

**TOWN OF HOOKSETT,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

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PLODZIK & SANDERSON

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Town Council
Town of Hooksett
Hooksett, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, major general fund, and aggregate remaining fund information of the Town of Hooksett as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major general fund, and aggregate remaining fund information of the Town of Hooksett as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information - Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 through 10) and the Schedule of Funding Progress for Other Postemployment Benefit Plan (page 41) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers them 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

Town of Hooksett
Independent Auditor's Report

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information - Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hooksett's basic financial statements. The combining and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

February 27, 2015

Plodzik & Sanderson
Professional Association

Management's Discussion and Analysis

The Town of Hooksett's (Town) discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Town's financial activity, (3) identify changes in the Town's financial position (its ability to address the next and subsequent year's challenges), and (4) identify any material deviations from the financial plan (the approved budget).

Financial Highlights

Government – wide highlights

- The total assets of the Town exceeded total liabilities and deferred inflows of resources at fiscal year ending June 30, 2014 by \$36,407,906. This amount is presented as "Total Net Position" on the Statement of Net Position. Of this amount, \$14,250,046 (*unrestricted*) may be used to meet the Town and Sewer's ongoing obligations to its citizens.
- The Town's total net position increased by \$2,406,393 for fiscal year 2014. Net position of governmental activities increased by \$1,549,377 and the business-type activities increased by \$857,016.

Fund highlights

- At the close of the current year, the Town's governmental funds reported a combined balance of all funds of \$10,254,071, an increase of \$1,876,826 from the prior year. This increase is 12% of the total expenditures for the fiscal year.
- Unassigned fund balance for the General Fund was \$4,593,557; this is an increase of \$1,615,676 from the prior year of \$2,977,881.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplementary information.

Government-wide financial statements

The government-wide financial statements provide a broad overview of the Town's finances. These statements (*Statement of Net Position* and the *Statement of Activities*) provide both short-term and long-term information about the Town's overall financial position. They are prepared using the accrual basis of accounting, which recognizes all revenues and expenses connected with the year even if cash has not been received or paid.

The *Statement of Net Position* presents information on all of the Town's non-fiduciary assets, liabilities and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future periods (such as uncollected taxes and licenses). This statement also presents a comparison between direct expenses and program revenues for each function of the Town.

The *Statement of Net Position* and the *Statement of Activities* divide the Town into two types of activities:

- Governmental Activities – Most of the Town's basic functions are reported here which include the general government, public safety, highways and streets, sanitation, welfare, culture and recreation, conservation, economic development and debt service. Property taxes, intergovernmental revenues, permits and fees, and state and federal grants finance most of these activities.

- **Business-type Activities** – The Town charges a fee to customers with the intention of recovering all or a significant portion of the costs through user fees and charges. The Town’s Sewer Department is reported here.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements

Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements, focus on the individual parts of the Town government, and report the Town’s operations in more detail than the government-wide statements. The Town’s funds are divided into three categories: 1) governmental 2) proprietary and 3) fiduciary.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government’s near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented here with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Reconciliations found on page 14 and 16 are provided for both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures and Changes in Fund Balances* to the government-wide statements in order to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten individual governmental funds. Information is presented in the *Governmental Funds Balance Sheet* and in the *Statement of Revenues, Expenditures and Changes in Fund Balances* for these funds. They can be found on page 13 and 15.

The General Fund is considered to be a major fund. The General Fund accounts for governmental services provided to the Town’s residents. As of June 30, 2011, to comply with GASB Statement 54, the Town moved the Library, Heritage Commission, Head’s Chapel Preservation and the Expendable Trust funds into the General Fund from the Other Governmental Funds.

Data from the other nine governmental funds are combined into a single, aggregated presentation termed Other Governmental Funds. More information can be found on pages 47-48 regarding these other governmental funds.

Proprietary funds: The Town charges sewer customers for the services it provides; they are reported in the proprietary fund, which can be found, on pages 18-20. Proprietary funds are reported in the same way that all business-type activities are reported in the government-wide financial statements, but provide more detail and a statement of cash flows.

Fiduciary funds: These funds are used to account for resources held for the benefit of parties outside the government. While these funds represent trust responsibilities of the Town, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements. The Town’s fiduciary funds statements can be found on page 21.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements, and are required by generally accepted accounting principles. The notes to the financial statements begin on page 22.

Required supplementary information: The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes Funding Progress for Other Postemployment Benefits.

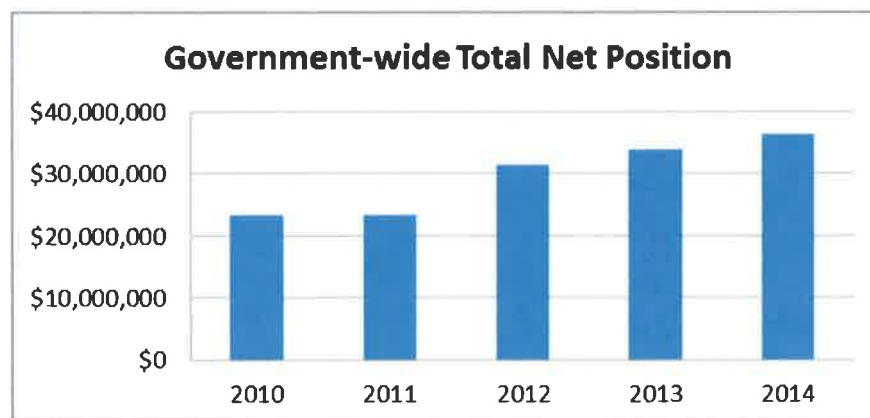
Government-wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior years. The Town's combined net position (government and business-type activities) totaled \$36,407,906 at the end of 2014, which increased by \$2,406,393.

Town of Hooksett						
Net Position as of June 30th						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 29,854,370	\$ 28,521,878	\$ 3,919,524	\$ 2,866,339	\$ 33,773,894	\$ 31,388,217
Capital assets, net	10,071,639	10,052,486	15,509,777	16,135,715	25,581,416	26,188,201
Total assets	\$ 39,926,009	\$ 38,574,364	\$ 19,429,301	\$ 19,002,054	\$ 59,355,310	\$ 57,576,418
Current liabilities	\$ 14,091,249	\$ 14,426,588	\$ 623,779	\$ 1,259,279	\$ 14,715,028	\$ 15,685,867
Long-term liabilities	1,733,389	1,583,423	5,727,159	6,010,210	7,460,548	7,593,633
Total liabilities	\$ 15,824,638	\$ 16,010,011	\$ 6,350,938	\$ 7,269,489	\$ 22,175,576	\$ 23,279,500
Unavailable Revenue	\$ 283,046	\$ 295,405	\$ 488,782	\$ -	\$ 771,828	\$ 295,405
Total Deferred inflows of Resources	\$ 283,046	\$ 295,405	\$ 488,782	\$ -	\$ 771,828	\$ 295,405
Net Position						
Net Investment in capital assets	\$ 9,896,796	\$ 9,831,910	\$ 9,835,938	\$ 10,173,234	\$ 19,732,734	\$ 20,005,144
Restricted	2,425,126	2,591,802	-	-	2,425,126	2,591,802
Unrestricted	11,496,403	9,845,236	2,753,643	1,559,331	14,250,046	11,404,567
Total net position	\$ 23,818,325	\$ 22,268,948	\$ 12,589,581	\$ 11,732,565	\$ 36,407,906	\$ 34,001,513

The largest portion of the government's net position, \$19,732,734 (54%), reflects investment in assets such as land, buildings, equipment, and infrastructure (roads and bridges), less any outstanding related debt used to acquire those assets. These assets are used to provide services to citizens; consequently, they are not available for future spending.

An additional portion of net position, \$2,425,126 (7%) represents resources that are subject to external restrictions on how they may be use. The remaining balance of unrestricted net position \$14,250,046 (39%) may be used to meet the government's operating needs and ongoing obligations.



The government-wide total net position has increased from \$23,308,820 as of June 30, 2010 to \$36,407,906 as of June 30, 2014.

The following is a summary of the information presented in the Statement of Activities for the current and prior years.

Town of Hooksett Statement of Changes in Net Position						
Revenues	Governmental Activities		Business-type Activities		Combined Totals	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Program revenues:						
Charges for services	\$ 916,265	\$ 752,331	\$ 2,047,416	\$ 1,801,866	\$ 2,963,681	\$ 2,554,197
Operating grants and contributions	672,807	461,096	-	-	672,807	461,096
General revenues:						
Property and other taxes	10,635,850	10,837,691	-	-	10,635,850	10,837,691
Licenses and permits	3,185,807	2,897,805	-	-	3,185,807	2,897,805
Grants and contributions	823,571	620,809	-	-	823,571	620,809
Investment earnings	28,688	17,018	136	1,144	28,824	18,162
Miscellaneous	831,443	1,606,516	17,935	312,230	849,378	1,918,746
Extraordinary item	-	-	1,000,000	-	1,000,000	-
Total revenues	\$ 17,094,431	\$ 17,193,266	\$ 3,065,487	\$ 2,115,240	\$ 20,159,918	\$ 19,308,506
Expenses						
General government	\$ 2,866,210	\$ 2,445,903	\$ -	\$ -	\$ 2,866,210	\$ 2,445,903
Public safety	8,174,497	7,727,959	-	-	8,174,497	7,727,959
Highways and streets	2,088,940	1,678,878	-	-	2,088,940	1,678,878
Sanitation	1,060,920	1,024,366	-	-	1,060,920	1,024,366
Welfare	167,807	215,993	-	-	167,807	215,993
Culture and recreation	1,142,200	811,713	-	-	1,142,200	811,713
Conservation	41,099	450,805	-	-	41,099	450,805
Economic development	461	292	-	-	461	292
Interest on long-term debt	2,920	3,913	-	-	2,920	3,913
Intergovernmental payments	-	85,964	-	-	-	85,964
Sewer Department	-	-	2,208,471	2,286,027	2,208,471	2,286,027
Total expenses	\$ 15,545,054	\$ 14,445,786	\$ 2,208,471	\$ 2,286,027	\$ 17,753,525	\$ 16,731,813
Increase(decrease) in net position	1,549,377	2,747,480	857,016	(170,787)	2,406,393	2,576,693
Net Position, beginning	22,268,948	19,521,468	11,732,565	11,903,352	34,001,513	31,424,820
Net Position, end of year	\$ 23,818,325	\$ 22,268,948	\$ 12,589,581	\$ 11,732,565	\$ 36,407,906	\$ 34,001,513

Financial Results

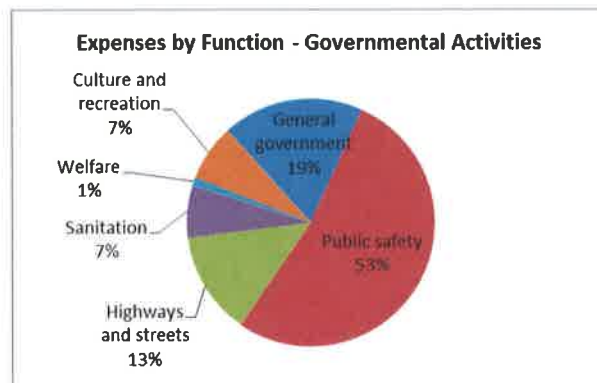
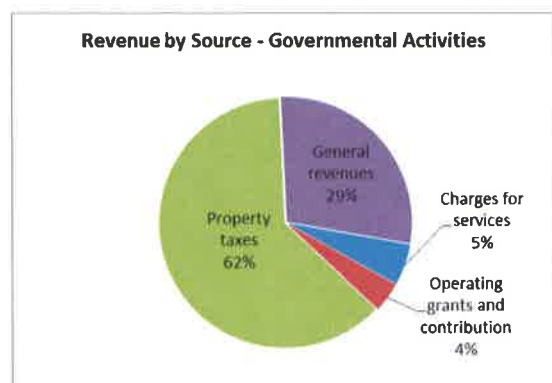
The *governmental activities* increase in net position was \$1,549,377. Key elements of this increase are as follows:

Total Governmental Funds revenues in excess of expenditures	\$ 1,876,826
Depreciation expense in excess of principal debt service	(622,776)
Capital assets acquired from current year revenues, net of disposals	687,662
Change in deferred tax revenues	(193,716)
Increase in net OPEB obligation	(210,699)
Other	12,080
Increase in Governmental Activities Net Position	\$ 1,549,377

The total cost of governmental activities this year was \$15,545,054. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through Town property and other taxes was only \$10,635,850 (68%) because those who directly benefited from the programs paid \$916,265 (6%) and other governments and organizations subsidized certain programs in the amount of \$672,807 (4%).

The Town paid for the remaining governmental activities with revenue not specifically targeted for specific programs. 28% of all revenues are known as general revenues, which include: interest, miscellaneous, motor vehicle permit fees, and other licenses and permits.

The Town's expenses cover a range of services. The largest expenses were for Public Safety, which accounts for 53% of total expenses. Program revenue consisting of grants and charges for services in the amount of \$619,517 was collected to offset these expenses. Public safety is made up of police, fire, ambulance, building inspections and emergency services



The Sewer fund reported in the *business-type activities* resulted in an increase to net position of \$857,016 for the year. Key elements of this increase are as follows:

Operating revenues in excess of expenses	\$ 59,230
Interest revenue	136
Interest expense	(202,350)
Settlement on pollution cleanup	1,000,000
Increase in business-type activities net position	<u>\$ 857,016</u>

The Sewer fund reached a settlement with the manufacture of the biofilm system, used in the plant, for the cleanup cost related to the released of materials into the New Hampshire and Massachusetts's waterway in March 2011. More information can be found in Note 21 in the Notes to the Basic Financial Statements.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The governmental fund financial statements for the Town are provided on pages 13-17. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The general fund is the chief operating fund of the Town. As of June 30, 2014 the total unassigned fund balance was \$4,593,557 which is an increase of \$1,615,676 from the prior year. The key factors are:

Revenues collected more than budgeted	\$ 977,146
Excess appropriations unspent by departments	242,217
Decrease in nonspendable fund balance	19,187
Decrease in committed fund balance	47,000
Deferred tax revenue not collected within 60 days	378,148
Change in allowance for uncollectible taxes	(48,022)
Increase in general fund unassigned fund balance	<u>\$ 1,615,676</u>

At the end of the current year, the governmental funds reported a combined ending fund balance of \$10,254,071, an increase of \$1,876,826, in comparison with the prior year. The general fund increased \$1,464,492 while the other governmental funds increased by \$412,334. Key elements of these changes are as follows:

General Fund

Revenues collected more than budgeted	\$ 977,146
Excess appropriations unspent by departments	242,217
Net change in Encumbrances	(202,484)
Deferred tax revenue not collected within 60 days	378,148
Change in allowance for uncollectible taxes	(48,022)
Net change in Library	27,425
Net change in Expendable Trusts	88,153
Net change in Heritage Commission	1,908
Net change in Head Chapel	1
Total General Fund	<u>\$ 1,464,492</u>

Other Governmental Funds

Conservation revenues	\$ 461,714
Conservation land purchases	(54,712)
Impact Fee revenues	236,479
Impact Fees school bond repayment	(250,511)
Impact Fees other purchases	(195,659)
Solid Waste Disposal revenues	111,089
Solid Waste Disposal purchase of Capital Equipment	(62,768)
Net change in Recreation Revolving fund	10,060
Net change in Ambulance Revolving fund	109,043
Drug Forfeiture purchases of police equipment	(1,327)
Net change in Police Special Details fund	31,119
Net change in Fire Special Details fund	890
Net change in Permanent fund	16,917
Total Other Governmental Funds	<u>\$ 412,334</u>

General Fund Budgetary Highlights

The original general fund operating budget removing Sewer and Capital Reserve appropriations for the fiscal year 2013-14 was \$14,234,535. Significant budget to actual variances for the general fund revenues and expenditures include the following:

- Motor vehicle registration revenues exceeded the budget by \$478,955 due to a general increase in revenues throughout the State.
- Other State revenues exceeded the budget by \$138,250 mainly due to unanticipated State Bridge Aid for the Benton Road culvert project.
- While the total budget did not change, Town Council did authorize budget transfers between departments due to the failed operating budget.

Capital Assets and Debt Administration

Capital assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$25,581,416 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles and equipment, infrastructure and intangible assets.

Capital Assets						
	Governmental Activities		Business-type Activities		Combined Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,078,776	\$ 2,053,539	\$ 300,000	\$ 300,000	\$ 2,378,776	\$ 2,353,539
Infrastructure	93,655,087	93,655,087	11,314,929	11,314,929	104,970,016	104,970,016
Land improvements	162,961	162,961	-	-	162,961	162,961
Buildings and improvements	8,310,032	8,310,032	16,829,953	16,806,713	25,139,985	25,116,745
Vehicles and equipment	7,793,615	7,914,457	770,487	771,438	8,564,102	8,685,895
Construction in progress	226,194	47,376	307,618	307,618	533,812	354,994
Intangible assets	337,840	205,000	-	-	337,840	205,000
Total	112,564,505	112,348,452	29,522,987	29,500,698	142,087,492	141,849,150
Accumulated depreciation	(102,492,866)	(102,295,966)	(14,013,210)	(13,364,983)	(116,506,076)	(115,660,949)
Total capital assets	\$ 10,071,639	\$ 10,052,486	\$ 15,509,777	\$ 16,135,715	\$ 25,581,416	\$ 26,188,201

Major capital asset activity for the governmental activities during the current year included the following:

- Land
 - Conservation purchased riverfront property adding \$25,237.
- Construction in progress
 - South Bow Road renovations \$67,791
 - Petersbrook Field expansion \$9,970
 - College Park Drive sidewalks \$34,581
 - Purchase of new financial software \$66,476
- Vehicles and equipment
 - Purchased 2014 police cruiser \$28,064
 - Purchased digital repeater, radio and dispatch console for police \$359,880
 - Purchased 2014 pickup for Recycling & Transfer \$32,769
 - Purchased 2013 loader for Recycling & Transfer \$30,701
 - Purchased 2013 pickup for Fire-Rescue \$28,186
 - Accepted a donation of a cardiopulmonary resuscitation device for Fire-Rescue \$15,000
 - Scraped four police cruisers removing \$94,098
 - Scraped 2006 dispatch console removing \$521,344
- Intangible assets
 - Purchased Police software adding \$132,840

Major capital asset activity for the business-type activities during the current year included the following:

- Land
 - Swapped land with Manchester Sand and Gravel value is \$300,000
- Building and improvements
 - Plant upgrades adding \$23,240
- Vehicles and equipment
 - Purchased 2005 Chevy pickup adding \$13,500
 - Disposed a 1984 Ford dump truck removing \$14,451

Debt administration

At the end of the current fiscal year, the Town had total outstanding debt of \$5,673,839 which is related to the wastewater treatment facility upgrades reported in the Sewer Fund and is repaid by the users of the sewer system. An additional \$174,843 is outstanding in capital lease obligations.

Additional information on the debt can be found in Note 12 in the Notes to the Basic Financial Statements.

Economic Factors and the Future:

According to the NH Employment Security, New Hampshire is emerging from the recession. Statistical information available at the NH Employment Security website reports Merrimack County's unemployment rate for November 2014 at 3.4%,(not seasonally adjusted) which is a decrease from a rate of 0.8% in November 2013. This compares to the State's average unemployment rate of 3.9% which continues to be below the national average rate of 5.5%.

For fiscal year 2015, the Town's operating budget totaled \$17,402,094, which represents \$15,052,171 for the general fund budget, \$1,994,923 for Sewer operations and \$355,000 for capital reserves. This budget includes funding for the capital improvement program and the necessary funding to maintain Town services at their current level.

Requests for Information:

This financial report is designed to provide a general overview of the Town of Hooksett's finances for all of the citizens, taxpayers, customers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Hooksett, Finance Department, 35 Main Street, Hooksett, NH 03106. The Finance Director can also be reached at (603) 485-2017 or at csoucic@hooksett.org.

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF HOOKSETT, NEW HAMPSHIRE
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,099,146	\$ 331,121	\$ 18,430,267
Investments	5,958,925	1,620,887	7,579,812
Taxes receivables (net)	5,085,905	-	5,085,905
Account receivables (net)	156,375	1,967,516	2,123,891
Intergovernmental receivable	7,123	-	7,123
Prepaid Items	84,817	-	84,817
Tax deeded property, subject to resale	462,079	-	462,079
Capital assets:			
Land and construction in progress	2,304,970	607,618	2,912,588
Other capital assets, net of depreciation	7,766,669	14,902,159	22,668,828
Total assets	<u>39,926,009</u>	<u>19,429,301</u>	<u>59,355,310</u>
LIABILITIES			
Accounts payable	310,347	18,907	329,254
Accrued expenses	-	29,366	29,366
Accrued salaries and benefits	615,156	12,579	627,735
Retainage payable	-	195,933	195,933
Pollution remediation obligation	-	274,933	274,933
Accrued interest payable	6,103	62,041	68,144
Intergovernmental payable	13,046,039	-	13,046,039
Escrow and performance deposits	113,604	30,020	143,624
Long-term liabilities:			
Due within one year	60,181	293,612	353,793
Due in more than one year	1,673,208	5,433,547	7,106,755
Total liabilities	<u>15,824,638</u>	<u>6,350,938</u>	<u>22,175,576</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - future service agreements	-	488,782	488,782
Unavailable revenue - donations	283,046	-	283,046
Total deferred inflows of resources	<u>283,046</u>	<u>488,782</u>	<u>771,828</u>
NET POSITION			
Net investment in capital assets	9,896,796	9,835,938	19,732,734
Restricted	2,425,126	-	2,425,126
Unrestricted	11,496,403	2,753,643	14,250,046
Total net position	<u>\$ 23,818,325</u>	<u>\$ 12,589,581</u>	<u>\$ 36,407,906</u>

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

EXHIBIT B
TOWN OF HOOKSETT, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended June 30, 2014

		Program Revenues		Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 2,866,210	\$ 95,020	\$ -	\$ (2,771,190)	\$ -	\$ (2,771,190)
Public safety	8,174,497	618,816	701	(7,554,980)	-	(7,554,980)
Highways and streets	2,088,940	39,463	247,920	(1,801,557)	-	(1,801,557)
Sanitation	1,060,920	111,036	-	(949,884)	-	(949,884)
Welfare	167,807	-	-	(167,807)	-	(167,807)
Culture and recreation	1,142,200	51,930	2,127	(1,088,143)	-	(1,088,143)
Conservation	41,099	-	422,059	380,960	-	380,960
Economic development	461	-	-	(461)	-	(461)
Interest on long-term debt	2,920	-	-	(2,920)	-	(2,920)
Total governmental activities	<u>15,545,054</u>	<u>916,265</u>	<u>672,807</u>	<u>(13,955,982)</u>	<u>-</u>	<u>(13,955,982)</u>
Business-type activities:						
Sewer	2,208,471	2,047,416	-	-	(161,055)	(161,055)
Total	<u>\$ 17,753,525</u>	<u>\$ 2,963,681</u>	<u>\$ 672,807</u>	<u>(13,955,982)</u>	<u>(161,055)</u>	<u>(14,117,037)</u>
General revenues:						
Taxes:						
Property				10,263,696	-	10,263,696
Other				372,154	-	372,154
Motor vehicle permit fees				3,029,505	-	3,029,505
Licenses and other fees				156,302	-	156,302
Grants and contributions not restricted to specific programs				823,571	-	823,571
Unrestricted investment earnings				28,688	136	28,824
Miscellaneous				831,443	17,935	849,378
Extraordinary item:						
Disk cleanup settlement				-	1,000,000	1,000,000
Total general revenues and extraordinary items				<u>15,505,359</u>	<u>1,018,071</u>	<u>16,523,430</u>
Change in net position				1,549,377	857,016	2,406,393
Net position, beginning				22,268,948	11,732,565	34,001,513
Net position, ending				<u>\$ 23,818,325</u>	<u>\$ 12,589,581</u>	<u>\$ 36,407,906</u>

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

EXHIBIT C-1
TOWN OF HOOKSETT, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
June 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 15,013,288	\$ 2,972,254	\$ 17,985,542
Investments	5,287,010	671,915	5,958,925
Receivables, net of allowance for uncollectible:			
Accounts	46,722	109,653	156,375
Taxes	5,937,883	-	5,937,883
Intergovernmental	7,123	-	7,123
Interfund receivable	5,262	-	5,262
Voluntary tax liens	343,199	-	343,199
Voluntary tax liens reserved until collected	(343,199)	-	(343,199)
Prepaid items	84,817	-	84,817
Tax deeded property, subject to resale	462,079	-	462,079
Restricted assets:			
Cash and cash equivalents	113,604	-	113,604
Total assets	<u>\$ 26,957,788</u>	<u>\$ 3,753,822</u>	<u>\$ 30,711,610</u>
LIABILITIES			
Accounts payable	\$ 296,590	\$ 13,757	\$ 310,347
Accrued salaries and benefits	606,597	8,559	615,156
Intergovernmental payable	13,046,039	-	13,046,039
Interfund payable	-	5,262	5,262
Escrow and performance deposits	113,604	-	113,604
Total liabilities	<u>14,062,830</u>	<u>27,578</u>	<u>14,090,408</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	6,084,085	-	6,084,085
Unavailable revenue - Donations	283,046	-	283,046
Total deferred inflows of resources	<u>6,367,131</u>	<u>-</u>	<u>6,367,131</u>
FUND BALANCES			
Nonspendable	546,896	182,915	729,811
Restricted	81,146	2,161,065	2,242,211
Committed	1,265,806	-	1,265,806
Assigned	40,422	1,382,264	1,422,686
Unassigned	4,593,557	-	4,593,557
Total fund balances	<u>6,527,827</u>	<u>3,726,244</u>	<u>10,254,071</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,957,788</u>	<u>\$ 3,753,822</u>	<u>\$ 30,711,610</u>

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

EXHIBIT C-2
TOWN OF HOOKSETT, NEW HAMPSHIRE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2014

Total fund balances of governmental funds (Exhibit C-1)		\$ 10,254,071
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.		
Cost	\$ 112,564,505	
Less accumulated depreciation	<u>(102,492,866)</u>	
		10,071,639
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (5,262)	
Payables	<u>5,262</u>	
		-
Long term revenue (taxes) is not available to pay current-period expenditures and, therefore, is recorded as deferred inflows of resources in the governmental funds.		6,084,085
Recording of allowance for an estimated uncollectible property tax receivable eliminated as part of entry to remove long term revenue (taxes) not available to pay current-period expenditures.		(851,978)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(6,103)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.		
Capital leases	\$ (174,843)	
Accrued landfill postclosure care costs	(145,000)	
Other postemployment benefits	<u>(1,413,546)</u>	
		(1,733,389)
Net position of governmental activities (Exhibit A)		<u><u>\$ 23,818,325</u></u>

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

EXHIBIT C-3
TOWN OF HOOKSETT, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 10,790,166	\$ 39,400	\$ 10,829,566
Licenses and permits	3,178,981	-	3,178,981
Intergovernmental	1,065,615	422,059	1,487,674
Charges for services	125,084	727,089	852,173
Miscellaneous	679,858	259,895	939,753
Total revenues	15,839,704	1,448,443	17,288,147
EXPENDITURES			
Current:			
General government	2,539,051	340,563	2,879,614
Public safety	7,587,556	498,278	8,085,834
Highways and streets	2,036,855	19,167	2,056,022
Sanitation	1,076,319	-	1,076,319
Welfare	167,807	-	167,807
Culture and recreation	1,023,569	55,359	1,078,928
Conservation	11,624	54,712	66,336
Economic development	461	-	461
Total expenditures	14,443,242	968,079	15,411,321
Excess of revenues over expenditures	1,396,462	480,364	1,876,826
OTHER FINANCING SOURCES (USES)			
Transfers in	68,030	-	68,030
Transfers out	-	(68,030)	(68,030)
Total other financing sources (uses)	68,030	(68,030)	-
Net change in fund balances	1,464,492	412,334	1,876,826
Fund balances, beginning	5,063,335	3,313,910	8,377,245
Fund balances, ending	\$ 6,527,827	\$ 3,726,244	\$ 10,254,071

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

EXHIBIT C-4
TOWN OF HOOKSETT, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 1,876,826
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 831,495	
Depreciation expense	<u>(668,509)</u>	162,986
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) that increase net position		(143,833)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (68,030)	
Transfers out	<u>68,030</u>	-
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred tax revenue for receivables not collected within 60 days of fiscal year-end	\$ (378,148)	
Change in allowance for an estimated uncollectible property tax receivable	48,022	
Change in deferred tax revenue for taxes levied prior to their due date	<u>136,410</u>	(193,716)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of capital leases		45,733
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense	\$ (2,920)	
Increase in postemployment benefits payable	(210,699)	
Decrease in accrued landfill postclosure care costs	<u>15,000</u>	(198,619)
Changes in net position of governmental activities (Exhibit B)		<u><u>\$ 1,549,377</u></u>

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

EXHIBIT D
TOWN OF HOOKSETT, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,572,265	\$ 10,572,265	\$ 10,460,040	\$ (112,225)
Licenses and permits	2,665,450	2,665,450	3,178,981	513,531
Intergovernmental	860,153	860,153	1,065,615	205,462
Charges for services	100,750	100,750	125,084	24,334
Miscellaneous	260,850	260,850	641,010	380,160
Total revenues	14,459,468	14,459,468	15,470,730	1,011,262
EXPENDITURES				
Current:				
General government	2,462,498	2,277,808	2,491,158	(213,350)
Public safety	7,529,967	7,731,524	7,360,601	370,923
Highways and streets	1,826,384	1,701,384	1,864,266	(162,882)
Sanitation	1,149,596	1,189,293	1,070,496	118,797
Welfare	219,696	256,328	167,807	88,521
Culture and recreation	1,033,267	1,065,071	1,025,905	39,166
Conservation	11,625	11,625	11,624	1
Economic development	1,500	1,500	461	1,039
Debt service:				
Interest	1	1	-	1
Capital outlay	1	1	-	1
Total expenditures	14,234,535	14,234,535	13,992,318	242,217
Excess of revenues over expenditures	224,933	224,933	1,478,412	1,253,479
OTHER FINANCING SOURCES (USES)				
Transfers in	115,067	115,067	80,951	(34,116)
Transfers out	(340,000)	(340,000)	(340,000)	-
Total other financing sources (uses)	(224,933)	(224,933)	(259,049)	(34,116)
Net change in fund balances	\$ -	\$ -	1,219,363	\$ 1,219,363
Decrease in nonspendable fund balance			19,187	
Decrease in committed fund balance			47,000	
Unassigned fund balance, beginning			3,170,036	
Unassigned fund balance, ending			\$ 4,455,586	

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

EXHIBIT E-1
TOWN OF HOOKSETT, NEW HAMPSHIRE
Proprietary Fund
Statement of Net Position
June 30, 2014

	Business-type Activities Enterprise Fund (Sewer)
ASSETS	
Cash and cash equivalents	\$ 331,121
Investments	1,620,887
Receivables, net of allowance for uncollectible	1,967,516
Capital assets, not being depreciated:	
Land	300,000
Construction in progress	307,618
Capital assets, net of accumulated depreciation:	
Buildings and building improvements	11,155,891
Vehicles and equipment	64,451
Infrastructure	3,681,817
Total assets	<u>19,429,301</u>
LIABILITIES	
Current liabilities:	
Accounts payable	18,907
Accrued salaries and benefits	12,579
Retainage payable	195,933
Accrued interest payable	62,041
Pollution remediation obligation	274,933
Accrued expenses	29,366
Escrow and performance deposits	30,020
Noncurrent liabilities:	
Due within one year:	
Notes	293,612
Due in more than one year:	
Notes	5,380,227
Other postemployment benefits	53,320
Total liabilities	<u>6,350,938</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - future service agreements	<u>488,782</u>
NET POSITION	
Net investment in capital assets	9,835,938
Unrestricted	2,753,643
Total net position	<u>\$ 12,589,581</u>

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

EXHIBIT E-2
TOWN OF HOOKSETT, NEW HAMPSHIRE
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	Business-type Activities
	Enterprise Fund (Sewer)
Operating revenues:	
User charges	\$ 2,047,416
Miscellaneous	17,935
Total operating revenues	<u>2,065,351</u>
Operating expenses:	
Salaries and wages	639,292
Contractual services	513,273
Materials and supplies	119,076
Operation and maintenance	30,754
Depreciation and amortization	703,726
Total operating expenses	<u>2,006,121</u>
Operating gain	59,230
Nonoperating revenue (expenses):	
Interest revenue	136
Interest expense	(202,350)
Total nonoperating revenues (expenses)	<u>(202,214)</u>
Extraordinary item:	
Settlement revenue	<u>1,000,000</u>
Change in net position	857,016
Net position, beginning	<u>11,732,565</u>
Net position, ending	<u><u>\$ 12,589,581</u></u>

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

EXHIBIT E-3
TOWN OF HOOKSETT, NEW HAMPSHIRE
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

Cash flows from operating activities:	
Cash received from customers	\$ 1,851,703
Cash paid to suppliers and employees	(1,250,868)
Net cash provided by operating activities	<u>600,835</u>
Cash flows from capital and related financing activities:	
Principal paid on bonds	(288,642)
Acquisition and construction of fixed assets	(77,789)
Interest paid	(202,350)
Net cash used by capital and related financing activities	<u>(568,781)</u>
Cash flows from investing activities:	
Sale of investments	186,066
Interest received	136
Net cash used by investing activities	<u>186,202</u>
Net decrease in cash	218,256
Cash, beginning	112,865
Cash, ending	<u><u>\$ 331,121</u></u>

Reconciliation of Operating Gain to Net Cash Provided by Operating Activities

Operating gain	<u>\$ 59,230</u>
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation expense	703,726
Increase in pollution remediation obligation	57,593
Increase in intergovernmental and other receivables	(20,994)
Decrease in accounts payable	(12,386)
Increase in accrued salaries and benefits	1,155
Increase in accrued interest payable	62,041
Increase in retainage payable	301
Decrease in accrued expenses	(62,768)
Decrease in escrow and performance deposits	(6,654)
Increase in other postemployment benefits	5,591
Decrease in deferred inflows of resources	(186,000)
Total adjustments	<u>541,605</u>
Net cash provided by operating activities	<u><u>\$ 600,835</u></u>

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

EXHIBIT F
TOWN OF HOOKSETT, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2014

	<u>Agency</u>
ASSETS	
Cash and cash equivalents	\$ 118,945
Investments	<u>2,438,281</u>
Total assets	<u>2,557,226</u>
LIABILITIES	
Intergovernmental payable	1,728,941
Due to others	<u>828,285</u>
Total liabilities	<u>2,557,226</u>
NET POSITION	<u>\$ -</u>

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

TOWN OF HOOKSETT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

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TOWN OF HOOKSETT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Hooksett, New Hampshire (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Hooksett is a municipal corporation governed by an elected 9-member Town Council and Town Administrator. The reporting entity is comprised of the primary government and any other organizations (*component units*) that are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the Town is financially accountable. The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board, and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; (3) the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Town is obligated for the debt of the organization. Based on the foregoing criteria, no other organizations are included in the Town's financial reporting entity.

1-B Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the governmental activities and business-type activities of the Town at year-end. This statement includes all of the Town's assets, liabilities, deferred inflows of resources, and net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for State shared revenue, reimbursement-based grants and interest which use one year.

TOWN OF HOOKSETT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies, and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlement, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

The Town reports the following major governmental fund:

General Fund – all general revenues and other receipts that are not allocated by law or contracted agreement to another fund are accounted for in this fund. This fund accounts for general operating expenditures, fixed charges, and the capital improvement costs that are not reported in other funds.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

The Town reports the following major proprietary fund:

Sewer Fund – accounts for the operation of the sewer treatment plant, pumping station, and sewer lines.

Additionally, the Town reports the following fund types:

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Permanent Fund - is used to record activity of legal trusts for which the interest on the corpus provides funds for the Town's cemetery operations.

Agency Fund - used to account for assets held in a trustee or agency capacity on behalf of outside parties, including other governments.

1-D Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents."

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The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

1-F Restricted Assets

Cash received for developer's performance bond deposits are classified as restricted assets on the balance sheet because their use is designated for a specific purpose and therefore not available for immediate and general use by the Town.

1-G Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

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

Investments for the Town are reported at fair value generally based on quoted market prices.

1-H Receivables

Receivables recorded in the financial statements represent amounts due to the Town at June 30. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-I Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term Interfund loans are reported as "Interfund receivables and payables." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

1-J Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, and expenses as the items are used.

1-K Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

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Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated minimum useful life in excess of three years. As the Town constructs or acquires additional capital assets each year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Governmental activities:	
Land improvements	20
Buildings and building improvements	20-40
Vehicles and equipment	5-15
Infrastructure	20-100
Intangible assets	Indefinite
Business-type activities:	
Buildings and building improvements	10-26
Vehicles and equipment	5-21
Infrastructure	10-99

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

1-L Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1-M Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Interest accrues at a rate of 12% on bills outstanding after the due date and 18% on tax liens outstanding.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Hooksett School District, and Merrimack County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2013 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 1,491,398,443
For all other taxes	\$ 1,556,298,643

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The tax rates and amounts assessed for the year ended June 30, 2014 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$6.88	\$ 10,705,906
School portion:		
State of New Hampshire	\$2.40	3,582,357
Local	\$11.44	17,796,430
County portion	\$2.76	4,301,438
Total		<u>\$ 36,386,131</u>

1-N Compensated Absences

The Town's policy allows certain employees to earn varying amounts of vacation and compensatory time based on the employee's length of employment. Upon separation from service, employees are paid in full for any accrued leave earned as set forth by personnel policy. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

1-O Long-Term Obligations

In the government-wide and business-type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statements of fund net position.

1-P Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. Claims and judgments are recorded in the government-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

1-Q Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

TOWN OF HOOKSETT, NEW HAMPSHIRE
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1-R Net Position/Fund Balance Reporting

Government-wide Statements – Equity is classified as net position and displayed in three components:

- a) *Net investment in capital assets* – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b) *Restricted net position* – Consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classifications - The fund balance of governmental funds is reported in five categories based on the nature of any limitations requiring the use of resources for specific programs. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The classifications used in the Town’s governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the Town’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

Unassigned – This classification includes the residual fund balance for the general fund.

When multiple net position/fund balance classifications are available for use, it is the government’s policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

In the general fund, the Town strives to maintain a minimum unassigned fund balance to be used for unanticipated emergencies of approximately 8% of the general fund’s annual budget including Town, School, and County appropriations. This target balance should be achieved over the next five fiscal years.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

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. At its annual meeting, the Town adopts a budget for the current year for the general and sewer funds. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

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Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

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 assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

2-B Budgetary Reconciliation to GAAP Basis

The Town employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities, but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year-end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 15,551,681
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	38,848
To eliminate transfers between blended funds	(12,921)
Change in deferred tax revenue relating to 60-day revenue recognition	378,148
Change in allowance for uncollectible property tax receivable	(48,022)
Per Exhibit C-3 (GAAP basis)	<u>\$ 15,907,734</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 14,332,318
Adjustment:	
Basis differences:	
Encumbrances, beginning	225,391
Encumbrances, ending	(22,907)
GASB Statement No. 54:	
To record expenditures of the blended funds	248,440
To eliminate transfers between general and expendable trust funds	(340,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 14,443,242</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

At June 30, 2014, the reported amount of the Town's deposits was \$18,549,212 and the bank balance was \$14,053,590. Of the bank balance \$13,288,838 was covered by federal depository insurance or by collateral held by the Town's agent in the Town's name.

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Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 18,430,267
Cash per Statement of Fiduciary Net Position (Exhibit F)	118,945
Total cash and cash equivalents	<u>\$ 18,549,212</u>

NOTE 4 – INVESTMENTS

Note 1-G describes statutory requirements covering the investment of the Town funds. The Town also maintains a portfolio of short-term maturity investments that are reported at fair value, based on quoted market prices. The Town's fiscal agent or custodian provides the fair value of all short-term maturity investments.

At June 30, 2014, this Town had the following investments:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Fair Value
Investments type:				
Certificates of deposit	\$ 4,004,993	\$ -	\$ -	\$ 4,004,993
New Hampshire Public Deposit Investment Pool	481,932	1,620,887	828,285	2,931,104
Equity funds	290,754	-	246,102	536,856
Fixed income funds	1,181,246	-	1,363,894	2,545,140
Total fair value	<u>\$ 5,958,925</u>	<u>\$ 1,620,887</u>	<u>\$ 2,438,281</u>	<u>\$ 10,018,093</u>

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town's investment policy limits investment maturities to 180 days or less, as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as explained in Note 1-G. The Town's investment policy addresses credit risk by limiting the Town's exposure and concentrating its investments in safety securities. In addition, the Town strives to diversify its investment portfolio in order to minimize potential losses, and actively monitors its investment portfolio holdings for ratings changes as well as changing economic and market conditions.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g. broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 7,579,812
Investments per Statement of Fiduciary Net Position (Exhibit F)	2,438,281
Total investments	<u>\$ 10,018,093</u>

Investments in NHPDIP – The Town is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by State law and is administered by a public body of State, local and banking officials.

Investments in the NHPDIP are not investments in securities and, as such are not categorized by risk. The Town's exposure to derivatives is indirect through its participation in the NHPDIP. The Town's proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

TOWN OF HOOKSETT, NEW HAMPSHIRE
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NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of June 30, 2014. The amount has been reduced by an allowance for an estimated uncollectible amount of \$851,978, which is reported on Exhibit A under the full accrual method and is omitted on Exhibit C-1 under the modified accrual method. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2014	\$ 4,140,840	\$ 4,140,840
Unredeemed (under tax lien):		
Levy of 2013	649,722	649,722
Levy of 2012	465,456	465,456
Levies of 2011 and prior	681,155	681,155
Yield	193	193
Excavation	517	517
Less: allowance for estimated uncollectible taxes	(851,978)	-
Net taxes receivable	<u>\$ 5,085,905</u>	<u>\$ 5,937,883</u>

NOTE 6 – OTHER RECEIVABLES

Receivables at June 30, 2014, consisted of accounts (billings for police details, water, sewer, ambulance, and other user charges) and intergovernmental amounts arising from grants. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of June 30, 2014 for the Town's individual major fund and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities			Business-type Activities
	General Fund	Nonmajor Funds	Total	Sewer Fund
Receivables:				
Accounts	\$ 46,722	\$ 354,702	\$ 401,424	\$ 1,967,516
Intergovernmental	7,123	-	7,123	-
Liens	343,199	-	343,199	-
Gross receivables	397,044	354,702	751,746	1,967,516
Less: allowance for uncollectibles	(343,199)	(245,049)	(588,248)	-
Net total receivables	<u>\$ 53,845</u>	<u>\$ 109,653</u>	<u>\$ 163,498</u>	<u>\$ 1,967,516</u>

TOWN OF HOOKSETT, NEW HAMPSHIRE
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NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 consisted of the following:

	Balance, beginning	Additions	Disposals	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	\$ 2,053,539	\$ 25,237	\$ -	\$ 2,078,776
Construction in progress	47,376	178,818	-	226,194
Total capital assets not being depreciated	2,100,915	204,055	-	2,304,970
Being depreciated:				
Land improvements	162,961	-	-	162,961
Buildings and building improvements	8,310,032	-	-	8,310,032
Vehicles and equipment	7,914,457	494,600	(615,442)	7,793,615
Infrastructure	93,655,087	-	-	93,655,087
Intangible assets	205,000	132,840	-	337,840
Total capital assets being depreciated	110,247,537	627,440	(615,442)	110,259,535
Total all capital assets	112,348,452	831,495	(615,442)	112,564,505
Less accumulated depreciation:				
Land improvements	(33,021)	(14,428)	-	(47,449)
Buildings and building improvements	(4,112,478)	(188,625)	-	(4,301,103)
Vehicles and equipment	(5,192,716)	(417,438)	471,609	(5,138,545)
Infrastructure	(92,957,751)	(38,529)	-	(92,996,280)
Intangible assets	-	(9,489)	-	(9,489)
Total accumulated depreciation	(102,295,966)	(668,509)	471,609	(102,492,866)
Net book value, capital assets being depreciated	7,951,571	(41,069)	(143,833)	7,766,669
Net book value, all governmental activities capital assets	\$ 10,052,486	\$ 162,986	\$ (143,833)	\$ 10,071,639
Business-type activities:				
At cost:				
Not being depreciated:				
Land	\$ 300,000	\$ 300,000	\$ (300,000)	\$ 300,000
Construction in progress	307,618	-	-	307,618
Total capital assets not being depreciated	607,618	300,000	(300,000)	607,618
Being depreciated:				
Buildings and building improvements	16,806,713	23,240	-	16,829,953
Vehicles and equipment	771,438	54,549	(55,500)	770,487
Infrastructure	11,314,929	-	-	11,314,929
Total capital assets being depreciated	28,893,080	77,789	(55,500)	28,915,369
Total all capital assets	29,500,698	377,789	(355,500)	29,522,987
Less accumulated depreciation:				
Buildings and building improvements	(5,301,463)	(372,599)	-	(5,674,062)
Vehicles and equipment	(571,198)	(190,338)	55,500	(706,036)
Infrastructure	(7,492,322)	(140,790)	-	(7,633,112)
Total accumulated depreciation	(13,364,983)	(703,727)	55,500	(14,013,210)
Net book value, capital assets being depreciated	15,528,097	(625,938)	-	14,902,159
Net book value, all business-type activities capital assets	\$ 16,135,715	\$ (325,938)	\$ (300,000)	\$ 15,509,777

TOWN OF HOOKSETT, NEW HAMPSHIRE
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Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

Governmental activities:	
General government	\$ 29,322
Public safety	367,585
Highways and streets	145,261
Sanitation	63,070
Culture and recreation	63,271
Total depreciation expense	<u><u>\$ 668,509</u></u>
Business-type activities:	
Sewer	<u><u>\$ 703,727</u></u>

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	<u><u>\$ 5,262</u></u>

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers - The composition of interfund transfers for the year ended June 30, 2014 is as follows:

	<u>Transfers In:</u>
	<u>General</u>
	<u>Fund</u>
Transfers out:	
Nonmajor funds	<u><u>\$ 68,030</u></u>

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$13,046,039 at June 30, 2014 consist of the following:

General fund:	
Property taxes levied prior to their due date and payable to:	
Merrimack County	\$ 2,157,599
Hooksett School District	10,723,591
Miscellaneous fees due to the State of New Hampshire	9,055
June portion of retirement payables due to New Hampshire Retirement System	151,342
June portion of federal payroll taxes due to federal government	4,452
Total intergovernmental payables due from the general fund	<u><u>13,046,039</u></u>
Agency fund:	
Balance of trust funds belonging to the:	
Hooksett School District	422,361
Central Hooksett Water Precinct	574,721
Hooksett Village Water Precinct	731,859
Total intergovernmental payables due from the agency fund	<u><u>1,728,941</u></u>
Total intergovernmental payables due	<u><u>\$ 14,774,980</u></u>

TOWN OF HOOKSETT, NEW HAMPSHIRE
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NOTE 10 – DEFERRED INFLOW OF RESOURCES

Deferred inflows of resources of \$6,367,131 in the general fund and \$488,782 in the sewer fund at June 30, 2014 consisted of the following:

Governmental activities:

General fund:

Property taxes levied prior to their due date	\$ 5,370,078 *
Property tax receivables not collected within 60 days of the end of the fiscal year	714,007 *
Donations received in advance of eligible expenditures being made	283,046
Total governmental activities	<u>\$ 6,367,131</u>

Business-type activities:

Sewer fund:

Future service agreements received in advance of eligible expenditures occurring	<u>\$ 488,782</u>
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*These amounts are eliminated on the Statement of Net Position under the full accrual method.

NOTE 11 – CAPITAL LEASE OBLIGATIONS

The Town has entered into certain capital lease agreements under which the related equipment will become the property of the Town when all the terms of the lease agreements are met.

	Standard Interest Rate	Present Value of Remaining Payments as of June 30, 2014
Capital lease obligations:		
Tanker truck	2.66%	<u>\$ 174,843</u>

Leased equipment under capital leases, included in capital assets, is as follows:

	Governmental Activities
Equipment:	
Tanker truck	\$ 348,000
Less: accumulated depreciation	(46,400)
Total capital lease equipment	<u>\$ 301,600</u>

The annual requirements to amortize the capital lease payable as of June 30, 2014, including interest payments, are as follows:

Fiscal Year Ending June 30,	Governmental Activities
2015	\$ 51,600
2016	51,600
2017	51,600
2018	31,018
Total requirements	185,818
Less: interest	(10,975)
Present value of remaining payments	<u>\$ 174,843</u>

Amortization of lease equipment under capital assets is included with depreciation expense.

TOWN OF HOOKSETT, NEW HAMPSHIRE
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NOTE 12 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
<u>Governmental activities:</u>					
Capital leases	\$ 220,576	\$ -	\$ (45,733)	\$ 174,843	\$ 45,181
Accrued landfill postclosure care costs	160,000	-	(15,000)	145,000	15,000
Net other postemployment benefits	1,202,847	210,699	-	1,413,546	-
Total long-term liabilities	<u>\$ 1,583,423</u>	<u>\$ 210,699</u>	<u>\$ (60,733)</u>	<u>\$ 1,733,389</u>	<u>\$ 60,181</u>
<u>Business-type activities:</u>					
Notes payable	\$ 5,962,481	\$ -	\$ (288,642)	\$ 5,673,839	\$ 293,612
Net other postemployment benefits	47,729	5,591	-	53,320	-
Total long-term liabilities	<u>\$ 6,010,210</u>	<u>\$ 5,591</u>	<u>\$ (288,642)</u>	<u>\$ 5,727,159</u>	<u>\$ 293,612</u>

Long-term notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2014	Current Portion
<u>Business-type activities:</u>						
Notes payable:						
Water treatment facility upgrade	\$ 3,500,000	2010	2030	3.70%	\$ 3,033,340	\$ 138,289
Water treatment facility upgrade	\$ 3,106,470	2012	2031	3.10%	2,640,499	155,323
Total					<u>\$ 5,673,839</u>	<u>\$ 293,612</u>

The annual requirements to amortize all general obligation notes outstanding as of June 30, 2014, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 293,612	\$ 195,044	\$ 488,656
2016	298,767	185,068	483,835
2017	304,115	174,899	479,014
2018	309,662	164,531	474,193
2019	315,415	153,956	469,371
2020-2024	1,671,176	603,360	2,274,536
2025-2029	1,850,827	303,177	2,154,004
2030-2031	630,265	26,379	656,644
Totals	<u>\$ 5,673,839</u>	<u>\$ 1,806,414</u>	<u>\$ 7,480,253</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

Accrued Landfill Postclosure Care Costs – The Town ceased operating its landfill in 1999. Federal and State laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. A liability is being recognized based on the future postclosure care costs that will be incurred. The recognition of these landfill postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated liability for landfill postclosure care costs has a balance of \$145,000 as of June 30, 2014. The estimated total current cost of (\$15,000) the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2014. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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The Town has established a capital reserve fund for landfill postclosure care costs. At June 30, 2014, the balance in the landfill capital reserve is \$83,059.

Debt Authorized and Unissued – Debt authorized and unissued in the amount of \$14,424 as of June 30, 2014 was for sewer construction.

NOTE 13 – ENCUMBRANCES

Encumbrances outstanding at June 30, 2014 are as follows:

General fund:	
General government	\$ 14,889
Public safety	8,018
Total general fund	<u>22,907</u>
Sewer fund:	
Sewer operation and maintenance	<u>64,539</u>
Total encumbrances	<u><u>\$ 87,446</u></u>

NOTE 14 – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES NET POSITION

Governmental and business type activities net position reported on the government-wide Statement of Net Position at June 30, 2014 include the following:

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets:			
Net property, buildings, and equipment	\$ 10,071,639	\$ 15,509,777	\$ 25,581,416
Less:			
Capital leases payable	(174,843)	-	(174,843)
Notes payable and other long-term debt	-	(5,673,839)	(5,673,839)
Total net investment in capital assets	<u>9,896,796</u>	<u>9,835,938</u>	<u>\$ 19,732,734</u>
Restricted net position for:			
Impact fees	2,095,619	-	2,095,619
Library purposes	81,146	-	81,146
Drug forfeiture	25,879	-	25,879
Permanent funds	222,482	-	222,482
Total restricted net position	<u>2,425,126</u>	<u>-</u>	<u>2,425,126</u>
Unrestricted	<u>11,496,403</u>	<u>2,753,643</u>	<u>14,250,046</u>
Total net position	<u><u>\$ 23,818,325</u></u>	<u><u>\$ 12,589,581</u></u>	<u><u>\$ 36,407,906</u></u>

NOTE 15 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at June 30, 2014 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 84,817	\$ -	\$ 84,817
Tax deeded property, subject to resale	462,079	-	462,079
Permanent fund - principal balance	-	182,915	182,915
Total nonspendable fund balance	<u>546,896</u>	<u>182,915</u>	<u>729,811</u>

(Continued)

TOWN OF HOOKSETT, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Governmental fund balances continued:

Restricted:			
Library	81,146	-	81,146
Impact fees	-	2,095,619	2,095,619
Drug forfeiture	-	25,879	25,879
Permanent fund - income balance	-	39,567	39,567
Total restricted fund balance	<u>81,146</u>	<u>2,161,065</u>	<u>2,242,211</u>
Committed:			
Expendable trust	<u>1,265,806</u>	<u>-</u>	<u>1,265,806</u>
Assigned:			
Encumbrances	22,907	-	22,907
Heritage commission	13,326	-	13,326
Head's Chapel preservation	4,189	-	4,189
Conservation commission	-	585,302	585,302
Solid waste disposal	-	259,757	259,757
Recreation revolving	-	30,597	30,597
Ambulance revolving	-	339,223	339,223
Police special detail	-	166,408	166,408
Fire detail	-	977	977
Total assigned fund balance	<u>40,422</u>	<u>1,382,264</u>	<u>1,422,686</u>
Unassigned	<u>4,593,557</u>	<u>-</u>	<u>4,593,557</u>
Total governmental fund balances	<u>\$ 6,527,827</u>	<u>\$ 3,726,244</u>	<u>\$ 10,254,071</u>

NOTE 16 – EMPLOYEE RETIREMENT PLAN

The Town participates in the New Hampshire Retirement System (the System) which is the administrator of a cost-sharing multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Provision for benefits and contributions are established and can be amended by the New Hampshire Legislature. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. For fiscal year 2014, all employees except police officers and firefighters were required to contribute 7% of earnable compensation. The contribution rates were 11.55% for police officers and 11.80% for firefighters. The Town's contribution rates for 2014 for pension and medical subsidy were 25.30% for police officers, 27.74% for firefighters, and 10.77% for all other employees.

The contribution requirements for the Town of Hooksett for the fiscal years 2012, 2013, and 2014 were \$975,341, \$961,551, and \$1,261,519, respectively, which were paid in full in each year.

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to pension benefits described in preceding note, the Town provides postemployment benefit options for health care and life insurance to eligible retirees and their spouses. The Town provides medical, prescription drug, mental health, and substance abuse benefits, as well as life insurance, to retirees and their covered dependents. The benefits are provided in accordance with the Town's agreements, collective bargaining agreements, and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility include: years of service, employee age, and whether the employee has vested in the respective retirement plan. The Town funds the benefits on a pay-as-you-go basis. Retirees pay the full cost of the medical premium. These benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A: 50. There are 114 active employees and 20 retired employees currently eligible. Expenses for the postretirement health care benefits are recognized as eligible employee claims are paid.

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The Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 requires that the long-term cost of retirement health care and obligations for other postemployment benefits (OPEB) be determined on an actuarial basis and reported similar to pension plans. GASB Statement No. 45 does not mandate the pre-funding of postemployment benefit liabilities. However, any pre-funding of these benefits will help minimize or eliminate the postemployment benefit obligation that will be required to be reported on the financial statements.

The Town has only partially funded (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2014:

Annual required contribution/OPEB cost	\$ 299,070
Contributions made (pay-as-you-go)	<u>(82,780)</u>
Increase in net OPEB obligation	216,290
Net OPEB obligation, beginning	1,250,576
Net OPEB obligation, ending	<u>\$ 1,466,866</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and four preceding years were as follows:

Fiscal Year Ended	Annual OPEB Contribution Cost	Actual Contributions (pay-as-you-go)	Percentage Contributed	Net OPEB Obligation
June 30, 2014	\$ 299,070	\$ 82,780	27.7%	\$ 1,466,866
June 30, 2013	\$ 299,633	\$ 71,054	23.7%	\$ 1,250,576
June 30, 2012	\$ 303,879	\$ 65,188	21.5%	\$ 1,021,997
June 30, 2011	\$ 312,474	\$ 43,038	13.8%	\$ 783,306
June 30, 2010	\$ 295,192	\$ 32,176	10.9%	\$ 513,870

The Town's net OPEB obligation as of June 30, 2014 is recognized as a liability in these financial statements.

As of July 1, 2012, the date of the most recent actuarial valuation, the actuarial accrued liability (AAL) for benefits was \$2,997,356, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,997,356. The covered payroll (annual payroll of active employees covered by the plan) was \$5,305,822 during fiscal year 2014, and the ratio of the UAAL to the covered payroll was 56.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for Other Postemployment Benefits Plan, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

TOWN OF HOOKSETT, NEW HAMPSHIRE
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In the July 1, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return per annum. The projected annual healthcare cost trend is 9% initially, reduced by decrements to an ultimate rate of 5% after seven years. The UAAL is being amortized as a level dollar amount over an open basis. The remaining amortization period at July 1, 2012 was 30 years.

NOTE 18 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2014, the Town was a member of the Local Government Center Property-Liability Trust, LLC, which is a Trust organized to provide certain property and liability insurance coverage to member towns, cities and other qualified political subdivisions of New Hampshire. As a member of the Local Government Center Property-Liability Trust, LLC, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 to June 30. The program maintains a self-insured retention above which it purchases reinsurance and excess insurance. This policy covers property, auto physical damage, crime, general liability, and public officials' liability subject to a \$1,000 deductible.

Contributions paid in fiscal year ending June 30, 2014, were \$158,574 for property liability, \$152,464 for workers compensation and \$16,105 for unemployment compensation, for a total insurance expenditure of \$327,143. There were no unpaid contributions for the year ended June 30, 2014. The trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities.

NOTE 19 – CONTINGENCIES

There are various legal claims and suits pending against the Town which arose in the normal course of the governments activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 20 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

The following GASB pronouncements were implemented by the Town for the fiscal year ended June 30, 2014, which included the early implementation of GASB Statement No. 65. Only GASB Statement No. 63 and GASB Statement No. 65 impacted these financial statements:

GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*, issued March 2012. This Statement is intended to resolve conflicting accounting and financial report and guidance that emerged from two recent standards, Statement No. 54 and Statement No. 62. These standards conflicted with existing guidance in Statements No. 10, 13, and 48.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued in June 2012. The guidance contained in this Statement will change how governments calculate and report the costs and obligations associated with pensions in important ways. They replace the requirements of Statements No. 27 and 50.

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued in June 2012, will be effective for the Town beginning with its fiscal year ending June 30, 2015. The guidance contained in this Statement will change how governments calculate and report the costs and obligations associated with pensions in important ways. This replaces the requirements of Statements No. 27 and 50.

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GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued in January 2013, will be effective for the Town beginning with its fiscal year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations that have been transferred or sold.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued in April 2013, will be effective for the Town beginning with the fiscal year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by governments that extend and receive nonexchange financial guarantees.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, issued in November 2013, should be implemented simultaneously with the provision of Statement No. 68, beginning with the fiscal year ending June 30, 2015. This Statement addresses an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

NOTE 21 – EXTRAORDINARY ITEM

In March 2011 disks which originated at the Hooksett wastewater treatment plant created litter on New Hampshire and Massachusetts beaches. The Hooksett Sewer Commission since this date has received a judgment in their favor for the amount of \$1,000,000, of this amount \$500,000 was paid and received by the Hooksett Sewer Commission in fiscal year 2014 with the remaining \$500,000 being recorded as an accounts receivable at June 30, 2014. It is anticipated that this amount will be collected in fiscal year 2015.

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through February 27, 2015, the date the June 30, 2014 financial statements were available to be issued, and one event was deemed appropriate to disclose, and is as follows:

The State of New Hampshire has concluded from its last inspection of the Lilac (Village) Bridge that the bridge has critical deficiency. The estimated cost to fix the bridge is \$11,000,000 and to remove the bridge is \$3,000,000. The Town of Hooksett is working with the State and Federal Government to get approval to remove the bridge.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G
TOWN OF HOOKSETT, NEW HAMPSHIRE
Schedule of Funding Progress for Other Postemployment Benefit Plan
For the Fiscal Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
July 1, 2012	\$ -	\$ 2,997,356	\$ 2,997,356	0.0%	\$ 5,305,822	56.5%
July 1, 2011	\$ -	\$ 3,005,730	\$ 3,005,730	0.0%	\$ 5,176,412	58.1%
July 1, 2008	\$ -	\$ 1,988,285	\$ 1,988,285	0.0%	\$ 5,622,099	35.4%

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

TOWN OF HOOKSETT, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Schedule of Funding Progress for Other Postemployment Benefits (OPEB)

As required by GASB Statement No. 45, Exhibit G represents the actuarial determined costs associated with the Town's other postemployment benefits for the fiscal year ended June 30, 2014.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF HOOKSETT, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 10,256,515	\$ 10,127,286	\$ (129,229)
Land use change	7,750	11,613	3,863
Excavation	8,000	9,258	1,258
Interest and penalties on taxes	300,000	311,883	11,883
Total from taxes	10,572,265	10,460,040	(112,225)
Licenses, permits, and fees:			
Motor vehicle permit fees	2,592,000	3,071,130	479,130
Building permits	60,000	90,672	30,672
Other	13,450	17,179	3,729
Total from licenses, permits, and fees	2,665,450	3,178,981	513,531
Intergovernmental:			
State:			
Meals and rooms distribution	610,341	610,341	-
Highway block grant	247,025	247,920	895
State and federal forest land reimbursement	694	326	(368)
Other	2,093	150,015	147,922
Federal:			
Other	-	57,013	57,013
Total from intergovernmental	860,153	1,065,615	205,462
Charges for services:			
Income from departments	100,750	125,084	24,334
Miscellaneous:			
Sale of municipal property	1,200	253,976	252,776
Interest on investments	17,000	28,390	11,390
Rent of property	72,000	72,898	898
Fines and forfeits	2,000	2,664	664
Insurance dividends and reimbursements	-	98,425	98,425
Contributions and donations	-	6,720	6,720
Other	168,650	177,937	9,287
Total from miscellaneous	260,850	641,010	380,160
Other financing sources:			
Transfers in	115,067	80,951	(34,116)
Total revenues and other financing sources	\$ 14,574,535	\$ 15,551,681	\$ 977,146

SCHEDULE 2
TOWN OF HOOKSETT, NEW HAMPSHIRE
Major General Fund

Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 322,284	\$ 336,578	\$ -	\$ (14,294)
Election and registration	-	22,750	30,039	-	(7,289)
Financial administration	-	544,896	633,053	-	(88,157)
Revaluation of property	-	294,556	253,358	-	41,198
Legal	-	67,000	86,910	-	(19,910)
Personnel administration	-	176,841	151,637	-	25,204
Planning and zoning	-	212,487	282,369	-	(69,882)
General government buildings	-	441,954	513,030	-	(71,076)
Cemeteries	-	850	7,747	-	(6,897)
Insurance, not otherwise allocated	-	171,000	186,272	-	(15,272)
Other	30,432	23,190	25,708	14,889	13,025
Total general government	30,432	2,277,808	2,506,701	14,889	(213,350)
Public safety:					
Police	63,345	3,644,358	3,371,241	8,018	328,444
Ambulance	-	1	-	-	1
Fire	-	3,901,101	3,941,898	-	(40,797)
Building inspection	-	169,904	97,644	-	72,260
Emergency management	-	16,160	5,145	-	11,015
Total public safety	63,345	7,731,524	7,415,928	8,018	370,923
Highways and streets:					
Public works garage	-	184,969	207,328	-	(22,359)
Highways and streets	131,614	1,363,303	1,626,413	-	(131,496)
Other	-	153,112	162,139	-	(9,027)
Total highways and streets	131,614	1,701,384	1,995,880	-	(162,882)
Sanitation:					
Administration	-	185,201	181,057	-	4,144
Solid waste collection	-	294,461	237,938	-	56,523
Solid waste disposal	-	709,631	651,501	-	58,130
Total sanitation	-	1,189,293	1,070,496	-	118,797
Welfare:					
Direct assistance	-	236,709	148,188	-	88,521
Intergovernmental welfare payments	-	19,619	19,619	-	-
Total welfare	-	256,328	167,807	-	88,521
Culture and recreation:					
Parks and recreation	-	504,962	458,486	-	46,476
Library	-	547,164	554,862	-	(7,698)
Patriotic purposes	-	2,945	2,945	-	-
Other	-	10,000	9,612	-	388
Total culture and recreation	-	1,065,071	1,025,905	-	39,166
Conservation	-	11,625	11,624	-	1
Economic development	-	1,500	461	-	1,039

(Continued)

SCHEDULE 2 (Continued)
TOWN OF HOOKSETT, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Interest on tax anticipation notes	-	1	-	-	1
Capital outlay	-	1	-	-	1
Other financing uses:					
Transfers out	-	340,000	340,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 225,391	\$ 14,574,535	\$ 14,534,802	\$ 22,907	\$ 242,217

SCHEDULE 3
TOWN OF HOOKSETT, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

Unassigned fund balance, beginning		\$ 3,170,036
Changes:		
2014 Budget summary:		
Revenue surplus (Schedule 1)	\$ 977,146	
Unexpended balance of appropriations (Schedule 2)	<u>242,217</u>	
2014 Budget surplus		1,219,363
Decrease in nonspendable fund balance		19,187
Decrease in committed fund balance		<u>47,000</u>
Unassigned fund balance, ending		4,455,586
<i>Reconciliation of Non-GAAP Budgetary Basis to GAAP Basis:</i>		
To comply with generally accepted accounting principles by deferring property taxes not collected within 60 days of fiscal year-end		(714,007)
To eliminate the allowance for doubtful property tax receivables, which is not necessary with the deferral of property taxes not collected within 60 days of fiscal year-end.		<u>851,978</u>
Unassigned fund balance, ending (GAAP basis Exhibit C-1)		<u><u>\$ 4,593,557</u></u>

SCHEDULE 4
TOWN OF HOOKSETT, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds									Total
	Conservation Commission	Impact Fees	Solid Waste Disposal	Recreation Revolving	Ambulance Revolving	Drug Forfeiture	Police Special Details	Fire Special Details	Permanent Fund	
ASSETS										
Cash and cash equivalents	\$ 145,132	\$ 2,095,619	\$ 259,712	\$ 33,752	\$ 279,543	\$ 25,874	\$ 126,402	\$ 406	\$ 5,814	\$ 2,972,254
Investments	449,985	-	-	-	-	-	-	-	221,930	671,915
Accounts receivable	-	-	45	6	63,935	5	44,952	710	-	109,653
Total assets	\$ 595,117	\$ 2,095,619	\$ 259,757	\$ 33,758	\$ 343,478	\$ 25,879	\$ 171,354	\$ 1,116	\$ 227,744	\$ 3,753,822
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 9,815	\$ -	\$ -	\$ 1,104	\$ 2,838	\$ -	\$ -	\$ -	\$ -	\$ 13,757
Accrued salaries and benefits	-	-	-	2,057	1,417	-	4,946	139	-	8,559
Interfund payable	-	-	-	-	-	-	-	-	5,262	5,262
Total liabilities	9,815	-	-	3,161	4,255	-	4,946	139	5,262	27,578
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	182,915	182,915
Restricted	-	2,095,619	-	-	-	25,879	-	-	39,567	2,161,065
Assigned	585,302	-	259,757	30,597	339,223	-	166,408	977	-	1,382,264
Total fund balances	585,302	2,095,619	259,757	30,597	339,223	25,879	166,408	977	222,482	3,726,244
Total liabilities and fund balances	\$ 595,117	\$ 2,095,619	\$ 259,757	\$ 33,758	\$ 343,478	\$ 25,879	\$ 171,354	\$ 1,116	\$ 227,744	\$ 3,753,822

SCHEDULE 5
TOWN OF HOOKSETT, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds									
	Conservation Commission	Impact Fees	Solid Waste Disposal	Recreation Revolving	Ambulance Revolving	Drug Forfeiture	Police Special Details	Fire Special Details	Permanent Fund	Total
Revenues:										
Taxes	\$ 39,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,400
Intergovernmental	422,059	-	-	-	-	-	-	-	-	422,059
Charges for services	-	-	111,036	51,930	284,504	-	247,311	32,308	-	727,089
Miscellaneous	255	236,479	53	17	124	6	69	2	22,890	259,895
Total revenues	461,714	236,479	111,089	51,947	284,628	6	247,380	32,310	22,890	1,448,443
Expenditures:										
Current:										
General government	-	339,852	-	-	-	-	-	-	711	340,563
Public safety	-	73,679	-	-	175,585	1,333	216,261	31,420	-	498,278
Highways and streets	-	19,167	-	-	-	-	-	-	-	19,167
Culture and recreation	-	13,472	-	41,887	-	-	-	-	-	55,359
Conservation	54,712	-	-	-	-	-	-	-	-	54,712
Total expenditures	54,712	446,170	-	41,887	175,585	1,333	216,261	31,420	711	968,079
Excess (deficiency) of revenues over (under) expenditures	407,002	(209,691)	111,089	10,060	109,043	(1,327)	31,119	890	22,179	480,364
Other financing uses:										
Transfers out	-	-	(62,768)	-	-	-	-	-	(5,262)	(68,030)
Net change in fund balances	407,002	(209,691)	48,321	10,060	109,043	(1,327)	31,119	890	16,917	412,334
Fund balances, beginning	178,300	2,305,310	211,436	20,537	230,180	27,206	135,289	87	205,565	3,313,910
Fund balances, ending	\$ 585,302	\$ 2,095,619	\$ 259,757	\$ 30,597	\$ 339,223	\$ 25,879	\$ 166,408	\$ 977	\$ 222,482	\$ 3,726,244