

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Financial Statements**  
**With Schedule of Expenditures of Federal Awards**  
**June 30, 2021**  
**and**  
**Independent Auditor's Report**

**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance  
With *Government Auditing Standards***

**Report on Compliance for Each Major Federal Program  
and Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

**Schedule of Findings and Questioned Costs**

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**June 30, 2021**

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**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**June 30, 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Town Council  
Town of Hooksett, New Hampshire

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hooksett, New Hampshire, as of and for the year ended June 30, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hooksett, New Hampshire, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof 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, budgetary comparison information, schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions on pages i-viii and 42-49 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 it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hooksett, New Hampshire's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and combining nonmajor governmental fund financial statements 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 schedule of expenditures of federal awards and combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 on our consideration of the Town of Hooksett, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Hooksett, New Hampshire's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hooksett, New Hampshire's internal control over financial reporting and compliance.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
February 28, 2022

# Management’s Discussion and Analysis

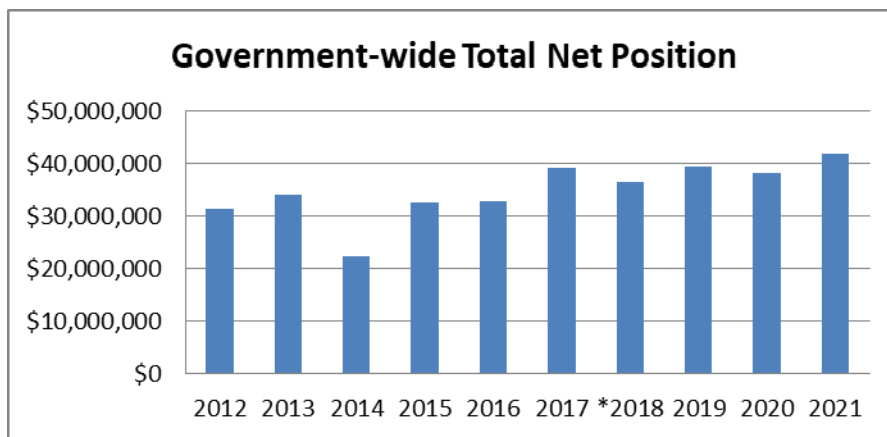
As management of the Town of Hooksett (Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021.

This 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 Town’s government-wide total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of the most recent year by \$41,725,250 (*total net position*), an increase of \$3,395,305 in comparison to the prior year.



\*2018 Net Posostion was restated.

- At year end, the Town reported a combined net pension liability of \$20,706,249 for all of its governmental and business-type activities.

### Fund highlights

- At the close of the current year, the Town’s governmental funds reported a combined balance of all funds of \$16,665,814, an increase of \$3,583,571 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,428,086, an increase of \$227,127 in comparison to the prior year.
- Total bonds and notes payable at the close of the current fiscal year was \$9,396,360, an increase of \$1,385,140 in comparison to the prior year.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Hooksett’s basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. The basic financial statements present two (2) different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the Town.

### **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, deferred outflows of resources, 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 earned but not used vacation leave). 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, and economic development. 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 1 and 2 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 4 and 6 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 11 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 3 and 5.



The General Fund is considered to be a major fund. The General Fund accounts for governmental services provided to the Town's residents. To comply with GASB Statement 54, the Town accounts for the Library, Heritage Commission, Head's Chapel Preservation, and the Expendable Trust funds in the General Fund.

The Route 3A Infrastructure Tax Increment Funding Fund is also considered to be a major fund. This fund is used to account for financial resources related to the development of infrastructure improvements along the Route 3A corridor section between exit 10 and exit 11.

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 59-64 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 7-9. Proprietary funds are reported in the same way that all business-type activities are reported in the governmental-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 10 and 11.

#### 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 fund financial statements.

#### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

### 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 \$41,725,250 at the end of 2021, which increased by \$3,395,305.

Town of Hooksett Condensed Statement of Net Position						
	Governmental Activities		Business-Type Activities		Combined Totals	
	2021	2020	2021	2020	2021	2020
Other assets	\$ 23,457,763	\$ 18,840,951	\$ 9,441,951	\$ 10,746,530	\$ 32,899,714	\$ 29,587,481
Capital assets	30,251,569	27,421,537	14,241,290	14,033,147	44,492,859	41,454,684
Total assets	53,709,332	46,262,488	23,683,241	24,779,677	77,392,573	71,042,165
Deferred Outflows of Resources	5,757,277	2,466,516	204,087	72,526	5,961,364	2,539,042
Other Liabilities	1,413,609	1,519,643	473,023	960,571	1,886,632	2,480,214
Noncurrent Liabilities	29,485,652	23,447,418	4,758,050	5,043,763	34,243,702	28,491,181
Total liabilities	30,899,261	24,967,061	5,231,073	6,004,334	36,130,334	30,971,395
Deferred Inflows of Resources	5,483,984	4,254,337	14,369	25,530	5,498,353	4,279,867
Net position:						
Net investment in capital assets	28,831,381	26,048,378	10,172,452	9,016,697	39,003,833	35,065,075
Restricted	3,202,160	2,612,020	-	-	3,202,160	2,612,020
Unrestricted (deficit)	(8,950,177)	(9,152,792)	8,469,434	9,805,642	(480,743)	652,850
Total net position	<u>\$ 23,083,364</u>	<u>\$ 19,507,606</u>	<u>\$ 18,641,886</u>	<u>\$ 18,822,339</u>	<u>\$ 41,725,250</u>	<u>\$ 38,329,945</u>

By far, the largest portion of the government's net position, \$39,003,833 (93%), 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, \$3,202,160 (8%) represents resources that are subject to external restrictions on how they may be use.

The remaining balance of unrestricted net position a deficit of \$480,743 or -1%. This deficit consists of a positive balance of \$8,469,434 for business-type activities and a deficit of \$8,950,177 for governmental activities. The largest component of the deficit is due to the cumulative effect of the implementation of GASB 68 and 75, specifically the net pension liability recorded as of June 30, 2021 of \$20,706,249.

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

Town of Hooksett Changes in Net Position						
	Governmental Activities		Business-Type Activities		Combined Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 1,193,594	\$ 986,613	\$ 2,250,766	\$ 2,042,122	\$ 3,444,360	\$ 3,028,735
Operating grants and contributions	1,375,573	611,786	-	-	1,375,573	611,786
Capital grants and contributions	3,588,664	208,018	-	122,356	3,588,664	330,374
General revenues	18,405,773	17,403,468	477,210	416,568	18,882,983	17,820,036
Total revenues	24,563,604	19,209,885	2,727,976	2,581,046	27,291,580	21,790,931
<b>Expenses:</b>						
General government	2,995,941	2,902,000	-	-	2,995,941	2,902,000
Public safety	11,487,315	10,928,895	-	-	11,487,315	10,928,895
Highway and streets	3,517,700	3,509,121	-	-	3,517,700	3,509,121
Sanitation	1,197,034	1,131,855	-	-	1,197,034	1,131,855
Health and welfare	72,134	123,837	-	-	72,134	123,837
Culture and recreation	1,686,395	1,648,172	-	-	1,686,395	1,648,172
Conservation	41,948	51,439	-	-	41,948	51,439
Economic development	563	700	-	-	563	700
Interest and fiscal charges	84,393	57,999	-	-	84,393	57,999
Wastewater	-	-	2,585,579	2,459,051	2,585,579	2,459,051
Total liabilities	21,083,423	20,354,018	2,585,579	2,459,051	23,669,002	22,813,069
Excess (deficiency) before contributions to permanent fund principal and special items	3,480,181	(1,144,133)	142,397	121,995	3,622,578	(1,022,138)
Contributions to permanent fund principal	600	1,800			600	1,800
Special items	94,977	(96,086)	(322,850)		(227,873)	(96,086)
Change in net position	3,575,758	(1,238,419)	(180,453)	121,995	3,395,305	(1,116,424)
Net position -beginning	19,507,606	20,746,025	18,822,339	18,700,344	38,329,945	39,446,369
Net position - ending	\$ 23,083,364	\$ 19,507,606	\$ 18,641,886	\$ 18,822,339	\$ 41,725,250	\$ 38,329,945

## Financial Results

The *governmental activities* increase in net position was \$3,575,758. Key elements of this increase are as follows:

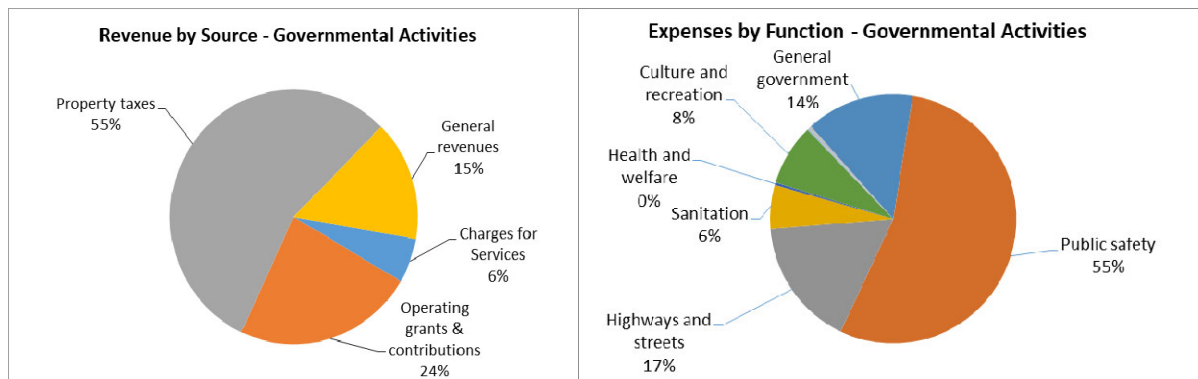
Governmental Activities	
General fund	\$ 832,092
Route 3A Infrastructure Tax Increment Finance fund	1,910,891
Special revenue funds	819,098
Permanent funds	21,490
Revenues that do not provide current financial resources	3,470,186
Depreciation expense in excess of capital outlays	(823,184)

Leased debt repayment	35,438
Gain on disposal of capital assets	94,977
Proceeds for bonds and notes	(1,904,000)
Repayment of bonds and issuance costs	4,382
Change in compensated absences, accrued interest expense and accrued landfill post closure care costs	(39,703)
Change in net OPEB obligation	(997,505)
Tax abatement	<u>151,596</u>
Increase in Governmental Activities Net Position	<u>\$ 3,575,758</u>

The total cost of governmental activities this year was \$21,083,423. 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 \$11,703,671 (55%) because those who directly benefited from the programs paid \$1,193,594 (6%) and other governments and organizations subsidized certain programs in the amount of \$4,964,237 (24%).

The Town paid for the remaining governmental activities with revenue not specifically targeted for specific programs. 15% 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 55% of total expenses. Program revenue consisting of grants and charges for services in the amount of \$1,792,611 was collected to offset these expenses. Public safety is made up of police, fire, ambulance, building inspections and emergency services.



The Wastewater fund reported in the *business-type activities* resulted in a decrease to net position of \$180,453 for the year. Key elements of this increase are as follows:

Operating expenses in excess of revenues	\$ (334,813)
Interest revenue	432,647
Miscellaneous revenues	44,563
Loss on capital asset disposal	<u>(322,850)</u>
Decrease in business-type activities net position	<u>\$ (180,453)</u>

### 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 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.

At the end of the current year, the governmental funds reported a combined ending fund balance of \$16,665,814, an increase of \$3,583,571, in comparison with the prior year. The general fund increased \$832,092, the Route3A Infrastructure Tax Increment Financing fund increased \$1,910,891, and the other governmental funds increased by \$840,588. Key elements of these changes are as follows:

<u>General Fund</u>	
Revenues and transfers collected more than budgeted	\$ 394,281
Excess appropriations unspent by departments	1,152,827
Fund balance used to reduce tax rate	(1,400,000)
Net change in Encumbrances	(40,255)
Unearned tax revenue not collected within 60 days	(117,909)
Other items	233,398
Net change in Library	12,126
Net change in Expendable Trusts	595,181
Net change in Heritage Commission	2,443
Total General Fund	<u>\$ 832,092</u>
<u>Route 3A Infrastructure Tax Increment Financing Fund</u>	
Revenues from tax increment district	\$ 407,490
Expenditures and transfer out of district	(770,178)
Bond proceeds	2,273,579
Total Route 3A Infrastructure Tax Increment Financing Fund	<u>\$ 1,910,891</u>
<u>Other Governmental Funds</u>	
Conservation revenues	\$ 78,453
Conservation land improvements	(40,131)
Impact Fee revenues	463,840
Impact Fees recreation equipment	(19,805)
Solid Waste Disposal revenues	157,421
Solid Waste Disposal truck trailer	(106,345)
Net change in Recreation Revolving fund	(1,649)
Net change in Ambulance Revolving fund	192,912
Drug Forfeiture interest revenue	18
Net change in Police Special Details fund	70,812
Net change in Fire Special Details fund	4,841
Net change in Private Trust funds	18,731
Net change in Permanent fund	21,490
Total Other Governmental Funds	<u>\$ 840,588</u>

The general fund is the chief operating fund of the Town. As of June 30, 2021 the total unassigned fund balance was \$3,428,086, while the total fund balance was \$7,789,993. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to the total fund expenditures. Unassigned fund balance represents 19% of total general fund expenditures, while total fund balance represents 42% of that same amount.

### **General Fund Budgetary Highlights**

Difference between the original general fund operating budget, removing Wastewater and Capital Reserve appropriations, and the final amended budget was \$340,425. The increase in budget represents unanticipated revenues which the Town has not spent.

Significant budget to actual variances for the general fund revenues and expenditures include the following:

- Licenses and Permits revenues surpassed projections by \$233,841 largely due to the increase in motor vehicle registrations.
- Intergovernmental revenues were higher than anticipated by \$172,529, due to federal grants.

- Public safety expenditures came in below budget by \$612,102. The town received funding to help with the COVID-19 pandemic.
- Actuals for Highway & Streets was lower than appropriations by \$195,376, primarily resulted from staff turnover, vacant positions and monitoring and managing expenses to ensure the town was able to respond to the impacts of the COVID-19 pandemic.
- Salaries and benefits were lower than the budget by \$184,038, primarily as a result of staff turnover and vacant positions in Sanitation.
- Cultural and Recreation's budget was lower than appropriations by \$107,737. Normal operational activities were monitored and managed to ensure the town was able to respond to the impact of the pandemic.
- Principal on note was higher than budget due to refinancing of a note.

### 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, 2021 amounts to \$44,492,859 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles and equipment, infrastructure and intangible assets.

<b>Town of Hooksett</b>						
<b>Capital Assets</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Combined Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 2,434,929	\$ 2,434,929	\$ 300,000	\$ 300,000	\$ 2,734,929	\$ 2,734,929
Easements	254,269	254,269	-	-	254,269	254,269
Construction in progress	829,878	373,450	1,501,092	1,869,642	2,330,970	2,243,092
Intangible assets	269,505	237,135	-	-	269,505	237,135
Land improvements	1,049,974	1,049,974	17,750	17,750	1,067,724	1,067,724
Infrastructure	114,781,223	111,222,984	24,372,720	24,372,720	139,153,943	135,595,704
Buildings and improvements	10,213,370	10,102,438	6,144,056	4,752,218	16,357,426	14,854,656
Vehicles and equipment	10,063,855	10,088,011	996,159	996,159	11,060,014	11,084,170
Total	139,897,003	135,763,190	33,331,777	32,308,489	173,228,780	168,071,679
Accumulated depreciation	(109,645,434)	(108,341,653)	(19,090,487)	(18,275,342)	(128,735,921)	(126,616,995)
<b>Total capital assets</b>	<b>\$ 30,251,569</b>	<b>\$ 27,421,537</b>	<b>\$ 14,241,290</b>	<b>\$ 14,033,147</b>	<b>\$ 44,492,859</b>	<b>\$ 41,454,684</b>

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

- Construction in progress
  - Added engineering cost for infrastructure on Route 3A \$456,428
- Infrastructure
  - Town accepted Brookview Phase III roads at a cost of \$1,988,409
  - Town accepted Garden Song Drive roads at a cost of \$1,569,830
- Building and improvements
  - Town added new salt shed for DPW at a cost of \$110,932.
- Vehicles and equipment
  - Purchased 2020 Volvo Loader for highway at a cost of \$128,747.
  - Purchased 2021 Case Backhoe for highway at a cost of \$116,900.
  - Purchased two police cruisers for police for a total of \$92,124.
  - Constructed monument at the Lilac Bridge for a cost of \$85,000

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

- Building and improvements
  - Constructed renewable energy/solar panels for a cost of \$1,391,838.

#### Debt administration

At the end of the current fiscal year, the Town's governmental activities had total outstanding bonds of \$5,363,889. The town issued \$1,904,000 of tax increment bonds in the Route 3A Infrastructure Tax Increment Financing Fund to affect a current refunding of \$2,250,000 of outstanding debt. On July 9, 2021 the financial institution settled the existing obligation of \$2,250,000 plus accrued interest of \$23,579.

The Wastewater fund had outstanding notes payable of \$4,012,009 as of June 30, 2021, which are related to the upgrades of the wastewater treatment facility. Additionally, the Wastewater fund has \$20,462 of State Revolving Loans which upon completion of associated projects will be converted to notes. These notes are repaid by the users of the sewer system.

Additional information on the debt can be found in Note 4, 5 and 16 in the Notes to the Basic Financial Statements.

### Economic Factors and the Future:

The Town's financial position remains stable. The Town has sufficient cash flow to meet its current obligations. As of December 2021, unemployment was 1.9% for the Merrimack County area, which compares to the state of 2.2% and the national averages 3.9%. Hooksett continues to see growth in its commercial and residential tax base. The US Census bureau reported the 2020 population for Hooksett was 14,874 up from 13,451 in 2010. The town believes it is well positioned in terms of its capital reserves and low outstanding debt obligations to be able to meet its needs of our residents for the foreseeable future.

<b>Town's General Fund Budget</b>				
	<b>FY 2021</b>	<b>FY 2022</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Total Appropriation	\$ 21,502,637	\$ 22,818,295	\$ 1,315,658	6.12%
Less:				
Revenues	(9,115,409)	(10,085,140)	(969,731)	10.64%
Fund balance to reduce taxes	(1,400,000)	(1,415,000)		
Overlay, War service credits	538,636	445,988	(92,648)	-17.20%
Total tax effort	<u>\$ 11,525,864</u>	<u>\$ 11,764,143</u>	<u>\$ 253,279</u>	<u>2.20%</u>
The following table reflects the property tax levy amounts for each year.				
<b>Property Tax Levies</b>				
	<b>FY 2021</b>	<b>FY 2022</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Town	\$ 11,525,864	\$ 11,764,143	\$ 238,279	2.07%
County	6,045,630	5,448,480	(597,150)	-9.88%
School - local	24,421,421	23,957,117	(464,304)	-1.90%
School - state	3,866,211	4,241,650	375,439	9.71%
Total Tax Levies	<u>\$ 45,859,126</u>	<u>\$ 45,411,390</u>	<u>\$ (447,736)</u>	<u>-0.98%</u>
The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.				
<b>Property Tax Rates</b>				
	<b>FY 2021</b>	<b>FY 2022</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Town	\$ 5.63	\$ 5.73	\$ 0.10	1.78%
County	2.95	2.65	(0.30)	-10.17%
School - local	11.93	11.66	(0.27)	-2.26%
School - state	2.00	2.18	0.18	9.00%
Total Tax Rate	<u>\$ 22.51</u>	<u>\$ 22.22</u>	<u>\$ (0.29)</u>	<u>-1.29%</u>

### **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 [ctewksbury@hooksett.org](mailto:ctewksbury@hooksett.org).

EXHIBIT A  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Net Position**  
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 18,238,980	\$ 652,483	\$ 18,891,463
Investments	3,140,349	7,808,489	10,948,838
Taxes receivable, net	916,813		916,813
Accounts receivable, net	204,375	57,051	261,426
Unbilled charges		965,390	965,390
Due from other governments	281,912		281,912
Internal balances	41,462	(41,462)	-
Prepaid items	49,087		49,087
Tax decided property	584,785		584,785
Total Current Assets	23,457,763	9,441,951	32,899,714
Noncurrent Assets:			
Capital assets:			
Non-depreciable capital assets	3,519,076	1,801,092	5,320,168
Depreciable capital assets, net	26,732,493	12,440,198	39,172,691
Total Noncurrent Assets	30,251,569	14,241,290	44,492,859
Total Assets	53,709,332	23,683,241	77,392,573
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to OPEB	338,061	3,417	341,478
Deferred outflows related to pension	5,419,216	200,670	5,619,886
Total Deferred Outflows of Resources	5,757,277	204,087	5,961,364
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	678,960	90,981	769,941
Accrued liabilities	611,913	60,739	672,652
Due to other governments	1,373		1,373
Deposits payable	119,824	25,303	145,127
Advances from grantors	1,539		1,539
Unearned connection fees		296,000	296,000
Current portion of bonds payable	100,000		100,000
Current portion of tax increment financing bond payable	2,469,000		2,469,000
Current portion of notes payable		500,217	500,217
Current portion of accrued landfill postclosure care costs	5,620		5,620
Total Current Liabilities	3,988,229	973,240	4,961,469
Noncurrent Liabilities:			
Bonds payable	740,310		740,310
Tax increment financing bond payable	2,054,579		2,054,579
Notes payable		3,511,792	3,511,792
State of New Hampshire revolving loan		20,462	20,462
Compensated absences payable	548,404	43,301	591,705
Accrued landfill postclosure care costs	39,340		39,340
OPEB liability	3,465,520	38,908	3,504,428
Net pension liability	20,062,879	643,370	20,706,249
Total Noncurrent Liabilities	26,911,032	4,257,833	31,168,865
Total Liabilities	30,899,261	5,231,073	36,130,334
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes collected in advance	4,578,491		4,578,491
Deferred inflows related to OPEB	58,728	438	59,166
Deferred inflows related to pension	846,765	13,931	860,696
Total Deferred Inflows of Resources	5,483,984	14,369	5,498,353
<b>NET POSITION</b>			
Net investment in capital assets	28,831,381	10,172,452	39,003,833
Restricted	3,202,160		3,202,160
Unrestricted (deficit)	(8,950,177)	8,469,434	(480,743)
Total Net Position	\$ 23,083,364	\$ 18,641,886	\$ 41,725,250

*See accompanying notes to the basic financial statements*

EXHIBIT B  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Activities**  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
<b>Governmental Activities:</b>							
General government	\$ 2,995,941	\$ 35,403	\$ 272,957		\$ (2,687,581)		\$ (2,687,581)
Public safety	11,487,315	989,305	803,306	\$ 569	(9,694,135)		(9,694,135)
Highways and streets	3,517,700	16,132	299,310	3,558,239	355,981		355,981
Sanitation	1,197,034	152,504		29,856	(1,014,674)		(1,014,674)
Health and welfare	72,134				(72,134)		(72,134)
Culture and recreation	1,686,395	250			(1,686,145)		(1,686,145)
Conservation	41,948				(41,948)		(41,948)
Economic development	563				(563)		(563)
Interest and fiscal charges	84,393				(84,393)		(84,393)
Total governmental activities	<u>21,083,423</u>	<u>1,193,594</u>	<u>1,375,573</u>	<u>3,588,664</u>	<u>(14,925,592)</u>	<u>\$ -</u>	<u>(14,925,592)</u>
<b>Business-type activities:</b>							
Wastewater	<u>2,585,579</u>	<u>2,250,766</u>				<u>(334,813)</u>	<u>(334,813)</u>
Total business-type activities	<u>2,585,579</u>	<u>2,250,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334,813)</u>	<u>(334,813)</u>
Total primary government	<u>\$ 23,669,002</u>	<u>\$ 3,444,360</u>	<u>\$ 1,375,573</u>	<u>\$ 3,588,664</u>	<u>(14,925,592)</u>	<u>(334,813)</u>	<u>(15,260,405)</u>
<b>General revenues:</b>							
Property and other taxes					11,703,671		11,703,671
Licenses and permits					4,813,224		4,813,224
<b>Grants and contributions:</b>							
Rooms and meals tax distribution					741,330		741,330
Municipal aid					158,010		158,010
State railroad tax					1,630		1,630
State and federal forest land reimbursement					573		573
Interest and investment earnings					229,336	432,647	661,983
Miscellaneous					757,999	44,563	802,562
Contributions to permanent fund principal					600		600
Gain (loss) on disposal of capital assets					94,977	(322,850)	(227,873)
Total general revenues, contributions to permanent fund principal, and gain (loss) on disposal of capital assets					<u>18,501,350</u>	<u>154,360</u>	<u>18,655,710</u>
Change in net position					3,575,758	(180,453)	3,395,305
Net Position at beginning of year					<u>19,507,606</u>	<u>18,822,339</u>	<u>38,329,945</u>
Net Position at end of year					<u>\$ 23,083,364</u>	<u>\$ 18,641,886</u>	<u>\$ 41,725,250</u>

See accompanying notes to the basic financial statements



EXHIBIT C  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2021

	General Fund	Route 3A Infrastructure Tax Increment Financing Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,873,330	\$ 1,728,948	\$ 636,702	\$ 18,238,980
Investments	2,779,288		361,061	3,140,349
Taxes receivable, net	916,813			916,813
Accounts receivable, net	150		204,225	204,375
Due from other governments	225,636		56,276	281,912
Due from other funds	91,181	3,251,016	2,769,130	6,111,327
Prepaid items	49,087			49,087
Tax dedeed property	584,785			584,785
Total Assets	<u>20,520,270</u>	<u>4,979,964</u>	<u>4,027,394</u>	<u>29,527,628</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 20,520,270</u>	<u>\$ 4,979,964</u>	<u>\$ 4,027,394</u>	<u>\$ 29,527,628</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 609,820	\$ 44,298	\$ 24,842	\$ 678,960
Accrued liabilities	552,399		12,678	565,077
Due to other governments	1,373			1,373
Due to other funds	6,020,146		49,719	6,069,865
Deposits	119,824			119,824
Advances from grantors	1,539			1,539
Total Liabilities	<u>7,305,101</u>	<u>44,298</u>	<u>87,239</u>	<u>7,436,638</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes collected in advance	4,578,491			4,578,491
Uncollected property taxes	846,685			846,685
Total Deferred Inflows of Resources	<u>5,425,176</u>	<u>-</u>	<u>-</u>	<u>5,425,176</u>
<b>FUND BALANCES</b>				
Nonspendable	633,872		139,262	773,134
Restricted	193,100	4,935,666	1,877,833	7,006,599
Committed	2,949,952		1,923,060	4,873,012
Assigned	584,983			584,983
Unassigned	3,428,086			3,428,086
Total Fund Balances	<u>7,789,993</u>	<u>4,935,666</u>	<u>3,940,155</u>	<u>16,665,814</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,520,270</u>	<u>\$ 4,979,964</u>	<u>\$ 4,027,394</u>	<u>\$ 29,527,628</u>

*See accompanying notes to the basic financial statements*

EXHIBIT C-1  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2021

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 16,665,814
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,251,569
Property taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	846,685
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB liability	338,061
Deferred outflows of resources related to net pension liability	5,419,216
Deferred inflows of resources related to OPEB liability	(58,728)
Deferred inflows of resources related to net pension liability	(846,765)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(840,310)
Tax increment financing bond payable	(4,523,579)
Accrued interest on long-term obligations	(46,836)
Compensated absences payable	(548,404)
Accrued landfill postclosure care costs	(44,960)
OPEB liability	(3,465,520)
Net pension liability	<u>(20,062,879)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 23,083,364</u>

*See accompanying notes to the basic financial statements*

EXHIBIT D  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended June 30, 2021

	General Fund	Route 3A Infrastructure Tax Increment Financing Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 11,197,590	\$ 402,394	\$ 70,000	\$ 11,669,984
Licenses and permits	4,806,292		6,932	4,813,224
Intergovernmental	2,180,276		97,409	2,277,685
Charges for services	98,274		1,095,320	1,193,594
Interest and investment income	163,855	5,096	60,385	229,336
Miscellaneous	279,794		478,805	758,599
Total Revenues	<u>18,726,081</u>	<u>407,490</u>	<u>1,808,851</u>	<u>20,942,422</u>
Expenditures:				
Current operations:				
General government	3,046,544			3,046,544
Public safety	9,452,674		783,194	10,235,868
Highways and streets	2,532,411			2,532,411
Sanitation	1,088,351			1,088,351
Health and welfare	72,134			72,134
Culture and recreation	1,455,728		5,694	1,461,422
Conservation	1,817		40,131	41,948
Economic development	563			563
Capital outlay	219,697	456,428	16,366	692,491
Debt service:				
Principal retirement	355,000			355,000
Interest and fiscal charges	105,698			105,698
Total Expenditures	<u>18,330,617</u>	<u>456,428</u>	<u>845,385</u>	<u>19,632,430</u>
Excess revenues over (under) expenditures	<u>395,464</u>	<u>(48,938)</u>	<u>963,466</u>	<u>1,309,992</u>
Other financing sources (uses):				
Refunding bond issuances		1,904,000		1,904,000
Bond premium		369,579		369,579
Transfers in	436,628			436,628
Transfers out		(313,750)	(122,878)	(436,628)
Total Other financing sources (uses)	<u>436,628</u>	<u>1,959,829</u>	<u>(122,878)</u>	<u>2,273,579</u>
Net change in fund balances	832,092	1,910,891	840,588	3,583,571
Fund Balances at beginning of year	<u>6,957,901</u>	<u>3,024,775</u>	<u>3,099,567</u>	<u>13,082,243</u>
Fund Balances at end of year	<u>\$ 7,789,993</u>	<u>\$ 4,935,666</u>	<u>\$ 3,940,155</u>	<u>\$ 16,665,814</u>

See accompanying notes to the basic financial statements

EXHIBIT D-1  
**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 Year Ended June 30, 2021

Net Change in Fund Balances - Governmental Funds (Exhibit D) \$ 3,583,571

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:

Capital outlay	1,100,802
Depreciation expense	(1,923,986)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the net gain of disposed capital assets reduced by the actual proceeds received from the sale of capital assets

Net gain on disposal	103,062
Proceeds received	(8,085)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(117,909)
Principal forgiveness on long-term obligations	29,856
Donated capital assets	3,558,239

Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Repayments are as follows:

Bond principal paid	355,000
Capital lease principal paid	35,438

Issuances of long-term obligations are reported as other financing sources in the governmental funds, but the issuances increase long-term liabilities in the statement of net position. Issuances are as follows:

Refunding bonds	(1,904,000)
-----------------	-------------

Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are amortized in the statement of activities over the life of the related debt

Bond premium issuances	(369,579)
Amortization of premiums	18,961

Governmental funds only report payments on tax abatement settlements when payments are due, whereas in the statement of net position a long-term liability is recognized once a settlement agreement is reached

151,596

In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due

2,344

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 the governmental funds. These expenses are as follows:

Compensated absences	(47,667)
Landfill postclosure	5,620

Governmental funds report OPEB and pension contributions as expenditures. However, in the statement of activities, OPEB and pension expense reflects the change in the OPEB liability and net pension liability and related deferred outflows and inflows of resources, and does not require the use of current financial resources. This is the amount by which OPEB and pension expense differed from OPEB and pension contributions in the current period.

Net changes in OPEB	226,498
Net changes in pension	(1,224,003)

Change in Net Position of Governmental Activities (Exhibit B) \$ 3,575,758

*See accompanying notes to the basic financial statements*

EXHIBIT E  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2021

	Business-type Activities
	<u>Wastewater</u>
	<u>Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 652,483
Investments	7,808,489
Accounts receivable, net	57,051
Unbilled charges	<u>965,390</u>
Total Current Assets	<u>9,483,413</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	1,801,092
Depreciable capital assets, net	<u>12,440,198</u>
Total Noncurrent Assets	<u>14,241,290</u>
Total Assets	<u>23,724,703</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	3,417
Deferred outflows related to pension	<u>200,670</u>
Total Deferred Outflows of Resources	<u>204,087</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	90,981
Accrued liabilities	60,739
Deposits payable	25,303
Due to other funds	41,462
Unearned connection fees	296,000
Current portion of notes payable	<u>500,217</u>
Total Current Liabilities	<u>1,014,702</u>
Noncurrent Liabilities:	
Notes payable	3,511,792
State of New Hampshire revolving loan	20,462
Compensated absences payable	43,301
OPEB liability	38,908
Net pension liability	<u>643,370</u>
Total Noncurrent Liabilities	<u>4,257,833</u>
Total Liabilities	<u>5,272,535</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	438
Deferred inflows related to pension	<u>13,931</u>
Total Deferred Inflows of Resources	<u>14,369</u>
NET POSITION	
Net investment in capital assets	10,172,452
Unrestricted	<u>8,469,434</u>
Total Net Position	<u>\$ 18,641,886</u>

*See accompanying notes to the basic financial statements*

EXHIBIT F  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
For the Year Ended June 30, 2021

	Business-type Activities
	<u>Wastewater Fund</u>
Operating revenues:	
Charges for services	\$ 2,250,766
Miscellaneous	44,563
Total Operating revenues	<u>2,295,329</u>
Operating expenses:	
Personnel services	852,398
Contractual services	110,955
Materials and supplies	90,914
Repairs and maintenance	179,343
Utilities	262,071
Depreciation	815,145
Miscellaneous	134,868
Total Operating expenses	<u>2,445,694</u>
Operating loss	<u>(150,365)</u>
Non-operating revenue (expenses):	
Interest revenue	432,647
Interest expense	(139,885)
Loss on disposal of capital assets	<u>(322,850)</u>
Total Non-operating revenue (expenses)	<u>(30,088)</u>
Change in net position	(180,453)
Net Position at beginning of year	<u>18,822,339</u>
Net Position at end of year	<u>\$ 18,641,886</u>

*See accompanying notes to the basic financial statements*

EXHIBIT G  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2021

	Business-type Activities <u>Wastewater Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 2,256,215
Cash paid to suppliers	(1,020,780)
Cash paid to employees	<u>(535,366)</u>
Net cash provided by operating activities	<u>700,069</u>
Cash flows from capital financing activities:	
Purchases of capital assets	(1,826,561)
Proceeds received from sale of capital assets	17,433
Proceeds received from state revolving loans	5,733
Principal paid on notes payable	(490,355)
Interest paid on long-term debt	<u>(145,768)</u>
Net cash used for capital financing activities	<u>(2,439,518)</u>
Cash flows from investing activities:	
Interest on investments	432,647
Redemptions of investments	181,096
Purchases of investments	<u>(282,431)</u>
Net cash provided by investing activities	<u>331,312</u>
Net decrease in cash and cash equivalents	(1,408,137)
Cash and cash equivalents at beginning of year	<u>2,060,620</u>
Cash and cash equivalents at end of year	<u>\$ 652,483</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (150,365)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	815,145
Change in deferred outflows related to OPEB	(764)
Change in deferred outflows related to pension	(130,797)
Change in deferred inflows related to OPEB	(28)
Change in deferred inflows related to pension	(11,133)
Changes in assets and liabilities:	
Accounts receivable, net	(43,270)
Accounts payable	(21,800)
Accrued liabilities	(1,031)
Deposits payable	4,156
Due to other funds	41,047
Compensated absences payable	(1,940)
OPEB liability	2,465
Net pension liability	<u>198,384</u>
Net cash provided by operating activities	<u>\$ 700,069</u>
Noncash transactions affecting financial position:	
Net book value of disposed capital assets	<u>\$ 340,283</u>

*See accompanying notes to the basic financial statements*

EXHIBIT H  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
June 30, 2021

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 13,366,000
Investments	2,541,139
Accounts receivable	<u>221,686</u>
Total Assets	<u>16,128,825</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Property taxes collected in advance	<u>13,366,000</u>
Total Liabilities	<u>13,366,000</u>
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>2,762,825</u>
Total Net Position	<u>\$ 2,762,825</u>

*See accompanying notes to the basic financial statements*



EXHIBIT I  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
For the Year Ended June 30, 2021

	Custodial <u>Funds</u>
ADDITIONS:	
Contributions:	
Total Contributions	<u>\$ -</u>
Investment Earnings:	
Interest	22,890
Realized gain on investments	19,700
Net increase in the fair value of investments	<u>30,262</u>
Total Investment Earnings	<u>72,852</u>
Property tax collections for other governments	34,333,262
Motor vehicle fee collections for other governments	1,138,203
Miscellaneous	<u>1,485,240</u>
Total Additions	<u>37,029,557</u>
DEDUCTIONS:	
Beneficiary payments to individuals	710,379
Beneficiary payments to other governments	755,428
Payments of property tax to other governments	34,333,262
Payments of motor vehicle fees to other governments	<u>1,138,203</u>
Total Deductions	<u>36,937,272</u>
Change in net position	92,285
Net Position at beginning of year, as restated	<u>2,670,540</u>
Net Position at end of year	<u>\$ 2,762,825</u>

*See accompanying notes to the basic financial statements*

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Hooksett, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

***Financial Reporting Entity***

The Town of Hooksett, New Hampshire (the Town) was incorporated in 1822. The Town operates under the Town Meeting/Town Council form of government and performs local governmental functions as authorized by State law.

The financial statements include those of the various departments governed by the Town Council and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

***Basis of Presentation***

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements:**

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental and business-type activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**2. Fund Financial Statements:**

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

***Fund Accounting***

The Town uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**1. Governmental Funds:**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the Town's major governmental funds:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

The *Route 3A Infrastructure Tax Increment Financing Fund* is used to account for financial resources related to the development of infrastructure improvements along the Route 3A corridor section between exit 10 and exit 11.

**2. Proprietary Funds:**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The Town has no internal service funds. The following is the Town's major proprietary fund:

The *Wastewater Fund* accounts for all revenues and expenses pertaining to the Town's wastewater treatment operations.

The Wastewater Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

**3. Fiduciary Funds:**

Fiduciary fund reporting focuses on net position and changes in net position. The Town's fiduciary fund category is comprised solely of custodial funds. Custodial funds are used to account for amounts collected by the Town and remitted to other individuals or governments. These assets are therefore not available to support the Town's own programs.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Measurement Focus***

**1. Government-Wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

**2. Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

The fiduciary funds are reported using the economic resources measurement focus.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

**1. Revenues – Exchange and Non-exchange Transactions:**

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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

property taxes is recognized in the fiscal year for which the taxes are levied (see Note 12). Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, charges for services and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, taxes receivable that will not be collected within the available period have been reported as deferred inflows of resources.

**2. Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

***Budgetary Data***

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. Town Council may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2021, the Town applied \$1,400,000 of its unappropriated fund balance to reduce taxes.

***Cash and Cash Equivalents***

The Town maintains separate cash accounts for its governmental and proprietary funds. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	Wastewater <u>Fund</u>
Cash and cash equivalents	<u>\$ 652,483</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Investments***

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

***Taxes Receivable***

Taxes levied during the current fiscal year and prior and uncollected at June 30, 2021 are recorded as receivables net of reserves for estimated uncollectibles of \$1,241,729 in the General Fund.

***Accounts Receivable***

Charges for services billed during the current fiscal year and prior and uncollected at June 30, 2021 are recorded as receivables net of reserves for estimated uncollectibles of \$630,195 in the Nonmajor Governmental Funds.

***Capital Assets***

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements. In the government-wide financial statements, capital assets are reported in the applicable governmental or business-type activities column.

All capital assets including infrastructure and intangible assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Town maintains a capitalization threshold of \$10,000. The Town’s infrastructure consists of roads, bridges, sidewalks, wastewater collection and treatment system, and similar items. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except for land, easements with an indefinite life, and construction in process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
	Intangibles	7
	Land improvements	10-20
	Infrastructure	10-99
	Buildings and improvements	10-40
	Vehicles and equipment	5-21

***Compensated Absences and Retirement Benefits***

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to Town personnel policy and collective bargaining agreements, employees may accumulate (subject to certain limitations) unused vacation and sick leave earned and, upon retirement, resignation or death will be compensated for such amounts at current rates of pay.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide and proprietary fund financial statements.

***Bond Premiums***

Bond premiums are amortized as a component of interest expense over the life of the related bond using the effective interest rate method. Bonds payable are reported in the accompanying financial statements gross of any applicable unamortized bond premiums.

***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current fiscal year. General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

***Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) OPEB Plan and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, NHRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for non-registered commingled funds valued at net asset value (NAV) as a practical expedient to estimate fair value.

***Pensions***

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

***Net Position***

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***Fund Balance Policy***

The Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance*: Amounts that can only be spent for specific purposes stipulated by external resource providers or by enabling legislation. Restrictions may be changed or lifted only with the consent of the external resource providers or the enabling legislation.
- *Committed Fund Balance*: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned Fund Balance*: Amounts the Town intends to use for a specific purpose; intent can be expressed by Town Council or by an official or body to which Town Council delegates the authority. For all governmental funds other than the General Fund, any remaining positive balances are to be classified as 'Assigned'.
- *Unassigned Fund Balance*: Amounts that are available for any purpose; these amounts are reported only in the General Fund.

The Town Council delegates to the Town Administrator the authority to assign amounts to be used for specific purposes.

Spending Prioritizations

The Town's policy is to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications may be applied, committed resources are to be applied first, followed by assigned and unassigned.

Minimum Fund Balance

The Town will strive to maintain an unassigned fund balance in its General Fund equal to 8-17% of total annual appropriations of the Town (includes Town, County, School District and Precincts). The Town Council has the authority to apply the Town's beginning unassigned fund balance in order to balance the budget and to reduce the subsequent fiscal year property tax rate.

***Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.



**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the wastewater fund, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***Estimates***

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

**NOTE 2—DEPOSITS AND INVESTMENTS**

Deposits and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 18,891,463
Investments	10,948,838
Statement of fiduciary net position:	
Cash and cash equivalents	13,366,000
Investments	<u>2,541,139</u>
Total deposits and investments	<u>\$ 45,747,440</u>

Deposits and investments as of June 30, 2021 consist of the following:

Cash on hand	\$ 2,035
Deposits with financial institutions	32,255,428
Investments	<u>13,489,977</u>
Total deposits and investments	<u>\$ 45,747,440</u>

The Town's investment policy for governmental and proprietary fund types requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Town limits its investments to demand deposits, short-term governmental securities or obligations, certificates of deposit, and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. Responsibility for the investments of the Trust Funds and Library Funds is with the Trustees of Trust Funds and Library Trustees, respectively.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Interest Rate Risk***

Interest rate risk 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 more its fair value becomes sensitive to changes in market interest rates. The Town’s investment policy regarding interest rate risk indicates that safety and liquidity are the primary objectives. Investments shall be limited to those with maturity dates which meet projected cash flow needs, 180 days or under.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Remaining Maturity</u> <u>(In Years)</u>		
		<u>0-1 Years</u>	<u>1-5 Years</u>	<u>&gt; 5 Years</u>
Bond mutual funds	<u>\$ 10,399,446</u>	<u>\$ -</u>	<u>\$ 10,279,361</u>	<u>\$ 120,085</u>

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Town’s investment policy addresses credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. The Town limits its investments to U.S. Treasury securities, U.S. Government agencies, Certificates of Deposit, Overnight Investments, and the New Hampshire Public Deposit Investment Pool.

The following is the actual rating as of year-end for each investment type:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Ratings as of Year End</u>	
		<u>AAAm</u>	<u>Not Rated</u>
State investment pool	\$ 1,210,535	\$ 1,210,535	
Exchange traded funds	73,407		\$ 73,407
Bond mutual funds	10,399,446		10,399,446
Equity mutual funds	1,777,253		1,777,253
Money market funds	29,336		29,336
	<u>\$ 13,489,977</u>	<u>\$ 1,210,535</u>	<u>\$ 12,279,442</u>

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

In accordance with the Town’s investment policy, all security transactions must be secured by collateral having a value at least 102% of the cash deposit in each case. The collateral shall only consist of securities in which Towns may invest, as provided in New Hampshire State law (RSA 368:57).

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Of the Town’s deposits with financial institutions at year end, \$29,251,772 was collateralized by securities held by the bank in the bank’s name. As of June 30, 2021, Town investments in the following investment types were held by the same counterparty that was used to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Exchange traded funds	\$ 73,407
Bond mutual funds	10,399,446
Equity mutual funds	1,777,253
Money market funds	29,336
	<u>\$ 12,279,442</u>

***Investment in NHPDIP***

The Town is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. 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. Financial statements for the NHPDIP can be accessed through the NHPDIP’s website at [www.NHPDIP.com](http://www.NHPDIP.com).

Investments in the NHPDIP are not investment 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.

***Fair Value Measurement of Investments***

The Town categorizes the fair value measurements of its investments within the fair value hierarchy established by accounting principles generally accepted in the United States. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows (in order of priority):

- ***Level 1 Inputs*** - Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the ability to access at the measurement date.
- ***Level 2 Inputs*** - Inputs other than quoted prices that are observable for assets or liabilities either directly or indirectly, including inputs in markets that are not considered to be active.
- ***Level 3 Inputs*** - Significant unobservable inputs.

As of June 30, 2021, the Town’s investments measured at fair value, by type, were as follows:

<u>Investment Type</u>	<u>Fair Value Measurements Using:</u>			<u>Total</u>
	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	
Exchange traded funds	\$ 73,407			\$ 73,407
Bond mutual funds	10,399,446			10,399,446
Equity mutual funds	1,777,253			1,777,253
	<u>\$ 12,250,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,250,106</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Exchange traded, bond, and equity mutual funds classified as Level 1 are valued using unadjusted quoted prices in active markets for those securities.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

**NOTE 3—CAPITAL ASSETS**

The following is a summary of changes in capital assets in the governmental activities:

	Balance <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2021</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 2,434,929			\$ 2,434,929
Easements	254,269			254,269
Construction in process	<u>373,450</u>	\$ 456,428		<u>829,878</u>
Total capital assets not being depreciated	<u>3,062,648</u>	<u>456,428</u>	<u>\$ -</u>	<u>3,519,076</u>
Other capital assets:				
Intangibles	237,135	32,370		269,505
Land improvements	1,049,974			1,049,974
Infrastructure	111,222,984	3,558,239		114,781,223
Buildings and improvements	10,102,438	110,932		10,213,370
Vehicles and equipment	<u>10,088,011</u>	<u>669,422</u>	<u>(693,578)</u>	<u>10,063,855</u>
Total other capital assets at historical cost	<u>132,700,542</u>	<u>4,370,963</u>	<u>(693,578)</u>	<u>136,377,927</u>
Less accumulated depreciation for:				
Intangibles	(183,966)	(30,968)		(214,934)
Land improvements	(341,619)	(89,199)		(430,818)
Infrastructure	(96,646,326)	(875,692)		(97,522,018)
Buildings and improvements	(5,566,719)	(238,571)		(5,805,290)
Vehicles and equipment	<u>(5,603,023)</u>	<u>(689,556)</u>	<u>620,205</u>	<u>(5,672,374)</u>
Total accumulated depreciation	<u>(108,341,653)</u>	<u>(1,923,986)</u>	<u>620,205</u>	<u>(109,645,434)</u>
Total other capital assets, net	<u>24,358,889</u>	<u>2,446,977</u>	<u>(73,373)</u>	<u>26,732,493</u>
Total capital assets, net	<u>\$ 27,421,537</u>	<u>\$ 2,903,405</u>	<u>\$ (73,373)</u>	<u>\$ 30,251,569</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 53,849
Public safety	487,778
Highways and streets	1,139,362
Sanitation	107,572
Culture and recreation	<u>135,425</u>
Total governmental activities depreciation expense	<u>\$ 1,923,986</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

The following is a summary of changes in capital assets in the proprietary funds:

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2021</u>
Business-type activities:				
Capital asset not depreciated:				
Land	\$ 300,000			\$ 300,000
Construction in process	1,869,642	\$ 1,363,571	\$ (1,732,121)	1,501,092
Total capital assets not being depreciated	<u>2,169,642</u>	<u>1,363,571</u>	<u>(1,732,121)</u>	<u>1,801,092</u>
Other capital assets:				
Land improvements	17,750			17,750
Infrastructure	24,372,720			24,372,720
Buildings and improvements	4,752,218	1,391,838		6,144,056
Vehicles and equipment	996,159			996,159
Total other capital assets at historical cost	<u>30,138,847</u>	<u>1,391,838</u>	<u>-</u>	<u>31,530,685</u>
Less accumulated depreciation for:				
Land improvements		(710)		(710)
Infrastructure	(13,690,132)	(702,857)		(14,392,989)
Buildings and improvements	(3,754,730)	(59,810)		(3,814,540)
Vehicles and equipment	(830,480)	(51,768)		(882,248)
Total accumulated depreciation	<u>(18,275,342)</u>	<u>(815,145)</u>	<u>-</u>	<u>(19,090,487)</u>
Total other capital assets, net	<u>11,863,505</u>	<u>576,693</u>	<u>-</u>	<u>12,440,198</u>
Total capital assets, net	<u>\$ 14,033,147</u>	<u>\$ 1,940,264</u>	<u>\$ (1,732,121)</u>	<u>\$ 14,241,290</u>

Depreciation was charged to proprietary funds as follows:

Wastewater fund	<u>\$ 815,145</u>
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**NOTE 4—LONG-TERM OBLIGATIONS**

***General Long-term Obligations***

The changes in the Town's long-term obligations for the year ended June 30, 2021 are as follows:

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
General obligation bonds	\$ 875,000		\$ (105,000)	\$ 770,000	\$ 100,000
Unamortized bond premium	89,271		(18,961)	70,310	
Total general obligation bonds payable	964,271	\$ -	(123,961)	840,310	100,000
Tax increment financing bond	2,500,000	1,904,000	(250,000)	4,154,000	2,469,000
Unamortized bond premium		369,579		369,579	
Total tax increment financing bonds payable	2,500,000	2,273,579	(250,000)	4,523,579	2,469,000
State of New Hampshire revolving loan	29,856		(29,856)	-	
Capital leases payable	35,438		(35,438)	-	
Compensated absences	500,737	88,598	(40,931)	548,404	
Total governmental activities	<u>\$ 4,030,302</u>	<u>\$ 2,362,177</u>	<u>\$ (480,186)</u>	<u>\$ 5,912,293</u>	<u>\$ 2,569,000</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Business-type activities:

Notes payable - direct borrowings	\$ 4,502,364		\$ (490,355)	\$ 4,012,009	\$ 500,217
State of New Hampshire revolving loan	14,729	\$ 5,733		20,462	
Compensated absences	45,241	5,878	(7,818)	43,301	
Total business-type activities	<u>\$ 4,562,334</u>	<u>\$ 11,611</u>	<u>\$ (498,173)</u>	<u>\$ 4,075,772</u>	<u>\$ 500,217</u>

Payments on the general obligation bonds, capital leases and compensated absences of the governmental activities are paid out of the General Fund. Payments on the tax increment financing bond payable are paid out of the General Fund and subsidized with a transfer from the Route 3A Infrastructure Tax Increment Financing Fund. Payments on the notes payable and compensated absences of the business-type activities are paid out of the Wastewater Fund.

***General Obligation Bonds***

Governmental Activities

Bonds payable at June 30, 2021 are comprised of the following individual issue:

	Interest Rate	Final Maturity Date	Balance at 6/30/2021
2018 Series B	2.56%	August 2028	\$ 770,000
	Add: <i>Unamortized Bond Premium</i>		<u>70,310</u>
	Total Bonds Payable		<u>\$ 840,310</u>

Debt service requirements to retire general obligation bonds outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 100,000	\$ 36,720	\$ 136,720
2023	100,000	31,620	131,620
2024	95,000	26,647	121,647
2025	95,000	21,803	116,803
2026	95,000	16,957	111,957
2027-2029	<u>285,000</u>	<u>21,803</u>	<u>306,803</u>
Total	770,000	155,550	925,550
Add: <i>Unamortized Bond Premium</i>	<u>70,310</u>		<u>70,310</u>
Total Bonds payable	<u>\$ 840,310</u>	<u>\$ 155,550</u>	<u>\$ 995,860</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Tax Increment Financing Bonds***

The tax increment financing bonds payable at June 30, 2021 are comprised of the following individual issues:

	Interest Rate	Final Maturity Date	Balance at 6/30/2021
2019 Route 3A Bond	2.55%	December 2029	\$ 2,250,000
2021 Series B	0.91%	February 2030	1,904,000
	<i>Add: Unamortized Bond Premium</i>		<u>369,579</u>
			<u>\$ 4,523,579</u>

Debt service requirements to retire the tax increment financing bonds for governmental activities at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,469,000	\$ 93,170	\$ 2,562,170
2023	200,000	85,935	285,935
2024	200,000	75,735	275,735
2025	205,000	65,535	270,535
2026	210,000	55,080	265,080
2027-2030	<u>870,000</u>	<u>112,200</u>	<u>982,200</u>
Total	4,154,000	487,655	4,641,655
<i>Add: Unamortized Bond Premium</i>	<u>369,579</u>		<u>369,579</u>
Total tax increment bond	<u>\$ 4,523,579</u>	<u>\$ 487,655</u>	<u>\$ 5,011,234</u>

The Town has pledged a portion of future tax increment financing revenues to repay \$2,500,000 in tax increment bonds issued in December 2019, refunded in May 2021 (See Note 5), to finance infrastructure improvements within the Route 3A Corridor. The bonds are payable solely from the tax increment financing taxes. Incremental taxes were projected to produce in excess of 100% of the debt service requirements over the life of the bonds. For the current year total tax increment finance revenues were \$402,394.

***Notes Payable Direct Borrowings***

**Business-type Activities**

Notes payable from direct borrowings at June 30, 2021 are comprised of the following individual issues:

	Interest Rate	Final Maturity Date	Balance at 6/30/2021	Pledged Collateral
<b><u>Wastewater Fund:</u></b>				
Wastewater treatment plant upgrade	3.73%	January 2030	\$ 1,950,072	N/A
Wastewater treatment facility upgrade	3.10%	June 2031	1,553,235	N/A
Wastewater treatment facility phase 3	2.00%	Setpmeber 2023	<u>508,702</u>	N/A
			<u>\$ 4,012,009</u>	

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Notes from direct borrowings include a provision that if in the event the Town defaults in the prompt and full payment of any installment of principal and interest, the entire unpaid principal balance and accrued interest to the date of payment shall become due and payable immediately upon demand of the holder.

Debt service requirements to retire notes payable for business-type activities at June 30, 2021 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 500,217	\$ 131,085	\$ 631,302
2023	510,202	116,279	626,481
2024	520,503	101,157	621,660
2025	354,733	85,710	440,443
2026	362,168	73,455	435,623
2027-2031	<u>1,764,186</u>	<u>170,340</u>	<u>1,934,526</u>
Total	<u>\$ 4,012,009</u>	<u>\$ 678,026</u>	<u>\$ 4,690,035</u>

***State of New Hampshire Revolving Loans***

The Town has drawn \$14,729 of \$3,465,716 in funds under the State of New Hampshire Water Pollution Control Revolving Loan Fund Program for the wastewater treatment facility phase 3A capital improvements project. Payments on the State of New Hampshire revolving loan balance are not scheduled to commence until the first anniversary of the scheduled completion date of the project or the date of substantial completion, whichever is earliest. Interest is accrued at 1% during the construction period of the project and is to be paid upon completion of the project within the following year.

As authorized by the Water Pollution Control Revolving Fund Program, the Town shall be provided federal financial assistance, whereby a portion of the principal sum will be forgiven. The principal forgiveness will be applied at the time of the initial loan repayment.

The Town has drawn \$5,733 of \$30,000 in funds under the State of New Hampshire Water Pollution Control Revolving Loan Fund Program for the stormwater collection system asset management program. Payments on the State of New Hampshire revolving loan balance are not scheduled to commence until the first anniversary of the scheduled completion date of the project or the date of substantial completion, whichever is earliest. Interest is accrued at 1% during the construction period of the project and is to be paid upon completion of the project within the following year.

As authorized by the Water Pollution Control Revolving Fund Program, the Town shall be provided federal financial assistance, whereby the principal sum of amounts drawn will be forgiven. The principal forgiveness will be applied at the time of the initial loan repayment.

**NOTE 5—CURRENT REFUNDING OF DEBT**

During the year ended June 30, 2021, the Town issued \$1,904,000 of tax increment bonds in the Route 3A Infrastructure Tax Increment Financing Fund to affect a current refunding for \$2,250,000 of the outstanding tax increment bond (old debt). Net refunding proceeds of \$2,273,579 was used to retire old debt principal of \$2,250,000 and old debt interest of \$23,579 (See Note 16).



**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

The current refunding of debt resulted in the recognition of an economic gain of \$164,232. The Town in effect, reduced its aggregate debt service payments by \$168,799 over the next nine fiscal years through the current refunding.

**NOTE 6—OTHER POSTEMPLOYMENT BENEFITS**

***Total OPEB Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense***

	<u>Deferred Outflows</u>	<u>OPEB Liability</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 195,387	\$ 1,505,575	\$ 29,940	\$ (35,395)
Single Employer Plan	<u>146,091</u>	<u>1,998,853</u>	<u>29,226</u>	<u>105,533</u>
Total	<u>\$ 341,478</u>	<u>\$ 3,504,428</u>	<u>\$ 59,166</u>	<u>\$ 70,138</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to OPEB is reflected as an increase to unrestricted net position in the amount of \$282,312.

**COST-SHARING MULTIPLE EMPLOYER PLAN**

***Plan Description***

The New Hampshire Retirement System (NHRS) administers a cost-sharing multiple-employer other postemployment benefit plan (OPEB Plan). The OPEB Plan provides a medical insurance subsidy to qualified retired members.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System at 54 Regional Drive, Concord, New Hampshire 03301 or from their website at [www.nhrs.org](http://www.nhrs.org).

The OPEB Plan is divided into four membership types. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees, and Group I State Employees. The OPEB plan is closed to new entrants.

***Benefits Provided***

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. Medical subsidy rates established by RSA 100-A:52 II are dependent upon whether retirees are eligible for Medicare. Retirees not eligible for Medicare may receive a maximum medical subsidy of \$375.56 for a single person plan and \$751.12 for a two-person plan. Retirees eligible for Medicare may receive a maximum medical subsidy of \$236.84 for a single person plan and \$473.68 for a two-person plan.

***Funding Policy***

Per RSA 100:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town’s contribution rates for the covered payroll of public safety employees and political subdivision employees were 3.66% and 0.29%, respectively, for the year ended June 30, 2021. Contributions to the OPEB plan for the Town were \$179,930 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2021, the Town reported a liability of \$1,505,575 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2019. The Town’s proportion of the net OPEB liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2020, the Town’s proportion was approximately 0.3440 percent, which was a decrease of 0.0466 percentage points from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized negative OPEB expense of (\$35,395). At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		\$ 4,363
Net difference between projected and actual earnings on OPEB plan investments	\$ 5,633	
Changes of assumptions	9,680	
Changes in proportion and differences between Town contributions and proportionate share of contributions	144	25,577
Town contributions subsequent to the measurement date	<u>179,930</u>	
Totals	<u>\$ 195,387</u>	<u>\$ 29,940</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

The Town reported \$179,930 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2021	\$ (19,688)
2022	1,667
2023	1,988
2024	1,550
	<u>\$ (14,483)</u>

***Actuarial Assumptions***

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.60%, average, including inflation
Investment rate of return	6.75% per year, net of OPEB plan investment expense, including inflation for determining solvency contributions

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the discount rate from 7.25% to 6.75%
- Reduced wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated demographic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables)
- Increased the medical subsidy margin for teachers from 0.20% to 0.50%

The long-term expected rate of return on OPEB Plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Domestic equity	30%	3.71-4.15%
International equity	20%	3.96-6.20%
Fixed income	25%	0.42-1.66%
Alternative investments	15%	4.81-7.71%
Real estate	<u>10%</u>	2.95%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2020 was 6.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and RSA 100-A:53. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

***Sensitivity of the Town’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the Town’s proportionate share of the net OPEB liability calculated using the discount rate of 6.75 percent, as well as what the Town’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net OPEB liability	\$ 1,634,899	\$ 1,505,575	\$ 1,393,298

**SINGLE EMPLOYER PLAN**

***Plan Description***

The Town of Hooksett, New Hampshire administers the retiree health care benefits program, a single employer defined benefits plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

***Benefits Provided***

The Town provides medical benefits to its eligible retirees and their covered dependents. To qualify for these benefits general employees hired prior to July 1, 2011 must reach age 60, reach age 50 with 10 years of service, or age plus service years equal 70. General employees hired on or after July 1, 2011 must

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

reach age 65 with no service requirement or reach age 60 with 30 years of service to qualify for this benefit. Public safety employees hired prior to July 1, 2011 are required to reach age 45 with 20 years of service or reach age 60 with no service requirement to qualify for this benefit. Public safety employees hired on or after July 1, 2011 must reach age 50 or 52.5 with 25 years of service or reach age 60 with no service to qualify for this benefit. Eligible retirees and surviving spouses pay the full costs of the benefits premiums. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

***Employees Covered By Benefit Terms***

As of July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>123</u>
	<u>146</u>

***Total OPEB Liability***

The Town’s total OPEB liability of \$1,998,853 was measured as of June 30, 2021 and was determined by a rollforward of the actuarial valuation as of July 1, 2019.

***Actuarial Assumptions and Other Inputs for OPEB***

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	2.09%
Healthcare cost trend rates	7.00% for 2021, decreasing 0.25% per year to an ultimate rate of 4.50% for 2031 and later years

The discount rate was based on an average of three 20-year bond indices as of June 30, 2021.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality Tables with the Society of Actuaries Mortality Improvement Scale MP-2019.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Changes in the Total OPEB Liability***

	Total OPEB Liability
Balance at June 30, 2020	\$ 1,972,219
Changes for the year:	
Service cost	50,221
Interest	40,019
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	51,246
Benefit payments	<u>(114,852)</u>
Net changes	<u>26,634</u>
Balance at June 30, 2021	<u>\$ 1,998,853</u>

Changes of assumptions and other inputs reflect a change in the discount rate of 2.44% at June 30, 2020 to 2.09% at June 30, 2021.

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(1.09%)</u>	<u>(2.09%)</u>	<u>(3.09%)</u>
Total OPEB liability	\$ 2,143,433	\$ 1,998,853	\$ 1,866,858

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate***

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.00 percent decreasing to 5.50 percent) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,821,719	\$ 1,998,853	\$ 2,202,293

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2021, the Town recognized OPEB expense of \$105,533. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of assumptions	\$ 146,091	\$ 29,226
Totals	<u>\$ 146,091</u>	<u>\$ 29,226</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>June 30,</u>	
2022	\$ 15,293
2023	15,293
2024	15,293
2025	15,293
2026	15,293
Thereafter	<u>40,400</u>
	<u>\$ 116,865</u>

**NOTE 7—DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The Town contributes to the New Hampshire Retirement System (NHRS), a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Substantially all full-time state and local employees, public school teachers, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

***Benefits Provided***

Benefit formulas and eligibility requirements for the pension plan are set by State law (RSA 100-A).

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

<u>Years of Creditable Service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

***Changes in Benefits***

Ch 340 laws of 2019 (HB 616) grants a one-time, 1.5% COLA on the first \$50,000 of an annual pension benefit to members who retired on or before July 1, 2014, or any beneficiaries of such member who is receiving a survivorship pension benefit. The COLA will take effect on the retired member's first anniversary date of retirement occurring after July 1, 2020. The adjustment shall become a permanent addition to the member's base retirement allowance.

***Funding Policy***

Covered police officers and fire employees are required to contribute 11.55% and 11.80%, respectively of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers, fire employees, and general employees were 24.77%, 26.43%, and 10.88%, respectively, for the year ended June 30, 2021. The Town contributes 100% of the employer cost for police officers, fire employees, and general employees of the Town.

Per RSA 100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the year ending June 30, 2021 were \$1,596,346.

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

At June 30, 2021, the Town reported a liability of \$20,706,249 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2019. The Town's proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all



**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2020, the Town's proportion was approximately 0.3237 percent, which was a decrease of 0.0122 percentage points from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$2,878,032. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 559,169	\$ 222,326
Net difference between projected and actual earnings on pension plan investments	1,280,704	
Changes of assumptions	2,048,259	
Changes in proportion and differences between Town contributions and proportionate share of contributions	135,408	638,370
Town contributions subsequent to the measurement date	<u>1,596,346</u>	<u>                    </u>
Totals	<u>\$ 5,619,886</u>	<u>\$ 860,696</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$4,759,190. The Town reported \$1,596,346 as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense for the measurement periods as follows:

<u>June 30,</u>	
2021	\$ 510,496
2022	866,747
2023	935,981
2024	<u>849,620</u>
	<u>\$ 3,162,844</u>

***Actuarial Assumptions***

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2019, using the following actuarial assumptions:

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.60%, average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

The following assumptions were changed in the current year:

- Reduced the assumed rate of investment return from 7.25% to 6.75%
- Reduced the discount rate from 7.25% to 6.75%
- Reduced wage inflation from 3.25% to 2.75% (2.25% for teachers)
- Reduced price inflation from 2.5% to 2.0%
- Updated demographic assumptions, including merit and longevity salary increases, disability rates, retirement rates, and mortality tables (specifically the new public pension plan mortality tables)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Domestic equity	30%	3.71-4.15%
International equity	20%	3.96-6.20%
Fixed income	25%	0.42-1.66%
Alternative investments	15%	4.81-7.71%
Real estate	10%	2.95%
Total	<u>100%</u>	

***Discount Rate***

The discount rate used to measure the collective pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer contributions are projected based on the expected payroll of current members

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

***Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 26,806,166	\$ 20,706,249	\$ 15,721,810

**NOTE 8—LANDFILL POSTCLOSURE CARE COSTS**

State and federal 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 for thirty years after closure. During November 1999, a final cover was placed on the landfill. An estimated liability has been recorded based on the future postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs has a balance of \$44,960 as of June 30, 2021. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The Town will finance the postclosure costs by making an annual appropriation.

The following is a summary of changes in the estimated liability for postclosure care costs for the year ended June 30, 2021:

Balance - July 1, 2020	\$ 50,580
Expenditures recognized in the General Fund	(3,214)
Net change in estimated liability	<u>(2,407)</u>
Balance - June 30, 2021	<u>\$ 44,960</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

**NOTE 9—RESTRICTED NET POSITION**

Net position is restricted for specific purposes at June 30, 2021 as follows:

	Governmental <u>Activities</u>
Permanent Funds - Principal	\$ 139,262
Permanent Funds - Income	105
Impact fees	1,650,691
Police asset forfeitures	11,958
Route 3A tax increment financing	991,965
Library operations	193,100
Private trusts	<u>215,079</u>
	<u>\$ 3,202,160</u>

**NOTE 10—INTERFUND BALANCES AND TRANSFERS**

The Town has combined the cash resources of its governmental fund types. For accounting and reporting purposes, that portion of the pooled cash balance is recorded in the specific fund as an interfund balance. Interfund balances at June 30, 2021 are as follows:

	General <u>Fund</u>	Due from		<u>Totals</u>
		Nonmajor Governmental <u>Funds</u>	Wastewater <u>Fund</u>	
General Fund		\$ 49,719	\$ 41,462	\$ 91,181
Due to Route 3A Infrastructure Tax Increment Financing Fund	\$ 3,251,016			3,251,016
Nonmajor Governmental Funds	<u>2,769,130</u>			<u>2,769,130</u>
	<u>\$ 6,020,146</u>	<u>\$ 49,719</u>	<u>\$ 41,462</u>	<u>\$ 6,111,327</u>

During the year, the Route 3A Infrastructure Tax Increment Financing Fund and Nonmajor Governmental Funds transferred \$313,750 and \$122,878, respectively, to the General Fund. The transfers were made in accordance with budgetary authorizations.

**NOTE 11—COMPONENTS OF FUND BALANCE**

The components of the Town's fund balance for its governmental funds at June 30, 2021, are as follows:

	General <u>Fund</u>	Route 3A Infrastructure Tax Increment <u>Financing Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Nonspendable for:</b>				
Prepaid items	\$ 49,087			\$ 49,087
Tax deeded property	584,785			584,785
Permanent Funds - principal			\$ 139,262	139,262

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

**Restricted for:**

Permanent Funds - income		105	105
Impact fees		1,650,691	1,650,691
Police asset forfeiture		11,958	11,958
Route 3A tax increment financing	\$ 4,935,666		4,935,666
Private trusts		215,079	215,079
Library operations	193,100		193,100

**Committed for:**

Capital reserves	2,421,952		2,421,952
Carryforward appropriations	378,000		378,000
Subsequent year appropriations	150,000		150,000
Conservation		374,843	374,843
Solid waste		603,815	603,815
Recreation		158,216	158,216
Ambulance		407,471	407,471
Police		373,593	373,593
Fire		5,122	5,122

**Assigned for:**

Encumbrances	147,369		147,369
Heritage	39,210		39,210
Compensated absences	398,404		398,404

**Unassigned:**

Unassigned - General operations	3,428,086		3,428,086
	<u>\$ 7,789,993</u>	<u>\$ 4,935,666</u>	<u>\$ 3,940,155</u>
			<u>\$ 16,665,814</u>

**NOTE 12—PROPERTY TAXES**

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$2,047,885,829 as of April 1, 2020) and are due in two installments on July 7, 2020 and December 30, 2020. Taxes paid after the due dates accrue interest at 8% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year-end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. Priority tax liens obtained prior to April 1, 2019 accrue interest at 18% per annum. Priority tax liens obtained after April 1, 2019 accrue interest at 14% per annum. If the property is not redeemed within a two year redemption period, the property may be tax deeded to the Town.

In accordance with State law, the Town collects taxes for the Hooksett School District and Merrimack County, both independent governmental units, which are remitted to them as required by law. The Town also collects education taxes for the State of New Hampshire which are remitted directly to the school district. Total taxes appropriated during the year were \$28,287,632 and \$6,045,630 for the Hooksett District and Merrimack County, respectively. These taxes are recognized in these financial statements within the fiduciary funds only. The Town bears responsibility for uncollected taxes.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

**NOTE 13—RISK MANAGEMENT**

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2021, the Town was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2021.

***Property and Liability Insurance***

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$1,200,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

***Worker's Compensation***

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

**NOTE 14—CONTINGENT LIABILITIES**

***Litigation***

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. In the opinion of Town management, any potential claims against the Town which are not covered by insurance are immaterial and would not affect the financial position of the Town.

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Federal Grants***

The Town participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**NOTE 15—RESTATEMENT OF NET POSITION AND RECLASSIFICATION OF FUND BALANCE**

***Restatement***

During the year ended June 30, 2021, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities*. The impact on net position of the fiduciary funds as of July 1, 2020 is as follows:

	Fiduciary <u>Funds</u>
Net Position, July 1, 2020 (as previously reported)	\$ -
Amount of restatement due to:	
Implementation of GASB Statement #84	<u>2,670,540</u>
Net Position, July 1, 2020 - as restated	<u>\$ 2,670,540</u>

***Reclassification***

During the year ended June 30, 2021, it was determined funds held by the Town Trustees of Trust Funds were previously reported as Permanent Funds (a nonmajor governmental fund) and should be reported in the Private Trust Funds (a nonmajor governmental fund). The total amount reclassified between the two nonmajor governmental funds was \$111,118.

**NOTE 16—SUBSEQUENT EVENTS**

***Current Refunding Settlement***

On May 6, 2021, the Town entered into an agreement for a current refunding of its existing tax increment financing bond to be settled on May 28, 2021. On May 27, 2021, the refunding proceeds were received by the Town and were scheduled to be transferred to pay off the existing debt obligation, however, the funds were not withdrawn by the financial institution holding the existing debt. On July 9, 2021, the financial institution settled the existing obligation of \$2,250,000 plus accrued interest of \$23,579.

SCHEDULE 1  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis) - General Fund**  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 11,204,228	\$ 11,204,228	\$ 11,197,590	\$ (6,638)
Licenses and permits	4,572,451	4,572,451	4,806,292	233,841
Intergovernmental	1,200,932	2,007,747	2,180,276	172,529
Charges for services	74,968	74,968	98,274	23,306
Interest income	30,000	30,000	20,403	(9,597)
Miscellaneous	195,701	200,701	131,413	(69,288)
Total Revenues	<u>17,278,280</u>	<u>18,090,095</u>	<u>18,434,248</u>	<u>344,153</u>
Expenditures:				
Current operations:				
General government	2,873,233	3,040,387	3,023,871	16,516
Public safety	9,320,926	9,960,129	9,347,027	613,102
Highways and streets	2,736,568	2,475,863	2,280,487	195,376
Sanitation	1,240,149	1,240,149	1,056,111	184,038
Health and welfare	165,238	165,587	72,134	93,453
Culture and recreation	671,547	643,547	535,810	107,737
Conservation	1,817	1,817	1,817	-
Economic development	1,500	1,500	563	937
Capital outlay	444,997	267,421	219,697	47,724
Debt service:				
Principal retirement	230,000	230,000	355,000	(125,000)
Interest and fiscal charges	139,449	139,449	105,698	33,751
Total Expenditures	<u>17,825,424</u>	<u>18,165,849</u>	<u>16,998,215</u>	<u>1,167,634</u>
Excess revenues over (under) expenditures	<u>(547,144)</u>	<u>(75,754)</u>	<u>1,436,033</u>	<u>1,511,787</u>
Other financing sources (uses):				
Transfers in	479,890	386,500	436,628	50,128
Transfers out	<u>(1,713,166)</u>	<u>(1,713,166)</u>	<u>(1,727,973)</u>	<u>(14,807)</u>
Total Other financing sources (uses)	<u>(1,233,276)</u>	<u>(1,326,666)</u>	<u>(1,291,345)</u>	<u>35,321</u>
Net change in fund balance	(1,780,420)	(1,402,420)	144,688	1,547,108
Fund Balance at beginning of year				
- Budgetary Basis	<u>5,690,359</u>	<u>5,690,359</u>	<u>5,690,359</u>	<u>-</u>
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 3,909,939</u>	<u>\$ 4,287,939</u>	<u>\$ 5,835,047</u>	<u>\$ 1,547,108</u>

See accompanying notes to the required supplementary information



SCHEDULE 2

**TOWN OF HOOKSETT, NEW HAMPSHIRE**

**Schedule of Changes in the Town's Proportionate Share of the Net OPEB Liability**

For the Year Ended June 30, 2021

Measurement Period Ended	Cost-Sharing Multiple Employer Plan Information Only				
	Town's Proportion of the Net OPEB Liability	Town's Proportionate Share of the Net OPEB Liability	Town's Covered Payroll	Town's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2020	0.34396729%	\$ 1,505,575	\$ 7,696,734	19.56%	7.74%
June 30, 2019	0.39057804%	\$ 1,712,337	\$ 7,456,023	22.97%	7.75%
June 30, 2018	0.38620507%	\$ 1,768,224	\$ 7,212,186	24.52%	7.53%
June 30, 2017	0.25496169%	\$ 1,165,771	\$ 6,805,386	17.13%	7.91%
June 30, 2016	0.26770334%	\$ 1,295,966	\$ 6,718,349	19.29%	5.21%

Measurement Periods	Significant Actuarial Assumptions				
	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2020	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

*See accompanying notes to the required supplementary information*

SCHEDULE 3  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Schedule of Town OPEB Contributions**  
For the Year Ended June 30, 2021

<b>Cost-Sharing Multiple Employer Plan Information Only</b>					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2021	\$ 179,930	\$ (179,930)	\$ -	\$ 8,402,195	2.14%
June 30, 2020	\$ 159,480	\$ (159,480)	\$ -	\$ 7,696,734	2.07%
June 30, 2019	\$ 178,343	\$ (178,343)	\$ -	\$ 7,456,023	2.39%
June 30, 2018	\$ 170,830	\$ (170,830)	\$ -	\$ 7,212,186	2.37%
June 30, 2017	\$ 151,116	\$ (151,116)	\$ -	\$ 6,805,386	2.22%
June 30, 2016	\$ 155,552	\$ (155,552)	\$ -	\$ 6,718,349	2.32%

*See accompanying notes to the required supplementary information*

SCHEDULE 4

**TOWN OF HOOKSETT, NEW HAMPSHIRE**

**Schedule of Changes in the Town's Total OPEB Liability and Related Ratios**

For the Year Ended June 30, 2021

<b>Single Employer Plan Information Only</b>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 50,221	\$ 45,598	\$ 93,401	\$ 96,766
Interest	40,019	45,724	70,561	63,420
Changes of benefit terms	-	-	-	-
Changes of assumptions or other inputs	51,246	67,844	71,350	(52,238)
Differences between expected and actual experience	-	-	-	-
Benefit payments	(114,852)	(121,803)	(60,128)	(45,617)
Net change in total OPEB liability	26,634	37,363	175,184	62,331
Total OPEB Liability at beginning of year	<u>1,972,219</u>	<u>1,934,856</u>	<u>1,759,672</u>	<u>1,697,341</u>
Total OPEB Liability at end of year	<u>\$ 1,998,853</u>	<u>\$ 1,972,219</u>	<u>\$ 1,934,856</u>	<u>\$ 1,759,672</u>
Covered employee payroll	\$ 8,649,246	\$ 8,649,246	\$ 6,200,946	\$ 6,049,703
Total OPEB liability as a percentage of covered employee payroll	23.11%	22.80%	31.20%	29.09%
<b>Significant Actuarial Assumptions</b>				
Discount rate	2.09%	2.44%	3.50%	3.87%
Health cost trend rates:				
Initial	7.0% - 2021	7.0% - 2021	9.0% - 2017	9.0% - 2017
Ultimate	4.5% - 2031	4.5% - 2031	5.0% - 2025	5.0% - 2025
Mortality improvement scale	MP-2019	MP-2019	MP-2014	MP-2014
Salary increase rate	3.50%	3.50%	3.50%	3.50%

*See accompanying notes to the required supplementary information*

SCHEDULE 5

**TOWN OF HOOKSETT, NEW HAMPSHIRE**

**Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability**

For the Year Ended June 30, 2021

<u>Measurement Period Ended</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Town's Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2020	0.32372984%	\$ 20,706,249	\$ 7,696,734	269.03%	58.72%
June 30, 2019	0.33592205%	\$ 16,163,409	\$ 7,456,023	216.78%	65.59%
June 30, 2018	0.33409581%	\$ 16,069,677	\$ 7,212,186	222.81%	64.73%
June 30, 2017	0.33357614%	\$ 16,405,250	\$ 6,805,386	241.06%	62.66%
June 30, 2016	0.34560942%	\$ 18,378,110	\$ 6,718,349	273.55%	58.30%
June 30, 2015	0.34184351%	\$ 13,542,223	\$ 6,582,012	205.75%	65.47%
June 30, 2014	0.35368587%	\$ 13,275,903	\$ 6,631,475	200.20%	66.32%
June 30, 2013	0.34427117%	\$ 14,816,689	\$ 6,308,421	234.87%	59.81%

Significant Actuarial Assumptions

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2020	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

*See accompanying notes to the required supplementary information*

SCHEDULE 6  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Schedule of Town Pension Contributions**  
For the Year Ended June 30, 2021

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2021	\$ 1,596,346	\$ (1,596,346)	\$ -	\$ 8,402,195	19.00%
June 30, 2020	\$ 1,436,915	\$ (1,436,915)	\$ -	\$ 7,696,734	18.67%
June 30, 2019	\$ 1,462,153	\$ (1,462,153)	\$ -	\$ 7,456,023	19.61%
June 30, 2018	\$ 1,410,527	\$ (1,410,527)	\$ -	\$ 7,212,186	19.56%
June 30, 2017	\$ 1,222,034	\$ (1,222,034)	\$ -	\$ 6,805,386	17.96%
June 30, 2016	\$ 1,237,555	\$ (1,237,555)	\$ -	\$ 6,718,349	18.42%
June 30, 2015	\$ 1,146,844	\$ (1,146,844)	\$ -	\$ 6,582,012	17.42%
June 30, 2014	\$ 1,147,439	\$ (1,147,439)	\$ -	\$ 6,631,475	17.30%
June 30, 2013	\$ 856,043	\$ (856,043)	\$ -	\$ 6,308,421	13.57%

*See accompanying notes to the required supplementary information*

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended June 30, 2021

**NOTE 1—BUDGET TO ACTUAL RECONCILIATION**

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for encumbrances, non-budgetary revenues and expenditures, and budgetary transfers out as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 19,162,709	\$ 18,330,617
Difference in property taxes meeting susceptible to accrual criteria	(117,909)	
Encumbrances - June 30, 2020		(187,624)
Encumbrances - June 30, 2021		147,369
Non-budgetary revenues and expenditures	(173,924)	(1,292,147)
Budgetary transfer out		1,727,973
Per Schedule 1	<u>\$ 18,870,876</u>	<u>\$ 18,726,188</u>

***Major Special Revenue Fund***

The Town adopts its budgets under regulations of the New Hampshire Department of Revenue Administration which differ from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Route 3A Infrastructure Tax Increment Financing Fund, as the information is neither practical nor meaningful.

**NOTE 2—BUDGETARY FUND BALANCE**

The components of the budgetary fund balance for the General Fund as of June 30, 2021 are as follows:

<b>Nonspendable:</b>	
Prepaid items	\$ 49,087
Tax deeded property	584,785
<b>Committed for:</b>	
Carryforward appropriations	378,000
Subsequent year appropriations	150,000
<b>Assigned for:</b>	
Compensated absences	398,404
<b>Unassigned:</b>	
General operations	4,274,771
	<u>\$ 5,835,047</u>

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
For the Year Ended June 30, 2021

**NOTE 3—SCHEDULE OF CHANGES IN THE TOWN’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF TOWN OPEB CONTRIBUTIONS**

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town’s proportionate share of the net OPEB liability, and schedule of Town OPEB contributions. The Town implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

**NOTE 4—SCHEDULE OF CHANGES IN THE TOWN’S TOTAL OPEB LIABILITY AND RELATED RATIOS**

In accordance with GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town’s total OPEB liability and related ratios. The Town implemented the provisions of GASB Statement #75 during the year ended June 30, 2018. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**NOTE 5—SCHEDULE OF CHANGES IN THE TOWN’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF TOWN PENSION CONTRIBUTIONS**

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town’s proportionate share of the net pension liability, and schedule of Town pension contributions. The Town implemented the provisions of GASB Statement #68 during the year ended June 30, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as additional information becomes available.

SCHEDULE I  
**TOWN OF HOOKSETT**  
**Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2021

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Assistance Listing Number	<u>Expenditures</u>
<b>DEPARTMENT OF JUSTICE</b>		
Pass Through Payments from New Hampshire Department of Justice Coronavirus Emergency Supplemental Funding COVID-19 - COVID EMS Response-2020-VD-BX-001	16.034	\$ <u>180,870</u>
Received Directly from U.S. Treasury Department Bulletproof Vest Partnership Program #2018 BPV #2019 BPV	16.607	483 660 <u>1,143</u>
Equitable Sharing Program	16.922	<u>195</u>
<b>Total Department of Justice</b>		<u>182,208</u>
<b>DEPARTMENT OF THE TREASURY</b>		
Pass Through Payments from New Hampshire Governor's Office for Emergency Relief and Recovery Coronavirus Relief Fund COVID-19 - First Responder Stipend COVID-19 - GOFERR	21.019	(86) <u>248,037</u> <u>247,951</u>
<b>Total Department of the Treasury</b>		<u>247,951</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Received Directly from Department of Health and Human Services COVID-19 - Provider Relief Fund	93.498	<u>24,811</u>
<b>Total Department of Health and Human Services</b>		<u>24,811</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
Pass Through Payments from New Hampshire Department of Safety Disaster Grants - Public Assistance (Presidentially Declared Disasters) COVID-19 - FEMA-4516-DR-NH	97.036	532,992
Pass Through Payments from New Hampshire Department of Health and Human Services Disaster Grants - Public Assistance (Presidentially Declared Disasters) COVID-19 - Vaccination-4516-DR-NH-00000001	97.036	200,694 <u>733,686</u>

*See notes to schedule of expenditures of federal awards*



SCHEDULE I  
**TOWN OF HOOKSETT**  
**Schedule of Expenditures of Federal Awards (Continued)**  
For the Year Ended June 30, 2021

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Assistance Listing Number	<u>Expenditures</u>
<b>DEPARTMENT OF HOMELAND SECURITY (continued)</b>		
Pass Through Payments from New Hampshire Department of Safety, Homeland Security and Emergency Management Emergency Management Performance Grant Program EOC Security-EMB-2019-EP-00003	97.042	<u>36,973</u>
Pass Through Payments from New Hampshire Department of Safety Homeland Security Grant Program EMS Warm Zone-EMW-2018-SS-00055	97.067	<u>569</u>
<b>Total Department of Homeland Security</b>		<u>771,228</u>
<b>OTHER AGENCIES</b>		
Pass Through Payments from New Hampshire Secretary of State 2018 HAVA Election Security Grants COVID-19 - Cares Election-DC20101CARES	90.404	<u>31,686</u>
<b>Total Other Agencies</b>		<u>31,686</u>
<b>Total Expenditures of Federal Awards</b>		<u>\$ 1,257,884</u>

*See notes to schedule of expenditures of federal awards*

**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2021

**NOTE 1—BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Town of Hooksett, New Hampshire (the Town) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Hooksett, New Hampshire, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for federal programs accounted for in the governmental funds, and on the accrual basis of accounting for federal programs accounted for in the proprietary funds, which are described in Note 1 to the Town's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3—INDIRECT COST RATE**

The Town has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4—PROVIDER RELIEF FUNDS**

During the year ended June 30, 2021, the Town recognized total revenue of \$24,811 from the Provider Relief Fund (CFDA #93.498). This amount is based on lost revenue in the Town's Ambulance Service Fund, a nonmajor governmental fund. The amount reported on the Schedule of Expenditures of Federal Awards is based upon the June 30, 2021 Provider Relief Fund report that will be submitted to the United States Department of Health and Human Services by the September 30, 2021 reporting deadline.

**NOTE 5—RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The recognition of expenditures of federal awards on the Schedule pertaining to the Presidentially Declared Disasters include \$44,790 of eligible expenditures which occurred in the prior year.

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

Independent Auditor's Report

To the Town Council  
Town of Hooksett, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hooksett, New Hampshire, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Hooksett, New Hampshire's basic financial statements, and have issued our report thereon dated February 28, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Hooksett, New Hampshire's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hooksett, New Hampshire's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Hooksett, New Hampshire's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
February 28, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Town Council  
Town of Hooksett, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Hooksett, New Hampshire's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Hooksett, New Hampshire's major federal programs for the year ended June 30, 2021. The Town of Hooksett, New Hampshire's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Hooksett, New Hampshire's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Hooksett, New Hampshire's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Hooksett, New Hampshire's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Town of Hooksett, New Hampshire complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Town of Hooksett, New Hampshire is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Hooksett, New Hampshire's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Hooksett, New Hampshire's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
February 28, 2022

**Town of Hooksett, New Hampshire  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2021**

**Section I--Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified – all reporting units

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no  
 Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no  
 Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

## **Section II--Financial Statement Findings**

There were no findings relating to the financial statements required to be reported by GAGAS.

## **Section III--Federal Award Findings and Questioned Costs**

There were no findings and questioned costs required to be reported under 2 CFR 200.516(a).



SCHEDULE A  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Governmental Funds - All Nonmajor Funds**  
June 30, 2021

	Special Revenue <u>Funds</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 636,702		\$ 636,702
Investments	209,813	\$ 151,248	361,061
Accounts receivable, net	204,225		204,225
Due from other governments	56,276		56,276
Due from other funds	<u>2,769,130</u>		<u>2,769,130</u>
Total Assets	<u>3,876,146</u>	<u>151,248</u>	<u>4,027,394</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,876,146</u>	<u>\$ 151,248</u>	<u>\$ 4,027,394</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 24,842		\$ 24,842
Accrued liabilities	12,678		12,678
Due to other funds	<u>37,838</u>	<u>\$ 11,881</u>	<u>49,719</u>
Total Liabilities	<u>75,358</u>	<u>11,881</u>	<u>87,239</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable		139,262	139,262
Restricted	1,877,728	105	1,877,833
Committed	<u>1,923,060</u>		<u>1,923,060</u>
Total Fund Balances	<u>3,800,788</u>	<u>139,367</u>	<u>3,940,155</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,876,146</u>	<u>\$ 151,248</u>	<u>\$ 4,027,394</u>

SCHEDULE A-1  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Governmental Funds - All Nonmajor Special Revenue Funds**  
June 30, 2021

	Conservation Commission <u>Fund</u>	Impact Fees <u>Fund</u>	Solid Waste Disposal <u>Fund</u>	Recreation Revolving <u>Fund</u>	Ambulance Service <u>Fund</u>
ASSETS					
Cash and cash equivalents	\$ 373,641				\$ 263,061
Investments					
Accounts receivable, net					176,287
Due from other governments					7,171
Due from other funds	<u>1,222</u>	<u>\$ 1,667,057</u>	<u>\$ 603,815</u>	<u>\$ 158,233</u>	
Total Assets	<u>374,863</u>	<u>1,667,057</u>	<u>603,815</u>	<u>158,233</u>	<u>446,519</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 374,863</u>	<u>\$ 1,667,057</u>	<u>\$ 603,815</u>	<u>\$ 158,233</u>	<u>\$ 446,519</u>
LIABILITIES					
Accounts payable	\$ 20	\$ 16,366		\$ 17	\$ 8,255
Accrued liabilities					5,127
Due to other funds					25,666
Total Liabilities	<u>20</u>	<u>16,366</u>	<u>\$ -</u>	<u>17</u>	<u>39,048</u>
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted		1,650,691			
Committed	<u>374,843</u>		<u>603,815</u>	<u>158,216</u>	<u>407,471</u>
Total Fund Balances	<u>374,843</u>	<u>1,650,691</u>	<u>603,815</u>	<u>158,216</u>	<u>407,471</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 374,863</u>	<u>\$ 1,667,057</u>	<u>\$ 603,815</u>	<u>\$ 158,233</u>	<u>\$ 446,519</u>

(continued)

SCHEDULE A-1  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Governmental Funds - All Nonmajor Special Revenue Funds**  
June 30, 2021  
(continued)

	<u>Drug Forfeiture Fund</u>	<u>Police Special Details Fund</u>	<u>Fire Special Details Fund</u>	<u>Private Trust Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents					\$ 636,702
Investments				\$ 209,813	209,813
Accounts receivable, net		\$ 27,938			204,225
Due from other governments		29,747	\$ 19,358		56,276
Due from other funds	\$ 11,958	321,579		5,266	2,769,130
<b>Total Assets</b>	<u>11,958</u>	<u>379,264</u>	<u>19,358</u>	<u>215,079</u>	<u>3,876,146</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Total Deferred Outflows of Resources	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 11,958</u>	<u>\$ 379,264</u>	<u>\$ 19,358</u>	<u>\$ 215,079</u>	<u>\$ 3,876,146</u>
<b>LIABILITIES</b>					
Accounts payable		\$ 184			\$ 24,842
Accrued liabilities		5,487	\$ 2,064		12,678
Due to other funds			12,172		37,838
<b>Total Liabilities</b>	<u>\$ -</u>	<u>5,671</u>	<u>14,236</u>	<u>\$ -</u>	<u>75,358</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Total Deferred Inflows of Resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	11,958			215,079	1,877,728
Committed		373,593	5,122		1,923,060
<b>Total Fund Balances</b>	<u>11,958</u>	<u>373,593</u>	<u>5,122</u>	<u>215,079</u>	<u>3,800,788</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 11,958</u>	<u>\$ 379,264</u>	<u>\$ 19,358</u>	<u>\$ 215,079</u>	<u>\$ 3,876,146</u>

SCHEDULE B  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - All Nonmajor Funds**  
For the Year Ended June 30, 2021

	Special Revenue <u>Funds</u>	Permanent <u>Funds</u>	Combining <u>Totals</u>
Revenues:			
Taxes	\$ 70,000		\$ 70,000
Licenses and permits	6,932		6,932
Intergovernmental	97,409		97,409
Charges for services	1,095,320		1,095,320
Interest and investment income	27,487	\$ 32,898	60,385
Miscellaneous	478,205	600	478,805
Total Revenues	<u>1,775,353</u>	<u>33,498</u>	<u>1,808,851</u>
Expenditures:			
Current operations:			
Public safety	783,194		783,194
Culture and recreation	5,567	127	5,694
Conservation	40,131		40,131
Capital outlay	16,366		16,366
Total Expenditures	<u>845,258</u>	<u>127</u>	<u>845,385</u>
Excess revenues over (under) expenditures	<u>930,095</u>	<u>33,371</u>	<u>963,466</u>
Other financing sources (uses):			
Transfers out	(110,997)	(11,881)	(122,878)
Total Other financing sources (uses)	<u>(110,997)</u>	<u>(11,881)</u>	<u>(122,878)</u>
Net change in fund balances	819,098	21,490	840,588
Fund Balances at beginning of year, as restated	<u>2,981,690</u>	<u>117,877</u>	<u>3,099,567</u>
Fund Balances at end of year	<u>\$ 3,800,788</u>	<u>\$ 139,367</u>	<u>\$ 3,940,155</u>

SCHEDULE B-1  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - All Nonmajor Special Revenue Funds**  
For the Year Ended June 30, 2021

	Conservation Commission <u>Fund</u>	Impact Fees <u>Fund</u>	Solid Waste Disposal <u>Fund</u>	Recreation Revolving <u>Fund</u>	Ambulance Service <u>Fund</u>
Revenues:					
Taxes	\$ 70,000				
Licenses and permits	6,932				
Intergovernmental					\$ 67,662
Charges for services			\$ 152,504	\$ 250	570,121
Interest and investment income	299	\$ 2,079	817	229	54
Miscellaneous	<u>1,222</u>	<u>461,761</u>	<u>4,100</u>		
Total Revenues	<u>78,453</u>	<u>463,840</u>	<u>157,421</u>	<u>479</u>	<u>637,837</u>
Expenditures:					
Current operations:					
Public safety					444,925
Culture and recreation		3,439		2,128	
Conservation	40,131				
Capital outlay		<u>16,366</u>			
Total Expenditures	<u>40,131</u>	<u>19,805</u>	<u>-</u>	<u>2,128</u>	<u>444,925</u>
Excess revenues over (under) expenditures	<u>38,322</u>	<u>444,035</u>	<u>157,421</u>	<u>(1,649)</u>	<u>192,912</u>
Other financing sources (uses):					
Transfers out			<u>(106,345)</u>		
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(106,345)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	38,322	444,035	51,076	(1,649)	192,912
Fund Balances at beginning of year, as restated	<u>336,521</u>	<u>1,206,656</u>	<u>552,739</u>	<u>159,865</u>	<u>214,559</u>
Fund Balances at end of year	<u>\$ 374,843</u>	<u>\$ 1,650,691</u>	<u>\$ 603,815</u>	<u>\$ 158,216</u>	<u>\$ 407,471</u>

(continued)

SCHEDULE B-1  
**TOWN OF HOOKSETT, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - All Nonmajor Special Revenue Funds**  
For the Year Ended June 30, 2021  
(continued)

	<u>Drug Forfeiture Fund</u>	<u>Police Special Details Fund</u>	<u>Fire Special Details Fund</u>	<u>Private Trust Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:					
Taxes					\$ 70,000
Licenses and permits					6,932
Intergovernmental		\$ 29,747			97,409
Charges for services		271,835	\$ 100,610		1,095,320
Interest and investment income	\$ 18	430	1	\$ 23,560	27,487
Miscellaneous				11,122	478,205
Total Revenues	<u>18</u>	<u>302,012</u>	<u>100,611</u>	<u>34,682</u>	<u>1,775,353</u>
Expenditures:					
Current operations:					
Public safety		231,200	95,770	11,299	783,194
Culture and recreation					5,567
Conservation					40,131
Capital outlay					16,366
Total Expenditures	<u>-</u>	<u>231,200</u>	<u>95,770</u>	<u>11,299</u>	<u>845,258</u>
Excess revenues over (under) expenditures	<u>18</u>	<u>70,812</u>	<u>4,841</u>	<u>23,383</u>	<u>930,095</u>
Other financing sources (uses):					
Transfers out				(4,652)	(110,997)
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,652)</u>	<u>(110,997)</u>
Net change in fund balances	18	70,812	4,841	18,731	819,098
Fund Balances at beginning of year, as restated	<u>11,940</u>	<u>302,781</u>	<u>281</u>	<u>196,348</u>	<u>2,981,690</u>
Fund Balances at end of year	<u>\$ 11,958</u>	<u>\$ 373,593</u>	<u>\$ 5,122</u>	<u>\$ 215,079</u>	<u>\$ 3,800,788</u>