

**NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM
AUTHORITY**

FINANCIAL STATEMENTS

JUNE 30, 2015

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HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

62 Stark Street, Manchester, New Hampshire 03101
603-669-5477 FAX 603-669-0197

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Hampshire Land and Community
Heritage Investment Program Authority

We have audited the accompanying financial statements of the New Hampshire Land and Community Heritage Investment Program Authority (a New Hampshire nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
New Hampshire Land and Community
Heritage Investment Program Authority

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Hampshire Land and Community Heritage Investment Program Authority as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 6, the New Hampshire Land and Community Heritage Investment Program Authority comes under the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, amended by Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions be represented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about methods of preparing the information, and comparing the information for consistency with management's responses to our inquires, to the basic financial statements, and to other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Board of Directors
New Hampshire Land and Community
Heritage Investment Program Authority

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

HERSSION, PAQU, P.C.

Manchester, New Hampshire
April 18, 2016

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 775,136	\$ 839,337
Prepaid expense	966	964
Security deposit	1,250	1,250
Property and equipment, net	<u>5,706</u>	<u>6,389</u>
Total assets	783,058	847,940
DEFERRED OUTFLOWS OF RESOURCES	<u>38,329</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 821,387</u></u>	<u><u>\$ 847,940</u></u>
LIABILITIES		
Accounts payable	\$ 7,092	\$ 367
Accrued payroll and related liabilities	9,274	8,098
Accrued pension liability	<u>96,564</u>	<u>-</u>
Total liabilities	<u>112,930</u>	<u>8,465</u>
DEFERRED INFLOWS OF RESOURCES	<u>12,355</u>	<u>-</u>
NET ASSETS		
Unrestricted	696,102	832,475
Temporarily restricted	-	7,000
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>696,102</u>	<u>839,475</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET ASSETS	<u><u>\$ 821,387</u></u>	<u><u>\$ 847,940</u></u>

See notes to financial statements.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2015 and 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
Support and revenues					
State of New Hampshire					
Conservation plate revenue	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 200,000
Administration fees	7,300	-	-	7,300	211,400
Interest income	266	-	-	266	223
Other income	-	-	-	-	10,000
Net assets released from restrictions	7,000	(7,000)	-	-	-
Total support and revenues	214,566	(7,000)	-	207,566	421,623
Expenses					
Program services	243,832	-	-	243,832	249,819
General and administrative	44,707	-	-	44,707	46,464
Total expenses	288,539	-	-	288,539	296,283
(Decrease) increase in net assets	(73,973)	(7,000)	-	(80,973)	125,340
Net assets, beginning of year, as previously reported	832,475	7,000	-	839,475	714,135
Effect of change in accounting principle on beginning of year net assets	(62,400)	-	-	(62,400)	-
Net assets, beginning of year, as restated	770,075	7,000	-	777,075	714,135
Net assets, end of year	\$ 696,102	\$ -	\$ -	\$ 696,102	\$ 839,475

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (80,973)	\$ 125,340
Adjustments to reconcile (decrease) increase in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	1,758	893
Decrease in due from State of New Hampshire	-	27,009
(Increase) decrease in prepaid expenses	(2)	290
Increase (decrease) in accounts payable	6,725	(4,320)
Increase (decrease) in accrued expenses	1,176	(279)
Increase in accrued pension liability	8,190	-
	<u>(63,126)</u>	<u>148,933</u>
Net cash (used) provided by operating activities		
Cash flows from investing activities		
Purchase of fixed assets	<u>(1,075)</u>	<u>(5,399)</u>
Net (decrease) increase in cash and cash equivalents	(64,201)	143,534
Cash and cash equivalents, beginning of year	<u>839,337</u>	<u>695,803</u>
Cash and cash equivalents, end of year	<u>\$ 775,136</u>	<u>\$ 839,337</u>

See notes to financial statements.

**NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY**

NOTES TO FINANCIAL STATEMENTS

Note 1. NATURE OF ACTIVITIES

The New Hampshire Land and Community Heritage Investment Program Authority's (the "Authority") intent is to conserve and preserve this state's most important natural, cultural and historical resources through the acquisition of lands and cultural and historical resources or interests therein, of local, regional and statewide significance. This is accomplished through matching grants in partnership with the state's municipalities and private non-profit groups, for the primary purpose of protecting and ensuring the perpetual contribution of these resources to the State's economy, environment and overall quality of life. The Authority is a New Hampshire nonprofit corporation with its office located in Concord, NH.

Operation of the Authority is funded by the State of New Hampshire (the "State") through conservation license plate fees and by interest income earned on Trust Fund appropriations. Under the terms of the law that created the conservation license plate program, RSA 261:97-b, LCHIP receives no more than \$200,000 per year from the conservation license plate program. LCHIP's own enabling legislation, RSA 227-M:7-a limits the allocation of interest income from the Trust Fund for administration to \$135,000 a year. However, the Authority has not received any interest income from the Trust Fund in fiscal year 2014 or 2015. The LCHIP Board of Directors has authority under RSA 227-M:5 IV to allocate money from the Trust Fund to administrative costs of the program, which was used in FY2014 but not in FY15.

The Authority is a public instrumentality of the State. The Governor and Executive Council of the State appoint the Executive Director of the Authority, the eight public members of the Authority's Board of Directors (the "Board") and the heads of six state agencies who are also (non-voting) members of the Board. The public and the heads of the state agencies compose the majority of the Authority's Board. The four other members of the Board are appointed by the leaders of the two chambers of the state Legislature. The level of Trust Fund appropriations that provide the basis for both grant funding and the interest income earned by the Authority can be changed by the State through its budget process. The State's Treasury department controls the investments of the Trust Fund. Only the funds and account groups of the Authority are included herein, and these financial statements, therefore, do not purport to represent the financial position or results of operations of the State of New Hampshire.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC) 958-205 and subsections. This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The categories are defined as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Authority.

Permanently Restricted – Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

The financial statements include certain prior-year's summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's audited financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

For the purpose of the statement of cash flows, cash consists of demand deposits and highly liquid investments with an initial maturity of three months or less.

Concentration of credit risk

The Authority maintains its cash balances in several national financial institutions. At certain times throughout the year, the balances in these accounts exceeded the maximum amount of \$250,000 of insurance provided by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2015, the Authority had no uninsured cash balances.

Property, equipment and depreciation

Property and equipment are recorded at cost, or if acquired by donation, at fair market value at the date of acquisition. It is the Authority's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Expenditures for maintenance and repairs are charged to expense as incurred. The various classes of property and equipment are depreciated using the straight-line method over a period of three to ten years.

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Employee benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the "Pension Plan") and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Income taxes

The Authority is a nonprofit corporation under New Hampshire RSA 292. As such, the Authority is exempt from federal income tax under the Internal Revenue Code. Accordingly, the Authority has not made any provision for income taxes.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Computer software	\$ 33,748	\$ 33,748
Computer equipment	16,849	15,774
Office furniture	<u>2,427</u>	<u>2,427</u>
	53,024	51,949
Accumulated depreciation	<u>(47,318)</u>	<u>(45,560)</u>
	<u>\$ 5,706</u>	<u>\$ 6,389</u>

For the years ended June 30, 2015 and 2014, depreciation expense was \$1,758 and \$893, respectively.

Note 4. ACCRUED PAYROLL

The Authority's accrued payroll at June 30, 2015 and 2014 was \$6,414 and \$5,745, respectively.

The Authority's stated policy regarding employee time-off is that employees may carry over a maximum of five earned days off at the end of a fiscal year. At June 30, 2015 and 2014, the accrued employee time-off balance was \$2,860 and \$2,353, respectively.

NEW HAMPSHIRE LAND AND COMMUNITY
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NOTES TO FINANCIAL STATEMENTS

Note 5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following at June 30:

	<u>2015</u>	<u>2014</u>
Development and implementation of marketing program	<u>\$ -</u>	<u>\$ 7,000</u>

Note 6. EMPLOYEE BENEFITS

Per RSA 227-M:6-a, the employees of the Authority are not classified as employees of the State within the meaning of RSA 21-I:49. Notwithstanding that provision, any individual employed by the Authority whose employment calls for 30 hours of work or more in a normal calendar week and whose position is anticipated to have a duration of 6 months or more, is entitled to elect to receive such health, dental, life insurance, deferred compensation and retirement benefits as are afforded to classified employees of the State, if such election is made within 30 days of the start of employment. Effective March 28, 2008, all full time employees, with the exception of the Executive Director, who is appointed by the Governor, are required to participate in the New Hampshire Retirement System.

Single K plan

During 2014, the Authority established a Single K plan to replace its 401(a) plan. The only employees eligible to participate in the plan are appointed employees who do not elect to participate in NHRS. As of June 30, 2015, the Executive Director is the only employee eligible to participate in the plan. For the years ended June 30, 2015 and 2014, the Authority made contributions of \$7,516 and \$6,000, respectively.

State of New Hampshire Retirement System

In fiscal year 2015, the Authority implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

Plan Description

The Authority has two employees electing to participate in the State of New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit public employee retirement system (the Pension Plan).

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. EMPLOYEE BENEFITS (continued)

The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Section 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The NHRS issues a publically available financial report that includes financial statements and required supplementary information for the Pension Plan. That report may be obtained on the NHRS website.

NHRS is divided into two membership groups: Group I, which includes all employees except firefighters and police officers and Group II, which is for firefighters and police officers. The Authority's employees are Group I employees.

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is $1/60$ or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at $1/66$ or 1.515% of AFC multiplied by years of creditable service. Members may also qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

NHRS is funded by contributions from both the employees and the Authority. Group I employees are required by State statute to contribute 7% of gross earnings up to the Social Security taxable wage limit. Amounts in excess of the limit are at 9.2%. The employer must, under the same statute, contribute monthly at an actuarially determined rate. Effective July 1, 2014 through June 30, 2015, the contribution rate was set at 10.77% of covered payroll. For the years ended June 30, 2015 and 2014, the Authority's contributions to the NHRS were \$8,346 and \$4,087, respectively.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. EMPLOYEE BENEFITS (continued)

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

At June 30, 2015, the Authority reported a liability of \$96,564 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The Authority's proportion of the net pension liability was based on the projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2013, the Authority's proportion was 0.00164 percent.

At the most recent measurement date of June 30, 2014, the Authority's proportion was 0.00257 percent, which was an increase of 0.00093 percent from its previous year proportion.

For the year ended June 30, 2015, the Authority recognized pension expense of \$13,675 related to the Pension Plan. At June 30, 2015, the Authority reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 12,355
Changes in proportion and differences between contributions and proportionate share of contributions	32,844	-
Contributions subsequent to the measurement date	5,485	-
Total	<u>\$ 38,329</u>	<u>\$ 12,355</u>

The above total of \$5,485 reported as deferred outflows of resources related to the Pension Plan resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. EMPLOYEE BENEFITS (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized as an increase (reduction) in pension expense as follows:

Year ended June 30:	Amount
2016	\$ 4,039
2017	4,039
2018	4,039
2019	4,039
2020	4,333
Total	<u>\$ 20,489</u>

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent per year
Salary increases	3.75 - 5.8 percent average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 - June 30, 2010.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under the method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

**NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY**

NOTES TO FINANCIAL STATEMENTS

Note 6. EMPLOYEE BENEFITS (continued)

The targeted allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage	Weighted Average Average Long- Term Expected Real Rate of Return
Large Cap Equities	22.50%	3.25%
Small/Mid Cap Equities	7.50	3.25%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.25%
Emerging Int'l Equities	7.00	6.50%
Total international equities	20.00	
Core Bonds	18.00	(0.47)%
High-Yield Bonds	1.50	1.50%
Global Bonds (unhedged)	5.00	(1.75)%
Emerging Market Debt (external)	0.50	2.00%
Total fixed income	25.00	
Private equity	5.00	5.75%
Private debt	5.00	5.00%
Real estate	10.00	3.25%
Opportunistic	5.00	2.50%
Total alternative investments	25.00	
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability is 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projections, member contributions and employer service cost contributions are projected based on the expected payroll of current members only.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 6. EMPLOYEE BENEFITS (concluded)

Employer contributions are determined based on the Pension Plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
June 30, 2014	\$127,190	\$96,564	\$70,726

Pension plan fiduciary net position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued NHRS financial report.

Note 7. LEASES

The Authority leased a copier under a non-cancelable operating lease through May 2015. The Authority leases office space under an annual lease through July 2018. For the years ended June 30, 2015 and 2014, rent expense on office space amounted to \$15,600 and \$15,500, respectively.

**NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY**

NOTES TO FINANCIAL STATEMENTS

Note 7. LEASES (concluded)

The following is a schedule of the future minimum lease payments required under the operating lease:

Year ended <u>June 30,</u>	<u>Amount</u>
2016	\$ 16,150
2017	16,200
2018	16,200
2019	<u>1,350</u>
Total	<u>\$ 49,900</u>

Note 8. SELF-INSURANCE

The Authority acts as a self-insurer for unemployment claims. For the years ended June 30, 2015 and 2014, the Authority paid no claims.

Note 9. CONCENTRATIONS OF RISK

The Authority provides grants for conservation of natural, historical and cultural resources in the State of New Hampshire. Since 2009, surcharges on some documents filed at County Registry of Deeds have been the intended source of funding for the Trust Fund for grants.

The state's biennial budget for fiscal years 2014 and 2015 has assigned the full income from the surcharge to the Authority for grant making and other costs. This represents a dramatic improvement in support to the Authority and virtually assures the strength of the program for the current biennium. In fiscal year 2015, the Authority received fifty-three grant applications, and with the full income from the registry fees, was able to provide funding for thirty-six of them.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. BEGINNING NET ASSETS RESTATEMENT

The Authority's beginning net assets for the year ending June 30, 2015 have been restated to conform to GASB Statement 68. The year ending June 30, 2014 and prior periods have not been restated due to lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net assets restatement does not recognize beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions per GASB 71. Accordingly, the following reconciliation is provided:

Net assets, July 1, 2014, as previously reported	\$ 832,475
Implementation of GASB 68	<u>(62,400)</u>
Net assets, July 1, 2014, as restated	<u>\$ 770,075</u>

Note 11. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through April 18, 2016, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. Effective July 1, 2015, Administrative Services approved changes relating to the encumbrance of Authority funds for grant awards and the business process for Authority grant award payments. Treasury will encumber the balance forward as of July 1, 2015 that has been awarded for projects in previous fiscal years. The balance forward as of July 1, 2015 is \$4,605,702. All grant payments will be made by Treasury directly to the Authority. The Authority will then issue checks to the specific grant recipients.

NEW HAMPSHIRE LAND AND COMMUNITY
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SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

REQUIRED SUPPLEMENTARY INFORMATION

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>New Hampshire Retirement System:</u>		
Proportion of the net pension liability	0.0026%	0.0016%
Proportionate share of the net pension liability	\$ 96,564	\$ 70,746
Covered-employee payroll	\$ 83,004	\$ 46,641
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	116.34%	151.68%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%

The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for fiscal years in which the data is available.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

SCHEDULE OF PENSION CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>New Hampshire Retirement System:</u>		
Contractually required contribution	\$ 8,346	\$ 4,087
Contributions in relation to the contractually required contribution	<u>(8,346)</u>	<u>(4,087)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 83,004	\$ 46,641
Contributions as a percentage of covered- employee payroll	10.05%	8.76%

The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for fiscal years in which the data is available.

See independent auditors' report.

NEW HAMPSHIRE LAND AND COMMUNITY
HERITAGE INVESTMENT PROGRAM AUTHORITY

SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2015
(with comparative totals for the Year Ended June 30, 2014)

	Program Services	General and Administrative	<u>2015</u>	<u>2014</u>
Salaries and wages	\$ 131,352	\$ 22,714	\$ 154,066	\$ 159,962
Employee benefits	44,582	7,706	52,288	66,469
Professional fees	15,175	3,794	18,969	13,846
Rent and utilities	13,301	2,299	15,600	15,500
Payroll taxes	10,016	1,731	11,747	12,250
Communication expenditures	9,400	-	9,400	3,000
Office expense	5,652	977	6,629	8,094
Project signage	6,216	-	6,216	6,429
Travel and entertainment	3,527	610	4,137	3,942
Telephone and internet	2,691	465	3,156	2,711
Insurance	422	2,395	2,817	2,442
Depreciation	1,499	259	1,758	893
Professional development	-	1,756	1,756	745
Total expenses	<u>\$ 243,832</u>	<u>\$ 44,707</u>	<u>\$ 288,539</u>	<u>\$ 296,283</u>