCIPAL					INCOME		
	Shares	Description of Investment (Names of Banks, Stocks, Bonds, etc.)	Balance Beginning Year		Gains or Losses From Sales	Proceeds from Sales	Capital Gains	Purchases	Balance End Year	Income During Year	Balance Beginning Year	Expended During Year	Balance End Year
400	Shares	Commonwealth Bank	3,000.00					3,000.00				228.85	-
300	Shares	First National Bank	9,023.85	6,550.53	8,815.47			2,264.94				60.00	-
600	Shares	Industrial Bank		11,481.99	9,675.09			651.24				102.00	-
200	Shares	Home Products	10,053.54		12,610.68			2,557.14				198.00	-
200	Shares	Heredit Corp.	9,192.42		11,810.71			2,618.29				369.32	-
200	Shares	Dunn & Bradstreet Corp.	12,038.99		14,460.62			2,421.73				94.00	-
200	Shares	Unocal Corp.	7,698.13		6,982.18			(715.95)				50.00	-
200	Shares	Bristol-Myers	8,888.50		12,086.11			3,197.61				268.00	-
200	Shares	Unit Labs	8,179.35		10,935.73			2,756.38				200.00	-
300	Shares	United Parts Co.	8,264.04					8,264.04				342.00	-
300	Shares	Consolidated Foods Corp. (Sara Lee Corp.)	8,985.95		11,562.50			2,576.55				108.00	-
400	Shares	Consolidated Edison Co., NY	10,653.99		13,650.93			2,997.44				216.00	-
500	Shares	American Tel. & Tel.	9,256.96	12,925.33								460.00	-
1,714	Shares	Oppenheimer Premium Fund	40,021.90					40,021.90				600.00	-
2,843.307	Shares	Fidelity II, Inc.	40,933.33		48,961.75			8,028.42				5,913.51	-
3,373	Shares	Colonial Government Securities	40,003.78					40,003.78				796.13	-
3,402	Shares	Kemper Option Income Fund	40,007.52					40,007.52				5,194.35	-
10,704	Shares	National Securities Bond Fund	35,002.08					35,002.08				5,987.52	-
4,565	Shares	Putnam Option Income Trust	54,003.75					54,003.75				4,966.88	-
750	Shares	Unit Labs, Inc. Class B Common		13,503.27								8,239.83	-
		Lancaster National Bank - Checking	(362,199.47)	(668.05)								30.00	-
		Lancaster National Bank - Savings	371,866.41	8,267.85								(862.40)	-
300	Shares	Federal Jack Corp.		8,264.04								1,228.58	-
		TOTALS										138.00	-

Report of Audit

TOWN OF LANCASTER
LANCASTER, NEW HAMPSHIRE

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DECEMBER 31, 1985

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COMBINING AND INDIVIDUAL FUND STATEMENTS

EXHIBIT

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NOTES TO THE FINANCIAL STATEMENTS

TOWN OF LANCASTER
LANCASTER, NEW HAMPSHIRE

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DECEMBER 31, 1985

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AUDITORS' COMMENT ON COMPLIANCE FOR SINGLE AUDITS

AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL BASED SOLELY
ON A STUDY AND EVALUATION MADE AS PART OF A SINGLE AUDIT

To The Members of
The Board of Selectmen
Town of Lancaster
Lancaster, New Hampshire 03584

We have examined the combined financial statements and the combining, individual fund and account group financial statements of the Town of Lancaster, New Hampshire as of and for the year ended December 31, 1985, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the Town Trust Funds and Capital Reserve Funds, which statements reflect total assets constituting 18 per cent of the combined total financial statements. These statements were examined by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for the Town Trust and Capital Reserve Funds, is based solely upon the report of the other auditors.

As described in Note 1B, the combined financial statements referred to above do not include financial statements of the General Fixed Assets Group of Accounts which should be included to conform with generally accepted accounting principles.

In our opinion, except that omission of the General Fixed Asset Group of Accounts results in an incomplete presentation as explained in the above paragraph, and based upon our examination and the report of other auditors, the combined financial statements and the combining, individual fund and account group financial statements referred to above present fairly the financial position of the Town of Lancaster, New Hampshire at December 31, 1985, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as supplemental schedules, which also includes the supplemental schedule of Federal Assistance, in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements of the Town of Lancaster, New Hampshire. The information has been subjected to the auditing procedures applied in the examination of the combined,

LANCASTER TOWN WARRANT

The State of New Hampshire

To the inhabitants of the Town of Lancaster, in the County of Coos, qualified to vote in Town affairs:

You are hereby notified to meet at the Town Hall in said Lancaster on Tuesday, the Eleventh day of March, at ten o'clock in the forenoon to act upon the subjects hereinafter mentioned. The polls will be open at said meeting place on said date from ten o'clock in the forenoon until seven o'clock in the afternoon for the reception of your ballots for the election of Town Officers and said polls will be open for such additional time after 7:00 p.m. as shall be determined by said meeting for the reception of your ballots on any matters to be voted on by written ballot at said meeting.

1. To choose all necessary Town Officers for the ensuing year.
2. To see if the Town will vote to adopt the provision of NHRSA 72:37 for the exemption for the blind from property tax. (By Petition.)
3. To see if the Town will vote to oppose the burial, storage, transportation and production of high level radioactive waste in the Town of Lancaster and State of New Hampshire; and to call upon Congress to conduct an independent investigation with full public participation into the feasibility and prudence of the U.S. Department of Energy's (DOE's) present plan to dispose of radioactive waste and into the DOE's competence to carry out such a plan. (By Petition.)
4. To see what action the Town will take on the following questions relative to the Lancaster Zoning Ordinance:

Amendment 1 -

Are you in favor of adoption of Amendment 1 to Lancaster Zoning Ordinance as proposed by Lancaster Planning Board as follows:

Amend Article X, Section B, Paragraph 6, relating to multi-unit housing by deleting "on any one acre of land" and replacing same with "per acre, provided the land area is capable of supporting on-site waste disposal, and provided adequate domestic water is available" so that Article X, Section B, Paragraph 6, shall be as follows:

"6. Permit in the Agricultural District, by special exception, multi-unit housing, provided there shall be no more than three (3) dwelling units per acre and provided the land area is capable of supporting on-site waste disposal. and provided adequate domestic

water is available; sawmills, recreation areas, including camp-grounds, gravel pits, gravel processing plants, industry, providing it conforms to all the requirements of the Industrial District and provided it has direct access to a highway and motels, inns, cabins, or other transient lodgings, provided that every individual cabin or rented space shall be supplied with its individual running water and toilet facilities."

Amendment 2 -

Are you in favor of adoption of Amendment 2 to Lancaster Zoning Ordinance as proposed by Lancaster Planning Board as follows:

Amend Article IV (general provisions) by adding Section D to same to read as follows:

"D. Television Satellite parabolic antenna (Dish) must meet set back and lot line requirements as a building in all districts."

5. To see if the Town will vote to authorize the Selectmen and Town Treasurer to borrow a sum or sums of money not exceeding in the aggregate the amount of the tax commitment of the previous year (1985) in anticipation of the collection of taxes for the current municipal year, and to issue in the name and on the credit of the Town, negotiable notes therefor, said notes to be paid in the current municipal year from taxes collected during the current municipal year.

6. To see if the Town will vote to authorize the Selectmen to transfer tax liens and convey property acquired by the Town by tax collector's deed by public auction, or advertised sealed bid, or in such other manner as determined by the Selectmen as justice may require.

7. To see if the Town will vote to authorize withdrawal from the Revenue Sharing Fund established under the provisions of the State and Local Assistance Act of 1972 for use as setoffs against budget appropriations in the amount indicated and, further, to authorize the Selectmen to make pro-rata deductions in the amounts as estimated entitlements are reduced or to take any other action hereon. The Selectmen and Budget Committee recommend appropriations as follows:

<u>Appropriation</u>	<u>Estimated Amount</u>
New Equipment	\$42,000.00
Highway Maintenance	12,000.00
Fire Dept. Supplies	2,500.00
Public Safety-Police Dept.	<u>19,500.00</u>
	\$76,000.00

8. To see if the Town will vote to authorize the Selectmen to apply for, accept and expend money from the state, federal or another governmental unit or private source which becomes available during the year in accordance with the procedures set forth in NHRSA 31:95-b.

9. To see if the Town will vote to adopt the following ordinance:

" In the year One Thousand Nine Hundred Eighty-Six"

AN ORDINANCE

Exempting Prisoners of War from the permit fee to register a Motor Vehicle. Be it enacted by the Town of Lancaster as follows:

"That any person who was captured and incarcerated for 30 days or more, while serving in a qualifying war or armed conflict, as defined by NHRSA 72:28-IV, and who was honorably discharged, provided that said person shall have provided the Town Clerk with satisfactory proof of the circumstances of said capture and incarceration, shall be exempt from the fee charged for a permit to register one motor vehicle owned by said person."

Effective Date: This Ordinance shall take effect upon its passage.

10. To see what action the Town will take on the following ordinance amendments:

Amendment to the ordinance prohibiting dogs from running at large within the compact part of Town.

Amendment 1 -

"Amend Section V, Claiming Impounded Dog; by adding, "and a \$10.00 civil forfeiture, which shall be paid to the Police Department, "so that said section shall read:

"V. Any owner or individual claiming a dog impounded by the Lancaster Police Department shall pay all costs of impounding, maintenance and care of said dog; and a \$10.00 civil forfeiture, which shall be paid to the Lancaster Police Department."

Amendment 2 -

"Amend Section IX, Penalties, by changing the words 'Five' and 'Ten' and the number (\$5.00) and (\$10.00) to Twenty-Five (\$25.00) and Fifty

(\$50.00), so that said section will read:

"IX. Any owner or individual in violation of this ordinance shall

be guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine of not more than Twenty-Five (\$25.00) Dollars for the first offense and by a fine of not more than Fifty (\$50.00) Dollars for each subsequent offense."

11. To see if the Town will vote to raise and appropriate the sum of Twelve Thousand Dollars (\$12,000) for the purpose of supporting Business and Industrial development within the Town of Lancaster and to authorize the Board of Selectmen to contract with Lancaster Industries, Inc., (a local development corporation) to administer the funds; the funds eventual use may be for the purchase of the building presently owned by C & I Investments Associates and located at 74 Bridge Street, provided the present owner does not renew its 10 year lease with its tenant, (New England Telephone & Telegraph Company), and requests Lancaster Industries, Inc. to exercise its commitment to purchase said building; or if the commitment to purchase is not exercised, said funds may be used for other purposes pursuant to a vote of the Town. It is understood that an appropriation will be made each year for the same purpose until 1996 equal to one-half of the previous years' real estate taxes on said building.

12. To see if the Town will vote to raise and appropriate the sum of Ninety-Seven Thousand Dollars (\$97,000.00) for the purpose of financing part of the cost of a Police Station Building, so-called, and for this purpose to authorize the Selectmen to borrow, by its issue of serial notes of the Town in accordance with the provisions of NHRSA Chapter 33, being known as the Municipal Finance Act, and any amendment thereto, the sum of Ninety-Seven Thousand Dollars (\$97,000.00) and to authorize the Selectmen to determine the time and place of payment and the rate of interest on said notes, and do whatever may be necessary and convenient in connection with the issuance thereof.

13. To see if the Town will vote to appropriate and transfer from the Capital Reserve Fund, the sum of Nine Thousand Dollars (\$9,000.00) to be used toward the purchase of a new Ambulance.

14. To see if the Town will vote to raise and appropriate the sum of One Thousand Five Hundred Dollars (\$1,500.00), to be used by the Mount Prospect Ski Club for the purpose of assisting in the operation and maintenance of the Mount Prospect Ski Area. (Recommended by the Budget Committee.)

15. To see if the Town will vote to raise and appropriate the sum of One Thousand Six Hundred Dollars (\$1,600.00), for support of the Community Action Outreach Program. (By Petition.)

16. To see if the Town will vote to establish a general cemetery maintenance fund pursuant to the provisions of NHRSA 31:19-a, the fund to be held and administered by the Trustees of the Trust Funds for the Town of Lancaster and the income to be expended for the general maintenance of the public cemeteries in the Town of Lancaster.

17. To see if the Town will vote to authorize the transfer of Seventy-Seven Thousand Dollars (\$77,000.00), of unallocated perpetual care funds for the cemeteries now held by the Trustees of Trust Funds, into the newly created general cemetery maintenance fund; the income to be expended for the general maintenance of the public cemeteries in the Town of Lancaster.

18. To see if the Town will vote to authorize the Selectmen to sell standing timber from the from Town Forest, according to the Forest Management Plan recommendations under the supervision of the Lancaster Conservation Commission with the guidance of the County Forester and Division of Forest and Lands, and deposit these funds from subject sale of timber, in a special Forest Maintenance Fund.

19. To see if the Town will vote to rescind the passage of Article 8 at the 1962 Town Meeting, which adopted the Housing Standard Ordinance, so-called.

20. To see what action the Town will take on the following questions relative to a new bridge over the Israel River on Main Street:

- (a) Are you in favor of a new bridge of the same size as present, providing adjacent buildings are not moved or demolished?

and

- (b) Are you in favor of a wider bridge which will necessitate the removal of the adjacent buildings?

Adjacent Buildings include: Frank Sirois Building - Southwest
Old Sullivan Building - Northwest
Evans Store Building - Northwest

(By Petition)

21. To see if the Town will vote to accept the budget as submitted by the Budget Committee.

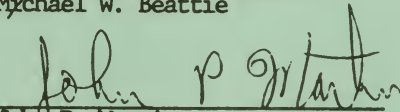
22. To direct how money raised for the above purposes be expended.

23. To act upon any other business which may legally come before said meeting.

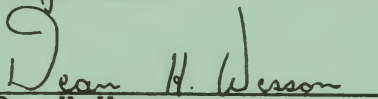
Given under our hands and seals, this twenty-first day of February, 1986.



Michael W. Beattie



John P. Martin



Dean H. Wesson

Selectmen of Town of Lancaster,
New Hampshire

To The Members of
The Board of Selectmen
Town of Lancaster
(Page Two)

combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Very truly yours,

Thomas J. Dineen, C.P.A.

February 14, 1986

GENERAL PURPOSE
FINANCIAL STATEMENTS

EXHIBIT A

TOWN OF LANCASTER

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1985

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash	\$ 58,685.36	\$117,262.94	\$ 443.72
Investments, At Cost	228,914.94	-	450,000.00
<u>Receivables</u>			
Taxes	429,554.99	-	-
Accounts	22,098.20	17,012.09	-
Due From Other Governments	-	10,996.00	358,508.00
Due From Other Funds	87,097.05	68,731.30	25,755.95
Accrued Interest	597.00	-	4,747.00
Prepaid Expenses/Deposits	26,503.00	-	-
Amount to be Provided for Retirement of General Long- Term Debt	-	-	-
Total Assets	<u>\$853,450.54</u>	<u>\$214,002.33</u>	<u>\$839,454.67</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 6,513.85	\$ -	\$ -
School District Tax Payable	628,037.28	-	-
Yield Tax Security Deposits	1,672.00	-	-
Due to Other Funds	1,129.57	2,100.54	109,622.89
Due to Others	-	-	-
General Obligation Bonds Payable	-	-	-
Total Liabilities	<u>637,352.70</u>	<u>2,100.54</u>	<u>109,622.89</u>
 <u>Fund Equity</u>			
<u>Fund Balances</u>			
Reserved for Encumbrances	58,159.09	-	-
Reserved for Endowments	-	8,564.48	-
<u>Unreserved</u>			
Designated for Capital Acquisitions	-	12,513.28	725,084.78
Undesignated	157,938.75	190,824.03	4,747.00
Total Fund Equity	<u>216,097.84</u>	<u>211,901.79</u>	<u>729,831.78</u>
 Total Liabilities and Fund Equity	 <u>\$853,450.54</u>	 <u>\$214,002.33</u>	 <u>\$839,454.67</u>

EXHIBIT A

<u>Fiduciary Fund Types Trust and Agency</u>	<u>Account Groups General Long- Term Debt</u>	<u>Totals (Memorandum Only) December 31, 1985</u>
\$ 665,663.62	\$ -	\$ 842,055.64
1,665,065.07	-	2,343,980.01
-	-	429,554.99
-	-	39,110.29
-	-	369,504.00
-	-	181,584.30
-	-	5,344.00
-	-	26,503.00
-	759,950.00	759,950.00
<u>\$2,330,728.69</u>	<u>\$759,950.00</u>	<u>\$4,997,586.23</u>
\$ -	\$ -	\$ 6,513.85
-	-	628,037.28
-	-	1,672.00
29,640.62	-	142,493.62
25,985.84	-	25,985.84
-	759,950.00	759,950.00
<u>55,626.46</u>	<u>759,950.00</u>	<u>1,564,652.59</u>
-	-	58,159.09
1,934,046.92	-	1,942,611.40
341,055.31	-	1,078,653.37
-	-	353,509.78
<u>2,275,102.23</u>	<u>-</u>	<u>3,432,933.64</u>
<u>\$2,330,728.69</u>	<u>\$759,950.00</u>	<u>\$4,997,586.23</u>

The accompanying notes are an integral part of these financial statements.

Combined Statement of Revenues, Expenditures and Changes
In Fund Balances

All Governmental Fund Types

For The Fiscal Year Ended December 31, 1985

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<u>Revenues</u>			
Taxes	\$2,000,639.92	\$ -	\$ -
Intergovernmental Revenues	350,804.57	58,391.00	-
Local Sources	241,454.10	176,187.37	47,155.34
<u>Other Financing Sources</u>			
Interfund Transfers	178,221.00	184,998.83	-
Proceeds of Long-Term Notes	-	-	-
<u>Total Revenues & Other Sources</u>	<u>2,771,119.59</u>	<u>419,577.20</u>	<u>47,155.34</u>
<u>Expenditures</u>			
General Government	106,463.79	-	-
Protection of Persons & Property	226,052.56	-	-
Health and Sanitation	108,885.39	-	-
Highways and Bridges	280,164.90	-	-
Libraries	-	50,174.91	-
Public Welfare	25,610.33	-	-
Patriotic Purposes	400.00	-	-
Recreation	2,653.08	144,134.81	-
Public Service Enterprises	-	150,772.96	-
Unclassified	36,272.23	-	-
Debt Service	173,282.79	-	-
Capital Outlay	83,474.85	-	183,536.01
Overlay	11,978.87	-	-
<u>Other Uses</u>			
Interfund Transfers	35,876.98	86,575.00	93,327.00
Transfers to Other Governmental Units	1,662,325.59	-	-
<u>Total Expenditures & Other Uses</u>	<u>2,753,441.36</u>	<u>431,657.68</u>	<u>276,863.01</u>
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>			
	17,678.23	(12,080.48)	(229,707.67)
<u>Fund Balances - January 1</u>	<u>198,419.61</u>	<u>223,982.27</u>	<u>959,539.45</u>
<u>Fund Balances - December 31</u>	<u>\$ 216,097.84</u>	<u>\$211,901.79</u>	<u>\$729,831.78</u>

Totals Year Ended
(Memorandum Only)
December 31, 1985

\$2,000,639.92
409,195.57
464,796.81

363,219.83

-

3,237,852.13

106,463.79

226,052.56

108,885.39

280,164.90

50,174.91

25,610.33

400.00

146,787.89

150,772.96

36,272.23

173,282.79

267,010.86

11,978.87

215,778.98

1,662,325.59

3,461,962.05

(224,109.92)

1,381,941.33

\$1,157,831.41

The accompanying notes are an integral part of these financial statements.

EXHIBIT C

TOWN OF LANCASTER

Combined Statement of Revenues, Expenditures and ChangesIn Fund BalancesBudget and ActualGeneral and Special Revenue Fund TypesFor The Fiscal Year Ended December 31, 1985

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$1,984,313.00	\$2,000,639.92	\$ 16,326.92
Intergovernmental Revenues	355,757.00	350,804.57	(4,952.43)
Local Sources	201,000.00	241,454.10	40,454.10
<u>Other Financing Sources</u>			
Interfund Transfers	180,327.00	178,221.00	(2,106.00)
Proceeds of Long-Term Notes	-	-	-
<u>Total Revenues and Other Sources</u>	<u>2,721,397.00</u>	<u>2,771,119.59</u>	<u>49,722.59</u>
<u>Expenditures</u>			
General Government	153,178.00	106,463.79	46,714.21
Protection of Persons and Property	237,941.00	226,052.56	11,888.44
Health and Sanitation	105,535.00	108,885.39	(3,350.39)
Highways and Bridges	270,800.00	280,164.90	(9,364.90)
Libraries	-	-	-
Public Welfare	42,600.00	25,610.33	16,989.67
Patriotic Purposes	400.00	400.00	-
Recreation	3,500.00	2,653.08	846.92
Public Service Enterprises	-	-	-
Unclassified	56,350.00	36,272.23	20,077.77
Debt Service	173,400.00	173,282.79	117.21
Capital Outlay	103,350.00	83,474.85	19,875.15
Overlay	12,042.00	11,978.87	63.13
<u>Other Uses</u>			
Interfund Transfers	27,384.00	35,876.98	(8,492.98)
Transfers to Other Governmental Units	<u>1,662,326.00</u>	<u>1,662,325.59</u>	<u>.41</u>
<u>Total Expenditures and Other Uses</u>	<u>2,848,806.00</u>	<u>2,753,441.36</u>	<u>95,364.64</u>
<u>Excess Revenues and Other Sources Over (Under) Expenditures & Other Uses</u>	(127,409.00)	17,678.23	145,087.23
<u>Fund Balances - January 1</u>	<u>198,419.61</u>	<u>198,419.61</u>	<u>-</u>
<u>Fund Balances - December 31</u>	<u>\$ 71,010.61</u>	<u>\$ 216,097.84</u>	<u>\$145,087.23</u>

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$1,984,313.00	\$2,000,639.92	\$ 16,326.92
62,000.00	58,391.00	(3,609.00)	417,757.00	409,195.57	(8,561.43)
152,217.00	176,187.37	23,970.37	353,217.00	417,641.47	64,424.47
150,000.00	184,998.83	34,998.83	330,327.00	363,219.83	32,892.83
-	-	-	-	-	-
<u>364,217.00</u>	<u>419,577.20</u>	<u>55,360.20</u>	<u>3,085,614.00</u>	<u>3,190,696.79</u>	<u>105,082.79</u>
-	-	-	153,178.00	106,463.79	46,714.21
-	-	-	237,941.00	226,052.56	11,888.44
-	-	-	105,535.00	108,885.39	(3,350.39)
-	-	-	270,800.00	280,164.90	(9,364.90)
25,884.00	50,174.91	(24,290.91)	25,884.00	50,174.91	(24,290.91)
-	-	-	42,600.00	25,610.33	16,989.67
-	-	-	400.00	400.00	-
159,433.00	144,134.81	15,298.14	162,933.00	146,787.89	16,145.11
100,900.00	150,772.96	(49,872.96)	100,900.00	150,772.96	(49,872.96)
-	-	-	56,350.00	36,272.23	20,077.77
-	-	-	173,400.00	173,282.79	117.21
-	-	-	103,350.00	83,474.85	19,875.15
-	-	-	12,042.00	11,978.87	63.13
78,000.00	86,575.00	(8,575.00)	105,384.00	122,451.98	(17,067.98)
-	-	-	1,662,326.00	1,662,325.59	.41
<u>364,217.00</u>	<u>431,657.68</u>	<u>(67,440.68)</u>	<u>3,213,023.00</u>	<u>3,185,099.04</u>	<u>27,923.96</u>
-	(12,080.48)	(12,080.48)	(127,409.00)	5,597.75	133,006.75
<u>223,982.27</u>	<u>223,982.27</u>	<u>-</u>	<u>422,401.88</u>	<u>422,401.88</u>	<u>-</u>
<u>\$223,982.27</u>	<u>\$211,901.79</u>	<u>\$(12,080.48)</u>	<u>\$ 294,992.88</u>	<u>\$ 427,999.63</u>	<u>\$133,006.75</u>

EXHIBIT DTOWN OF LANCASTERCombined Statement of Revenues, Expenditures and Changes
In Fund Balances
All Trust FundsFor The Fiscal Year Ended December 31, 1985

	<u>Town Trust Funds</u>	
	<u>Expendable</u>	<u>Nonexpendable</u>
<u>Revenues</u>		
New Funds	\$ -	\$ 7,450.00
Interest and Dividend Income	49,199.32	-
Gain on Sale of Securities	-	27,944.20
<u>Other Financing Sources</u>		
Interfund Transfers	-	6,075.00
<u>Total Revenues and Other Sources</u>	<u>49,199.32</u>	<u>41,469.20</u>
<u>Expenditures</u>		
Administrative	-	-
Other Trust Disbursements	14,209.35	-
Loss on Sale of Securities	-	-
<u>Other Uses</u>		
Interfund Transfers	33,587.29	-
<u>Total Expenditures and Other Uses</u>	<u>47,796.64</u>	<u>-</u>
<u>Excess of Revenues and Other Sources</u>		
Over (Under) Expenditures and Other Uses	1,402.68	41,469.20
<u>Fund Balances - January 1</u>	<u>5,465.02</u>	<u>465,313.48</u>
<u>Fund Balances - December 31</u>	<u>\$ 6,867.70</u>	<u>\$506,782.68</u>

Capital Reserve Funds	Colonel F.L. Town Trust Funds		Totals (Memorandum Only) December 31, 1985
	Expendable	Nonexpendable	
\$ 6,000.00	\$ -	\$ -	\$ 13,450.00
21,837.12	125,521.79	-	196,558.23
-	-	49,422.47	77,366.67
<u>47,000.00</u>	<u>-</u>	<u>-</u>	<u>53,075.00</u>
<u>74,837.12</u>	<u>125,521.79</u>	<u>49,422.47</u>	<u>340,449.90</u>
-	12,787.23	-	12,787.23
-	-	-	14,209.35
-	-	-	-
<u>22,894.00</u>	<u>112,734.56</u>	<u>-</u>	<u>169,215.85</u>
<u>22,894.00</u>	<u>125,521.79</u>	<u>-</u>	<u>196,212.43</u>
51,943.12	-	49,422.47	144,237.47
<u>289,112.19</u>	<u>-</u>	<u>1,370,974.07</u>	<u>2,130,864.76</u>
<u>\$341,055.31</u>	<u>\$ -</u>	<u>\$1,420,396.54</u>	<u>\$2,275,102.23</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER
Statement of Changes in Financial Position
All Nonexpendable Trust Funds
For The Fiscal Year Ended December 31, 1985

EXHIBIT E

	<u>Fiduciary</u> <u>Fund Types</u> <u>Nonexpendable</u> <u>Trust Funds</u>
<u>Sources of Working Capital</u>	
<u>Operations</u>	
New Funds Created	\$13,525.00
Gain on Sale of Securities (Net)	<u>27,944.20</u>
Working Capital Provided By Operations	<u>41,469.20</u>
<u>Net Increase in Working Capital</u>	<u>\$41,469.20</u>
<u>Elements of Net Increase</u>	
<u>(Decrease) in Working Capital</u>	
Cash	\$40,458.68
Investments	<u>1,010.52</u>
<u>Net Decrease in Working Capital</u>	<u>\$41,469.20</u>

The accompanying notes are an integral part of these financial statements.

COMBINING AND INDIVIDUAL

FUND STATEMENTS

EXHIBIT A-1

TOWN OF LANCASTER
All Special Revenue Funds
Combining Balance Sheet
December 31, 1985

	<u>Federal Revenue Sharing</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>ASSETS</u>			
Cash	\$ 9,055.77	\$28,958.37	\$16,356.86
Investments	-	-	-
Accounts Receivable	-	9,955.00	7,057.09
Due From Other Governments	10,996.00	-	-
Due From Other Funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$20,051.77</u>	<u>\$38,913.37</u>	<u>\$23,413.95</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	2,100.54	-	-
Total Liabilities	<u>2,100.54</u>	<u> </u>	<u> </u>
 <u>Fund Balances</u>			
Reserved for Endowments	-	-	-
<u>Unreserved</u>			
Designated For			
Capital Acquisitions	-	-	-
Undesignated	17,951.23	38,913.37	23,413.95
Total Fund Balances	<u>17,951.23</u>	<u>38,913.37</u>	<u>23,413.95</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$20,051.77</u>	 <u>\$38,913.37</u>	 <u>\$23,413.95</u>

<u>Colonel F.L. Town Income Spending Committee</u>	<u>Weeks Memorial Library</u>	<u>Cemetery Fund</u>	<u>Totals December 31, 1985</u>
\$ 7,459.75	\$8,994.15	\$46,438.04	\$117,262.94
-	-	-	-
-	-	-	17,012.09
-	-	-	10,996.00
<u>39,090.68</u>	<u>108.09</u>	<u>29,532.53</u>	<u>68,731.30</u>
<u>\$46,550.43</u>	<u>\$9,102.24</u>	<u>\$75,970.57</u>	<u>\$214,002.33</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	2,100.54
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100.54</u>
-	8,564.48	-	8,564.48
-	-	12,513.28	12,513.28
<u>46,550.43</u>	<u>537.76</u>	<u>63,457.29</u>	<u>190,824.03</u>
<u>46,550.43</u>	<u>9,102.24</u>	<u>75,970.57</u>	<u>211,901.79</u>
<u>\$46,550.43</u>	<u>\$9,102.24</u>	<u>\$75,970.57</u>	<u>\$214,002.33</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT A-2TOWN OF LANCASTERAll Special Revenue FundsCombining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 1985

	<u>Federal Revenue Sharing</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Revenues</u>			
Intergovernmental revenues	\$58,391.00	\$ -	\$ -
Local Sources	3,026.41	76,058.43	60,882.26
<u>Other Financing Sources</u>			
Interfund Transfers	-	-	-
<u>Total Revenues and Other Sources</u>	<u>61,417.41</u>	<u>76,058.43</u>	<u>60,882.26</u>
<u>Expenditures</u>	-	67,117.61	48,233.96
<u>Other Uses</u>			
Interfund Transfers	<u>62,000.00</u>	<u>8,000.00</u>	<u>8,000.00</u>
<u>Total Expenditures and Other Uses</u>	<u>62,000.00</u>	<u>75,117.61</u>	<u>56,233.96</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	(582.59)	940.82	4,648.30
<u>Fund Balance - January 1, 1985</u>	<u>18,533.82</u>	<u>37,972.55</u>	<u>18,765.65</u>
<u>Fund Balance - December 31, 1985</u>	<u>\$17,951.23</u>	<u>\$38,913.37</u>	<u>\$23,413.95</u>

<u>Colonel F.L. Town Income Spending Committee</u>	<u>Weeks Memorial Library</u>	<u>Cemetery Fund</u>	<u>Totals December 31, 1985</u>
\$ -	\$ -	\$ -	\$ 58,391.00
20,328.16	2,826.85	13,065.26	176,187.37
<u>112,734.56</u>	<u>41,231.74</u>	<u>31,032.53</u>	<u>184,998.83</u>
<u>133,062.72</u>	<u>44,058.59</u>	<u>44,097.79</u>	<u>419,577.20</u>
144,134.81	50,174.91	35,421.39	345,082.68
<u>2,500.00</u>	<u>-</u>	<u>6,075.00</u>	<u>86,575.00</u>
<u>146,634.81</u>	<u>50,174.91</u>	<u>41,496.39</u>	<u>431,657.68</u>
(13,572.09)	(6,116.32)	2,601.40	(12,080.48)
<u>60,122.52</u>	<u>15,218.56</u>	<u>73,369.17</u>	<u>223,982.27</u>
<u>\$ 46,550.43</u>	<u>\$ 9,102.24</u>	<u>\$75,970.57</u>	<u>\$211,901.79</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT B-1

TOWN OF LANCASTER
All Capital Projects Funds
Combining Balance Sheet
December 31, 1985

	Sewage Treatment Facility	<u>Phase II & III</u>
<u>ASSETS</u>		
Cash	\$ 443.72	\$ -
Investments, At Cost	450,000.00	-
Accrued Interest	4,747.00	-
Due From Other Governments	-	358,508.00
Due From Other Funds	25,755.95	-
	<u>\$480,946.67</u>	<u>\$358,508.00</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities</u>		
Contracts Payable	\$ -	\$ -
Due To Other Funds	-	101,010.48
Total Liabilities	<u>-</u>	<u>101,010.48</u>
<u>Fund Balances</u>		
Reserved For Encumbrances	-	-
<u>Unreserved</u>		
Designated For Capital Acqui- sitions	476,199.67	257,497.52
Undesignated	4,747.00	-
Total Fund Balances	<u>480,946.67</u>	<u>257,497.52</u>
	<u>\$480,946.67</u>	<u>\$358,508.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$480,946.67</u>	<u>\$358,508.00</u>

<u>Burnside Brook Bridge</u>	<u>Totals December 31, 1985</u>
\$ -	\$ 443.72
-	450,000.00
-	4,747.00
-	358,508.00
-	25,755.95
<u>\$ -</u>	<u>\$839,454.67</u>
-	-
<u>8,612.41</u>	<u>109,622.89</u>
<u>8,612.41</u>	<u>109,622.89</u>
-	-
(8,612.41)	725,084.78
-	4,747.00
<u>(8,612.41)</u>	<u>729,831.78</u>
<u>\$ -</u>	<u>\$839,454.67</u>

The accompanying notes are an integral part of these financial statements.

All Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Fiscal Year Ended December 31, 1985

	<u>Sewage Treatment Facility</u>	<u>Phase II & III</u>
<u>Revenues</u>		
Intergovernmental Revenues	\$ -	\$ -
Local Sources	47,155.34	-
<u>Other Financing Sources</u>		
Interfund Transfers	-	-
Proceeds of Long-Term Notes	-	-
<u>Total Revenues and Other Sources</u>	<u>47,155.34</u>	<u>-</u>
<u>Expenditures</u>	-	179,374.28
<u>Other Uses</u>		
Interfund Transfers	93,327.00	-
<u>Total Expenditures and Other Uses</u>	<u>93,327.00</u>	<u>179,374.28</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	(46,171.66)	(179,374.28)
<u>Fund Balances - January 1, 1985</u>	<u>527,118.33</u>	<u>436,871.80</u>
<u>Fund Balances - December 31, 1985</u>	<u>\$ 480,946.67</u>	<u>\$ 257,497.52</u>

EXHIBIT B-2

<u>South Lancaster Bridge</u>	<u>Burnside Brook Bridge</u>	<u>Totals December 31, 1985</u>
\$ -	\$ -	\$ -
-	-	47,155.34
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>47,155.34</u>
4,161.73	-	183,536.01
-	-	93,327.00
<u>4,161.73</u>	<u>-</u>	<u>276,863.01</u>
(4,161.73)	-	(229,707.67)
<u>4,161.73</u>	<u>(8,612.41)</u>	<u>959,539.45</u>
<u>\$ -</u>	<u>\$ (8,612.41)</u>	<u>\$ 729,831.78</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT C-1

TOWN OF LANCASTER
All Trust and Agency Funds
Combining Balance Sheet
December 31, 1985

	<u>Town Trust Funds</u>	
	<u>Expendable</u>	<u>Nonexpendable</u>
<u>ASSETS</u>		
Cash	\$62,494.16	\$ 95,146.24
Investments, At Cost	-	411,636.44
Due From Other Funds	-	-
Due From Others	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$62,494.16</u>	<u>\$506,782.68</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities</u>		
Due To Other Funds	\$29,640.62	\$ -
Due To Others	25,985.84	-
Total Liabilities	<u>55,626.46</u>	<u>-</u>
 <u>Fund Balances</u>		
Reserved For Endowments	6,867.70	506,782.68
<u>Unreserved</u>		
Designated for Capital		
Acquisitions	-	-
Total Fund Balances	<u>6,867.70</u>	<u>506,782.68</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$62,494.16</u>	 <u>\$506,782.68</u>

EXHIBIT C-1

Capital Reserve Funds	Colonel F.L. Town Trust Funds		Totals December 31, 1985
	Expendable	Nonexpendable	
\$341,055.31	\$ -	\$ 166,967.91	\$ 665,663.62
-	-	1,253,428.63	1,665,065.07
-	-	-	-
-	-	-	-
<u>\$341,055.31</u>	<u>\$ -</u>	<u>\$1,420,396.54</u>	<u>\$2,330,728.69</u>
\$ -	\$ -	\$ -	\$ 29,640.62
-	-	-	25,985.84
-	-	-	55,626.46
-	-	1,420,396.54	1,934,046.92
<u>341,055.31</u>	<u>-</u>	<u>-</u>	<u>341,055.31</u>
<u>341,055.31</u>	<u>-</u>	<u>1,420,396.54</u>	<u>2,275,102.23</u>
<u>\$341,055.31</u>	<u>\$ -</u>	<u>\$1,420,396.54</u>	<u>\$2,330,728.69</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

A. Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the Town.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type are Federal Revenue Sharing, Water and Sewer Departments, Colonel F.L. Town Income Spending Committee, Weeks Memorial Library and Cemetery funds.

Capital Projects Funds - Transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities are accounted for in Capital Projects Funds. Such resources are derived principally from proceeds of long-term notes for bonds and from federal and state grants.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for the assets held in trust or as an agent by the Town for others.

B. Account Groups (Fixed Assets and Long-Term Liabilities)

All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Groups of Accounts for accountability purposes. In accordance with the practice followed by other municipal entities in the State, the Town does not maintain a record of its general fixed assets and accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. This account group is not a fund. It is concerned only with the measurement of financial position and net results of operations. Since they do not affect net current assets, such long-term liabilities are not recognized as governmental fund type liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

C. Basis of Accounting

The accounts of the General, Special Revenue, Capital Projects, and Expendable Trust Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, sources of financial resources and assets are recognized when measurable and available to finance operations during the year. Uses of financial resources and liabilities are recognized when obligations are incurred from receipt of goods and services, when assessments are made by the State or in the case of judgments and claims against the Town, when there is a probability that such judgments and claims will result in liabilities, the amounts of which can be reasonably estimated. Exceptions to this general rule include: 1) accumulated unpaid vacation and sick pay, and 2) principal and interest on general long-term debt which is recognized when due. All Non-expendable Trust and Agency funds are accounted for using the accrual basis of accounting.

D. Budgetary Accounting

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. The Town budget represents departmental appropriations as authorized by annual or special town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. State Statutes require balanced budgets but provide for the use of beginning fund balance to achieve that end.

In 1985, beginning fund balances was applied as follows:

Unreserved fund balance	
to reduce tax rate	\$ 79,911.00
Beginning fund balance -	
reserved for encumbrances	<u>47,498.00</u>
	<u>\$127,409.00</u>

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures; and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. The reserve for encumbrances at December 31, 1984 and 1985, consists of the following:

<u>General Fund</u>	<u>1984</u>	<u>1985</u>
Town Buildings (Energy Savings)	\$ 4,600.00	\$ 5,165.00
Police Department Equipment	10,000.00	3,500.00
Town Office Expense - Equipment	565.00	4,524.92
New Equipment	5,850.00	-
Self-Insurance Reserve	5,793.00	1,781.91
Reappraisal of Property	<u>20,690.00</u>	<u>43,187.26</u>
	<u>\$47,498.00</u>	<u>\$58,159.09</u>

F. Investments

Investments in all instances are stated at cost, or in the case of donated investments, at market value at the time of bequest or receipt.

G. Inventories

Inventory in the General and Special Revenue funds consists of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

H. Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation and sick pay is not accrued in the governmental funds using the modified accrual basis of accounting. After six months, employees may accumulate sick leave at a rate of one day per month, up to sixty days. The value of sick leave at December 31 is approximately \$54,334.92. Vacation is granted in varying amounts based on length of service. Vacation pay accumulation does not exceed a normal year's allowance.

I. Taxes Collected For Others

The property taxes collected by the Town include taxes levied for the White Mountain Regional School District and Coos County which are remitted to these governmental units as required by law. The ultimate responsibility for the collection of taxes rests with the Town. The payments are recorded in the general fund as intergovernmental transfers.

An analysis of the 1984 and 1985 property tax levy is presented below.

	1984	1984	1985	1985
	<u>Amount Levied</u>	<u>%</u>	<u>Amount Levied</u>	<u>%</u>
Town of Lancaster	\$ 207,586.00	10	\$ 235,247.00	12
White Mountains Regional School District	1,619,287.00	81	1,478,036.00	78
Coos County	<u>169,981.00</u>	<u>9</u>	<u>184,290.00</u>	<u>10</u>
	<u>\$1,996,854.00</u>	<u>100</u>	<u>1,897,573.00</u>	<u>100</u>

J. Property Taxes

Annually, the Town establishes and raises through taxation an amount for abatements and refunds of property and resident tax revenues, known as overlay. All abatements and refunds are charged to this account. The amount raised in 1985 was \$12,042.00 and expenditures amounted to \$11,978.87.

As prescribed by law, the Tax Collector sells at tax sale all uncollected property taxes in the following year after taxes are due. The purchaser at tax sale has a priority tax lien on these properties and accrued interest at 18% per annum. Delinquent taxpayers must redeem property from tax sale purchasers.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 2 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the fiscal year ended December 31, 1985.

	<u>General Obligation Debt</u>
Long-term Debt	
Payable January 1, 1985	\$ 883,675.00
Long-term Debt Retired	(123,725.00)
Long-term Debt Proceeds	<u> -</u>
Long-term Debt	
Payable December 31, 1985	<u>\$ 759,950.00</u>

Long-term debt payable at December 31, 1985, is comprised of the following individual issues:

General Obligation Bonds

\$2,170,000.00 Sewer Bonds due in annual installments of \$110,000.00 through 1989 and \$100,000.00 through 1992; interest at 4.50%

\$ 740,000.00

\$30,000.00 Grader Note Payable - Lancaster National Bank - Due in annual installment of \$7,500.00 in 1986 at 7.5% interest

\$ 7,500.00

\$24,900.00 Garland Bridge Note Payable - Siwooganock Savings Bank - Due in annual installments of \$6,225.00 through 1987 at 6.75% interest

\$ 12,450.00

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

The annual requirements to amortize all debt outstanding as of December 31, 1985, including interest payments, are as follows:

Annual Requirements To Amortize Long-Term Debt

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Sewer Bonds</u>			
1986	\$110,000.00	\$ 30,825.00	\$140,825.00
1987-92	630,000.00	83,025.00	713,025.00
Total Sewer Bond	<u>740,000.00</u>	<u>113,850.00</u>	<u>853,850.00</u>
<u>Grader Note</u>			
1986	7,500.00	562.50	8,062.50
Total Grader Note	<u>7,500.00</u>	<u>562.50</u>	<u>8,062.50</u>
<u>Bridge Note</u>			
1986	6,225.00	840.38	7,065.38
1987	6,225.00	420.19	6,645.19
Total Bridge Note	<u>12,450.00</u>	<u>1,260.57</u>	<u>13,710.57</u>
Total Long-Term Debt	<u>\$759,950.00</u>	<u>\$115,673.07</u>	<u>\$875,623.07</u>

NOTE 3 - CAPITAL PROJECTS FUNDS

Bonds or notes authorized to finance construction of capital projects are not recognized in the financial statements until issued. As noted below, \$97,000.00 has been authorized for long-term borrowing to finance these projects, but has not been issued at December 31, 1985.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

Bonds or notes authorized - unissued at December 31, 1985, are as follows:

<u>Town Meeting</u>	<u>Article No.</u>	<u>Authorized</u>	<u>Purpose</u>
1979	8	\$20,000.00	Solid Waste Landfill Land Acquisition
1980	7	55,000.00	Blade Brook Bridge
1981	6	<u>22,000.00</u>	Burnside Brook Bridge
		<u>\$97,000.00</u>	

NOTE 4 - CAPITAL RESERVE FUNDS

The capital reserve fund balances held by the Trustee of Trust Funds at December 31, 1984 and 1985 are as follows:

	<u>1984</u> <u>Amount</u>	<u>1985</u> <u>Amount</u>
School Septic System	\$ 13,598.11	\$ 18,780.50
Water Department	94,843.90	110,249.42
Highway Department	73,773.75	75,701.73
Fire Department Equipment	73,469.22	87,210.87
Ambulance	6,094.34	9,577.19
School Bus Fund	5,986.11	6,452.07
Sewer Department	15,021.14	24,213.01
Town Garage	6,325.62	6,816.48
School Copier	-	2,054.04
	<u>\$289,112.19</u>	<u>\$341,055.31</u>

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 5 - PENSION PLAN

Full-time police and certain Town employees participate in the State of New Hampshire Retirement System. The Town's contribution for normal cost of the plan is based upon an actuarial valuation of the entire State plan. Since the actuarial valuation is performed on the entire State plan the amount, if any, of the excess of vested benefits over pension fund assets is not available. The Town does not have an accrued liability for past service costs. Pension costs amounted to \$15,985.16 in 1985 for all Town departments.

NOTE 6 - TRUST FUNDS

The principal amount of all nonexpendable trust funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The Town's non-expendable and expendable trust funds at December 31, 1985 are detailed as follows:

	<u>Nonexpendable</u>	<u>Expendable</u>
Cemetery and Perpetual		
Care	\$ 344,375.73	\$2,700.50
Library	30,409.34	-
Town Needy	110,794.09	-
Colonel F.L. Town Trust	1,420,396.54	-
Parks	6,383.16	3,620.57
School	5,372.31	-
Historical Research	902.85	-
Benefit Public Nursing	1,095.20	546.63
School Scholarship	7,450.00	-
	<u>\$1,927,179.22</u>	<u>\$6,867.70</u>

NOTE 7 - FINANCIAL STATEMENTS NOT INCLUDED

Financial statements of the district court are not included in the annual financial report of the Town because the funds are not administered by elected officials of the Town. The Town only provides space to the Administration Committee of District and Municipal Courts, which has total jurisdiction over the administration of the Lancaster District Court.

TOWN OF LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 8 - RELIANCE ON OTHER AUDITORS' REPORT

We have engaged the services of another Certified Public Accountant to audit the records of the Town Trust Funds, and Capital Reserve Funds, because during the year we made bank deposits of dividend income on behalf of the Trustees and as such, under Rule 101 of the Code of Ethics of the American Institute of Certified Public Accountants, we were not completely independent and could not audit or express an Auditor's Opinion on the Trust Funds Financial Statements.

**Supplemental
Schedules**

TOWN OF LANCASTER

SCHEDULE 1

General Fund

Statement of Estimated and Actual Revenues
For The Fiscal Year Ended December 31, 1985

	Estimated	Actual	Over (Under) Budget
<u>Taxes</u>			
Interest and Penalties	\$ 59,000.00	\$ 51,422.38	\$(7,577.62)
Property and Inventory	1,897,573.00	1,907,467.01	9,894.01
Resident	20,740.00	21,840.00	1,100.00
National Bank Stock	2,000.00	1,899.70	(100.30)
Yield	5,000.00	18,010.83	13,010.83
	<u>1,984,313.00</u>	<u>2,000,639.92</u>	<u>16,326.92</u>
<u>State of New Hampshire</u>			
Shared Revenue	222,014.00	222,014.50	.50
Highway Subsidy	49,862.00	49,862.37	.37
Other	5,738.00	96.61	(5,641.39)
Aid For Water Pollution Projects	75,756.00	75,756.00	-
State/Federal Forest Land	2,387.00	3,075.09	688.09
	<u>355,757.00</u>	<u>350,804.57</u>	<u>(4,952.43)</u>
<u>Local Sources, Except Taxes</u>			
Motor Vehicle Permit Fees	120,000.00	146,503.00	26,503.00
Dog Licenses	1,100.00	987.00	(113.00)
Business Licenses, Permits and Fees	6,300.00	9,485.31	3,185.31
District Court Receipts	-	1,740.00	1,740.00
Rent of Town Property	2,600.00	3,638.80	1,038.80
Interest on Deposits	37,000.00	31,260.73	(5,739.27)
Income From Departments	6,000.00	-	(6,000.00)
Sale of Town Property	-	1,393.00	1,393.00
Other Income	28,000.00	46,446.26	18,446.26
Total Local Sources, Except Taxes	<u>201,000.00</u>	<u>241,454.10</u>	<u>40,454.10</u>
<u>Interfund Transfers</u>			
<u>Special Revenue Funds -</u>			
Revenue Sharing	62,000.00	62,000.00	-
Sewage Treatment	93,327.00	93,327.00	-
Capital Reserve	25,000.00	22,894.00	(2,106.00)
	<u>180,327.00</u>	<u>178,221.00</u>	<u>(2,106.00)</u>
<u>Total Revenues</u>	<u>2,721,397.00</u>	<u>2,771,119.59</u>	<u>49,722.59</u>
<u>Fund Balance Used To Reduce Tax Rate</u>	<u>79,911.00</u>	<u>-</u>	<u>(79,911.00)</u>
<u>Total Revenues and Use of Fund Balance</u>	<u>\$2,801,308.00</u>	<u>\$2,771,119.59</u>	<u>\$(30,188.41)</u>

SCHEDULE 2

TOWN OF LANCASTER

General Fund

Statement of Appropriations, Expenditures and Encumbrances
For The Fiscal Year Ended December 31, 1985

	Encumbered From 1984	Appropriations 1985
<u>General Government</u>		
Town Office Salaries	\$ -	\$ 51,920.00
Town Office Expenses	5,793.00	23,350.00
Election and Registration Expenses	-	500.00
Town Building Maintenance	5,165.00	25,760.00
Reappraisal of Property	20,690.00	20,000.00
Total General Government	<u>31,648.00</u>	<u>121,530.00</u>
<u>Protection of Persons and Property</u>		
Police Department	10,000.00	139,300.00
Fire Department, Including Forest Fires	-	25,300.00
Planning and Zoning	-	4,331.00
Insurance	-	59,010.00
Total Protection of Persons and Property	<u>10,000.00</u>	<u>227,941.00</u>
<u>Health and Sanitation</u>		
Animal Control	-	900.00
Health Associations	-	13,994.00
Ambulance	-	17,000.00
Vital Statistics	-	-
Town Dump	-	73,641.00
Total Health and Sanitation	<u>-</u>	<u>105,535.00</u>
<u>Highway and Bridges</u>		
Highway Subsidy	-	-
Town Road Aid	-	-
Town Maintenance	-	236,800.00
Street Lighting	-	34,000.00
Total Highway and Bridges	<u>-</u>	<u>270,800.00</u>
<u>Libraries</u>	<u>-</u>	<u>25,884.00</u>
<u>Public Welfare</u>		
Town Poor and CAP Donation	-	23,100.00
Old Age Assistance	-	19,500.00
Total Public Welfare	<u>-</u>	<u>42,600.00</u>
<u>Patriotic Purposes</u>	<u>-</u>	<u>400.00</u>
<u>Recreation</u>	<u>-</u>	<u>3,500.00</u>
<u>Cemeteries</u>	<u>-</u>	<u>1,500.00</u>

Expenditures Net of Refunds	Encumbered To 1986	(Over) Under Budget
\$ 51,848.12	\$ -	\$ 71.88
26,972.42	6,306.83	(4,136.25)
381.41	-	118.59
27,261.84	5,165.00	(1,501.84)
-	43,187.26	(2,497.26)
<u>106,463.79</u>	<u>54,659.09</u>	<u>(7,944.88)</u>
142,031.51	3,500.00	3,768.49
17,474.67	-	7,825.33
4,660.21	-	(329.21)
<u>61,886.17</u>	<u>-</u>	<u>(2,876.17)</u>
<u>226,052.56</u>	<u>3,500.00</u>	<u>8,388.44</u>
719.00	-	181.00
13,994.00	-	-
21,918.81	-	(4,918.81)
-	-	-
72,253.58	-	1,387.42
<u>108,885.39</u>	<u>-</u>	<u>(3,350.39)</u>
12,000.00	-	(12,000.00)
1,153.59	-	(1,153.59)
233,666.78	-	3,133.22
33,344.53	-	655.47
<u>280,164.90</u>	<u>-</u>	<u>(9,364.90)</u>
<u>34,376.98</u>	<u>-</u>	<u>(8,492.98)</u>
7,654.67	-	15,445.33
17,955.66	-	1,544.34
<u>25,610.33</u>	<u>-</u>	<u>16,989.67</u>
<u>400.00</u>	<u>-</u>	<u>-</u>
<u>2,653.08</u>	<u>-</u>	<u>846.92</u>
<u>1,500.00</u>	<u>-</u>	<u>-</u>

SCHEDULE 2
CONTINUED

TOWN OF LANCASTER
General Fund

Statement of Appropriations, Expenditures and Encumbrances
For The Fiscal Year Ended December 31, 1985

	<u>Encumbered</u> <u>From 1984</u>	<u>Appropriations</u> <u>1985</u>
<u>Unclassified</u>		
Damages and Legal Expenses	-	6,000.00
Employee Benefits	-	37,150.00
Advertising and Regional Associations	-	5,200.00
Contingency Fund	-	8,000.00
	<u>-</u>	<u>56,350.00</u>
<u>Debt Service</u>		
Principal of Debt	-	123,725.00
Interest on Debt		
Long-Term Debt	-	38,175.00
Tax Anticipation Notes	-	11,500.00
	<u>-</u>	<u>173,400.00</u>
<u>Capital Outlay</u>		
New Equipment	5,850.00	66,500.00
Payments To Capital Reserve Funds	-	31,000.00
	<u>5,850.00</u>	<u>97,500.00</u>
<u>Total Town Appropriations</u>	<u>47,498.00</u>	<u>1,126,940.00</u>
<u>Transfers To Other Governmental</u>		
<u>Divisions</u>		
School District Tax	-	1,478,036.00
County Tax	-	184,290.00
Total Transfers	<u>-</u>	<u>1,662,326.00</u>
<u>Overlay</u>	<u>-</u>	<u>12,042.00</u>
<u>Total Town Appropriations,</u>		
<u> Transfers and Overlay</u>	<u>\$47,498.00</u>	<u>\$2,801,308.00</u>

SCHEDULE 2
CONTINUED

<u>Expenditures</u> <u>Net of Refunds</u>	<u>Encumbered</u> <u>To 1986</u>	<u>(Over)</u> <u>Under</u> <u>Budget</u>
3,528.44	-	2,471.56
27,720.37	-	9,429.63
5,023.42	-	176.58
-	-	8,000.00
<u>36,272.23</u>	<u>-</u>	<u>20,077.77</u>
123,725.00	-	-
38,160.53	-	14.47
11,397.26	-	102.74
<u>173,282.79</u>	<u>-</u>	<u>117.21</u>
52,474.85	-	19,875.15
31,000.00	-	-
<u>83,474.85</u>	<u>-</u>	<u>19,875.15</u>
<u>1,079,136.90</u>	<u>58,159.09</u>	<u>37,142.01</u>
1,478,035.59	-	.41
184,290.00	-	-
<u>1,662,325.59</u>	<u>-</u>	<u>.41</u>
<u>11,978.87</u>	<u>-</u>	<u>63.13</u>
<u>\$2,753,441.36</u>	<u>\$58,159.09</u>	<u>\$37,205.55</u>

TOWN OF LANCASTER SCHEDULE 3
Federal Revenue Sharing Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

<u>Revenues</u>		
Federal Entitlements	\$58,391.00	
Interest Income	<u>3,026.41</u>	
<u>Total Revenues</u>		\$61,417.41
 <u>Expenditures</u>		
New Equipment	24,500.00	
Fire Equipment	2,500.00	
Police Department	19,500.00	
Highway Maintenance	13,500.00	
Police Station Design	<u>2,000.00</u>	
<u>Total Expenditures</u>		<u>62,000.00</u>
 <u>Excess of Revenues Over Expenditures</u>		 (582.59)
 <u>Fund Balance - January 1</u>		 <u>18,533.82</u>
 <u>Fund Balance - December 31</u>		 <u>\$17,951.23</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER

SCHEDULE 4

Water Department FundStatement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended December 31, 1985

<u>Revenues</u>	
Water Rents	\$72,363.26
Job Works	926.00
Interest	<u>2,769.17</u>
<u>Total Revenues</u>	\$76,058.43
<u>Expenditures and Other Uses</u>	
Salaries and Wages	38,366.94
Chemicals and Supplies	16,766.11
Telephone	300.00
Employee Benefits	7,316.31
Insurance	1,596.00
Truck and Equipment Expense	1,741.47
Miscellaneous	<u>1,030.78</u>
	<u>67,117.61</u>
<u>Other Uses</u>	
<u>Interfund Transfers</u>	
Capital Reserve Fund	<u>8,000.00</u>
<u>Total Expenditures and Other Uses</u>	<u>75,117.61</u>
<u>Excess of Revenues Over Expenditures</u>	940.82
<u>Fund Balance - January 1</u>	<u>37,972.55</u>
<u>Fund Balance - December 31</u>	<u>\$38,913.37</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER
Sewer Department Fund

SCHEDULE 5

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended December 31, 1985

Revenues

Sewer Rents	\$58,337.63
Job Works	1,164.00
Interest	<u>1,380.63</u>

Total Revenues

\$60,882.26

Expenditures

Officers' Salaries	1,800.00
Salaries and Wages	17,169.99
Chemicals and Supplies	1,968.08
Utilities and Telephone	21,884.08
Employee Benefits	2,715.55
Postage and Supplies	341.77
Truck Expense	1,337.87
Insurance	716.62
Other Expense	<u>300.00</u>
	48,233.96

Other Uses

Interfund Transfers	
Capital Reserve Fund	<u>8,000.00</u>

Total Expenditures and Other Uses

56,233.96

Excess of Revenues Over (Under)

<u>Expenditures and Other Uses</u>	4,648.30
------------------------------------	----------

Fund Balance - January 1

18,765.65

Fund Balance - December 31

\$23,413.95

The accompanying notes are an integral part of these financial statements.

Colonel F.L. Town Fund - Income Spending Committee
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

Revenues

Special Activities, Programs and Fees	\$ 17,352.05
Interest Income	2,976.11
	<u>20,328.16</u>

Other Financing Sources

<u>Interfund Transfers</u>	
Colonel F.L. Town Trust	<u>112,734.56</u>

Total Revenues and Other Sources \$133,062.72

Expenditures

Salaries and Wages	51,583.29
Employee Benefits	10,007.15
Supplies	6,638.69
Insurance	15,689.00
Utilities and Heat	10,724.54
Activities	18,897.48
Capital Expenditures	20,267.98
Vehicle Expense	3,532.45
Repairs and Maintenance	2,510.13
Grants and Donations	736.00
Other	1,298.10
Treasurer	800.00
Conferences and Meetings	1,450.00
	<u>144,134.81</u>

Other Uses

<u>Interfund Transfers</u>	
Library Fund	<u>2,500.00</u>

Total Expenditures and Other Uses 146,634.81

Excess of Revenues and Other Sources

Over (Under) Expenditures and Other Uses (13,572.09)

Fund Balance - January 1 60,122.52

Fund Balance - December 31 \$ 46,550.43

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER

SCHEDULE 7

Weeks Memorial Library Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

Revenues

Interest Income	\$ 881.06
Fines and Miscellaneous	1,945.79
	<u>2,826.85</u>

Other Financing Sources

Interfund Transfers

General Fund	34,376.98
Town Trusts	4,354.76
Colonel F.L. Town Trust	2,500.00
	<u>41,231.74</u>

Total Revenues and Other Sources

\$44,058.59

Expenditures

Salaries and Wages	16,833.61
Employee Benefits and Payroll Taxes	2,857.63
Books and Periodicals	10,674.80
Heat and Utilities and Telephone	3,338.13
Insurance	1,387.00
Maintenance and Repairs	1,970.64
Supplies and Miscellaneous	2,172.10
Energy Conservation	2,441.00
Capital Expenditure - roof	<u>8,500.00</u>

Total Expenditures

50,174.91

Excess of Revenues and Other

Sources Over (Under) Expenditures

(6,116.32)

Fund Balance - January 1

15,218.56

Fund Balance - December 31

\$ 9,102.24

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER
Cemetery Trust

SCHEDULE 8

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

Revenues

Perpetual Care	\$ 4,389.00
Sale of Lots	1,035.00
Burials	2,560.00
Care of Lots	287.00
Interest Income	4,794.26
	<u>13,065.26</u>

Other Financing Sources

Interfund Transfers

General Fund	1,500.00
Trust Funds	29,532.53
	<u>31,032.53</u>

Total Revenues and Other Sources

\$44,097.79

Expenditures

Salaries and Wages	20,654.30
Employee Benefits	3,589.08
Operating Supplies	1,698.32
Repairs	1,094.42
Equipment Rental	677.51
New Equipment	1,268.92
Utilities and Telephone	400.09
Insurance	1,080.00
Miscellaneous	1,364.03
Capital Projects	3,144.72
Miscellaneous Labor	450.00
	<u>35,421.39</u>

Other Uses

Interfund Transfers

Trust Funds	<u>6,075.00</u>
-------------	-----------------

Total Expenditures and Other Uses

41,496.39

Excess of Revenues and Other Sources

Over Expenditures and Other Uses

2,601.40

Fund Balance - January 1

73,369.17

Fund Balance - December 31

\$75,970.57

The accompanying notes are an integral part of these financial statements.

TOWN OF LANCASTER
Supplemental Schedule of Federal Assistance
For The Year Ended December 31, 1985

SCHEDULE 9

<u>Agency/Grant Title</u>	<u>Fed. Asst. ID #</u>	<u>Revenue Received</u>	<u>Grant Expenditures</u>
<u>Environmental Protection</u>			
<u>Agency</u>			
Wastewater Treatment Facility	C-330228-02&03	\$25,000.00	\$179,374.28
Wastewater Treatment Facility - (Final payment on Phase I)	C-330228-01	3,380.00	-
<u>Revenue Sharing</u>	303004010	63,378.00	65,081.00

NOTE - The above Schedule has been prepared on the cash basis of accounting.

FRANCIS J. DINEEN
CERTIFIED PUBLIC ACCOUNTANT

5 MIDDLE STREET · LANCASTER N H 03584
603 788-4928
603 788-4636

AUDITORS' COMMENTS ON COMPLIANCE FOR SINGLE AUDITS

To The Members of
The Board of Selectmen
Town of Lancaster
Lancaster, New Hampshire 03584

We have examined the general purpose financial statements of the Town of Lancaster for the year ended December 31, 1985, and have issued our report thereon dated February 14, 1986. Our examination was made in accordance with generally accepted auditing standards; the provisions of Standards for Audit Of Governmental Organizations, Programs, Activities, and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits; the Single Audit Act of 1984 (Pub. L. No. 98-502); the provision of the Office of Management and Budget's Compliance Supplement for Single Audits of Grants to State and Local Governments (the Compliance Supplement), and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with the examination referred to above, a representative number of transactions from each federal assistance program were selected to determine if federal funds are being expended in accordance with the terms of applicable agreements and those provisions of federal law or regulations that could have a material effect on the financial statements or on each major federal assistance program tested. The results of our tests indicated that for the items tested, the Town of Lancaster complied with the material terms and conditions of the federal assistance agreements. Further, for the items not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that the Town of Lancaster has not complied with the significant compliance terms and conditions of the programs referred to above.

This report is intended solely for the use of the Town of Lancaster, the cognizant audit agency, and other federal audit agencies. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Town of Lancaster, is a matter of public record.

Very truly yours,

February 14, 1986

Francis J. Dineen, C.P.A.

AUDITORS' REPORT
ON INTERNAL ACCOUNTING CONTROL
BASED SOLELY ON A STUDY AND EVALUATION MADE
AS PART OF A SINGLE AUDIT

To The Members of
The Board of Selectmen
Town of Lancaster
Lancaster, New Hampshire 03584

We have examined the general purpose financial statements of the Town of Lancaster for the year ended December 31, 1985, and have issued our report thereon dated February 14, 1986. As part of our examination, we made a study and evaluation of the system of internal accounting control of the Town of Lancaster to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards, the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and the Single Audit Act of 1984 (Pub. L. No.98-502). For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

- o Payroll Cycle
- o Expenditure (Other than Payroll) Cycle
- o Revenue Cycle
- o Treasury Cycle
- o Electronic Data Processing Cycle

Our study included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing, and extent of performing the auditing procedures necessary for expressing an opinion on the general purpose financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

Board of Selectmen
Town of Lancaster

The management of the Town of Lancaster is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, the Town is managing its federal assistance programs in compliance with laws and regulations, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Town of Lancaster taken as a whole or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed the following conditions that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Town of Lancaster may occur and not be detected within a timely period.

I. Segregation of Duties

Town General Fund

The limited number of administrative personnel employed by the Town causes the absence of a certain level of internal control which might otherwise be achieved through segregation of incompatible duties.

An example of incompatible functions performed by the same individual is that the Town Accountant is also the Town Treasurer. The Town Accountant posts the overall Town books and also signs all Town checks, reconciles the bank statements, etc.

RECOMMENDATION

We would recommend that all checks be co-signed by another individual, such as either the Town Manager or by one of the Selectmen. We would also recommend that bank statements be

received and reviewed by the Town Manager, to insure that all checks are being signed only by the Town Manager or Selectmen, and Treasurer.

Library Fund

The Town Treasurer also signs all checks, keeps the books, etc. for this fund.

RECOMMENDATION

We would recommend that all checks be co-signed by a Library Trustee.

Colonel Town Income Spending Fund

Mr. Fitch performs all accounting functions, signs checks, etc.

RECOMMENDATION

We would recommend that all checks be co-signed by a Spending Fund Trustee.

II. Better Expenditure Documentation
Colonel Town Income Spending Fund

Presently, requests for travel reimbursement are unsubstantiated.

RECOMMENDATION

Travel reimbursement requests should be supported by the date of travel, business purpose, destination, and supported by meal and motel receipts.

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our examination of the 1985 general purpose financial statements, and this report does not affect our report on the general purpose financial statements dated February 14, 1986.

This report is intended solely for the use of management and the cognizant Audit Agency and should not be used for any other purpose.

Very truly yours,

Francis J. Dineen, C.P.A.

February 14, 1986

Summary of Warrants

Fiscal Year Ended December 31, 1985

-DR-	LEVIES OF:	
	1985	Prior Years
Uncollected Taxes-Beginning Fiscal Year		
Property	\$	\$ 295,198.50
Resident		8,980.00
Yield		528.45
Sewer Rents		6,448.60
Taxes Committed to Collector		
Property	\$ 1,897,523.18	\$
Resident	20,740.00	
National Bank Stock	1,899.70	
Land Use	1,100.00	
Yield	18,010.83	
Sewer Rents	59,479.86	
Jeopardy Assessment	885.82	
Added Taxes:		
Property	\$ 4,000.58	\$ 206.91
Resident	850.00	250.00
Interest Collected on Delinquent Taxes	2,389.84	25,168.68
Penalties on Resident Taxes	109.00	306.00
Overpayments:		
CR Brought Forward	\$	\$ 384.16
Property	5,243.44	469.49
Resident	43.00	
Insufficient Funds-Property		526.35
TOTAL DEBITS	\$ <u>2,012,275.25</u>	\$ <u>338,467.14</u>

TOWN OF LANCASTER

Summary of Warrants
Fiscal Year Ended December 31, 1985

-CR-	LEVIES OF:	
	1985	Prior Years
Remittances to Treasurer		
Property Taxes	\$ 1,624,820.07	\$ 295,765.38
Resident Taxes	14,543.00	3,200.00
National Bank Stock	1,899.70	
Yield Taxes	16,370.46	176.10
Sewer Rents	51,262.29	6,448.60
Land Use	1,100.00	
Interest Collected	2,389.84	25,168.68
Penalties on Resident Taxes	109.00	306.00
Jeopardy Assessment	885.82	
Abatements Allowed		
Property	821.12	1,020.03
Resident	1,110.00	3,910.00
Yield		350.35
Sewer Rents	1,188.48	
Uncollected Taxes-End of Fiscal Year		
Property	281,126.01	
Resident	5,980.00	2,120.00
Sewer Rents	7,029.09	
Yield Taxes	<u>1,640.37</u>	
TOTAL CREDITS	\$ <u>2,012,275.25</u>	\$ <u>338,467.14</u>

Summary of Tax Sale

Fiscal Year Ended December 31, 1985

-DR-	LEVIES OF:	
	1984	Prior Years
Unredeemed Taxes - Beginning Fiscal Year	\$	\$ 140,073.49
Taxes Sold to Town During		
Current Fiscal Year	152,299.67	
Interest Collected After Sale	<u>2,463.53</u>	<u>20,988.76</u>
TOTAL DEBITS	\$ <u>154,763.20</u>	\$ <u>161,062.25</u>
Redemptions	\$ 57,108.58	\$ 96,434.15
Interest & Costs After Sale	2,463.53	20,988.76
Abatements During Year	141.83	
Unredeemed Taxes-End of Fiscal Year	<u>95,049.26</u>	<u>43,639.34</u>
TOTAL CREDITS	\$ <u>154,763.20</u>	\$ <u>161,062.25</u>

TOWN TELEPHONE DIRECTORY

TOWN MANAGER, Donald E. Crane.....788-3391
TOWN CLERK, Jean E. Oleson.....788-2306
TOWN TREASURER/ACCOUNTANT, Michael W. Nadeau.....788-3391
TAX, WATER/SEWER COLLECTOR, Ann M. Huddleston.....788-3391
INFORMATION ON ZONING & BUILDING PERMITS.....788-3391
PUBLIC HEALTH NURSING SERVICE.....788-2366
COLONEL TOWN COMMUNITY CENTER.....788-3321
LANCASTER ELEMENTARY SCHOOL DEPARTMENT.....788-4924
SUPERINTENDENT OF SCHOOLS OFFICE.....837-2553
WEEKS MEMORIAL HOSPITAL.....788-4911

EMERGENCY NUMBERS

POLICE DEPARTMENT.....788-4402
FIRE DEPARTMENT.....788-4830
CIVIL DEFENSE.....788-3391
AMBULANCE.....788-4911

TOWN OF LANCASTER
P. O. Box 151
LANCASTER, NEW HAMPSHIRE 03584

TO

Special Collections
UNH Library
Durham, N.H. 03824

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7-7 6:45 A.M.

RETURN POSTAGE GUARANTEED

Corner Pleasant and Portland Streets
Corner Williams and Prospect Streets
Prospect St. near Mary Elizabeth Inn
Corner Elm, Burnside and Winter Streets
Corner Elm and Water Streets
Prospect Park
Portland Street near John Brooks
Water and Winter Streets
Corner Summer and Wolcott Streets
Corner Railroad and Depot Sts., B&M Crossing
Corner High and Summer Streets
Corner Summer and Middle Streets
Corner Middle and Wesson Streets
Corner Middle, Hill and Mechanic Streets
North Road (Beyond Hospital)
Thompson Manufacturing Co.
Corner Main & Middle Sts., near Lancaster Hardware
Corner Main and Park Streets
WEEKS MEMORIAL HOSPITAL
Elementary School Building
Country Village Health Care Center
Bunker Hill Street by M.C.R.R. Crossing
Top of Bunker Hill Street
McKerley Sheltered Home (Old Kent Nursing Home)
Red Cross - CD Emergency First Aid
NATIONAL GUARD
ALL SCHOOLS CLOSED ENTIRE DAY.

CIVILIAN DEFENSE SIGNALS

Alert Signal - Steady Blast 3 minutes
Take Cover Signal - Short Blast 3 minutes
All Clear - 30 second Blast - 2 minutes silence, repeat

