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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES

Jeffrey A. Meyers  
Commissioner

Lisa M. Morris  
Director

29 HAZEN DRIVE, CONCORD, NH 03301  
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www.dhhs.nh.gov

August 22, 2019

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Public Health Services, to enter into a **retroactive, sole source** agreement with the City of Nashua (Vendor # 177441-B011), 18 Mulberry St. Nashua, NH 03060, to provide Regional Public Health Network (RPHN) services, in an amount not to exceed \$717,156, effective retroactive to June 30, 2019 upon Governor and Executive Council approval through June 30, 2021. 82% Federal Funds, 18% General Funds.

Funds to support this request are anticipated to be available in the following account(s) for State Fiscal Years 2020 and 2021 upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

**Please See Attached Fiscal Details**

**EXPLANATION**

This request is **retroactive** because the Department needs to allow the funds from State Fiscal Year 2019 to be carried forward into State Fiscal Year 2020 in order utilize the federal funding and maximize the effectiveness of the contract within the Greater Nashua Public Health Region. These funds will be utilized to ensure the program can assist at-risk populations that benefit from the wide variety of programs.

This request is **sole source** because the current vendor has successfully met performance measures under the current agreement. The Department is seeking a new agreement to continue

services. The scope of work has been modified since the original Request for Proposals for State Fiscal Year 2018. These modifications are to meet the requirements to the federal grantors and to meet the public health needs.

This request represents one (1) remaining agreement, nine (9) of the other vendors contracts were approved by the Governor and Executive Council on June 19, 2019 (Item #78E).

The purpose of this request is to provide regional public health emergency preparedness, substance misuse prevention and substance use disorders continuum of care services, childhood lead poisoning prevention services, Hepatitis A response services, and to host a Public Health Advisory Council to coordinate other public health services, statewide. Each Public Health Network site serves a defined Public Health Region with every municipality in the state assigned to a region, thereby ensuring statewide Public Health Network services.

The Regional Public Health Advisory Council engages senior-level leaders from throughout each region to serve in an advisory capacity over the services funded through these agreements. Over time, the Division of Public Health Services and the Bureau of Drug and Alcohol Services expect that the Regional Public Health Advisory Council will expand this function to other public health and substance use related services funded by the Department. These functions are being implemented to identify strategies that can be implemented within each region to address childhood lead poisoning and to mitigate the potential health risks from climate, such as increases in ticks that spread disease. The goal is for the Regional Public Health Advisory Council to set regional priorities that are data-driven, evidence-based, responsive to the needs of the region, and to serve in this advisory role over all public health and substance use related activities occurring in their region.

The vendors will lead coordinated efforts with regional public health, health care and emergency management partners to develop and exercise regional public health emergency response plans to improve the region's ability to respond to public health emergencies. These regional activities are integral to the State's capacity to respond to public health emergencies and are being utilized for the Hepatitis A response.

According to the 2012-2013 National Survey on Drug Use and Health, the most recent data available demonstrates that 49% of NH's 18-25 year olds reported binge drinking in the past 30 days. This rate is the third highest in the country and much higher than the national average of 38.7%. For pain reliever abuse, 10.5% of NH young adults reported this behavior in the past year, and 10% of young adults reported illicit drug use other than marijuana. This last prevalence indicator is important for several reasons. First, it is the most accessible data point relative to young adult opioid use because the illicit drug use indicator includes opioids. Secondly, NH's rate of 10% for 18-25 year olds reporting regular illicit drug use is the highest in the country and is 1.5 percentage points higher than the next closest state (Rhode Island, 8.6%) and higher than the national average of 6.9%. Furthermore, there were five times greater the number of heroin-related deaths in NH in 2014 than there were in 2008. Heroin-related Emergency Department visits and administrations of naloxone to prevent death from an overdose have also multiplied exponentially in the last two years. Consequently, alcohol and drug misuse cost NH more than \$1.84 billion in 2012 in lost productivity and earnings, increased expenditures for healthcare, and public safety costs. In addition to economic costs, substance misuse impacts and is influenced by poor mental health. From 2007 to 2011, suicide among those aged 10-24 was the second leading cause of

death for NH compared to the third leading cause nationally.

In NH, youth have rates of substance use significantly higher than the national average and the other northeast (NE) states as demonstrated in Table 2.

<b>18-25 year olds</b>	<b>NH</b>	<b>NE</b>	<b>US</b>	<b>Significant differences</b>
Binge Drinking	49.0%	43.0%	38.7%	NH Higher than NE and US
Marijuana Use	27.8%	21.0%	18.9%	NH Higher than NE and US
Nonmedical use of pain relievers	10.5%	8.6%	9.5%	No significant difference
Dependent/abusing alcohol or illicit drugs	23.7%	19.1%	18.1%	NH Higher than NE and US

Youth and families across NH describe having little access to services and supports for Substance Use Disorder in NH. In fact, according to the National Survey on Drug Use and Health, NH ranks worst among the states in percentage of 18-25 year olds "needing but not receiving treatment" for alcohol or illicit drug use and is also among the bottom states for 12-17 year olds. Additionally, among 12-20 year olds, NH ranks highest and above the overall national average in both underage alcohol use in past month (NH: 35.72%, US: 23.52%) and underage binge alcohol use in past month (NH: 23.21%, US: 14.75%).

Coordination of community-based services in the realms of public health and substance use disorders has become a necessity as an increase in the need for services is faced with a reduction in services that are available.

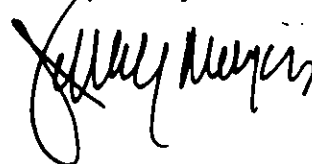
Should Governor and Executive Council not authorize this Request, these public health and substance use related services will be less coordinated and comprehensive. Developing strong, regionally-based infrastructure to convene, coordinate, and facilitate an improved systems-based approach to addressing these health issues will, over time, reduce costs, improve health outcomes, and reduce health disparities.

Area served: Amherst, Brookline, Hollis, Hudson, Litchfield, Lyndeborough, Mason, Merrimack, Milford, Mont Vernon, Nashua, Pelham, and Wilton

Source of Funds: 82% Federal Funds and 18% General Funds.

In the event that the Federal (or Other) Funds become no longer available, additional General Funds will not be requested to support this program.

Respectfully submitted,



Jeffrey A. Meyers  
Commissioner

### City of Nashua Fiscal Details

**05-95-90-901010-5362 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POLICY AND PERFORMANCE, 100% Federal Funds**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	90001022	\$15,000
2021	102-500731	Contracts for Prog Svc	90001022	\$15,000
			<b>Sub-Total</b>	<b>\$30,000</b>

**05-95-92-902510-7545 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, EMERGENCY PREPAREDNESS 73% Federal Funds & 27% General Funds**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	90077410	\$182,673
2020	102-500731	Contracts for Prog Svc	90077028	\$15,000
			<i>Sub-Total</i>	<i>\$197,673</i>
2021	102-500731	Contracts for Prog Svc	90077410	\$179,673
2021	102-500731	Contracts for Prog Svc	90077028	\$15,000
			<i>Sub-Total</i>	<i>\$194,673</i>
			<b>Sub-Total</b>	<b>\$392,346</b>

**05-95-92-920510-3380 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF BEHAVIORAL HEALTH DIV, BUREAU OF DRUG AND ALCOHOL PREVENTION SVS 87% Federal Funds & 13% General Funds**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	92057502	\$91,162
2020	102-500731	Contracts for Prog Svc	92057504	\$41,243
			<i>Sub-Total</i>	<i>\$132,405</i>
2021	102-500731	Contracts for Prog Svc	92057502	\$91,162
2021	102-500731	Contracts for Prog Svc	92057504	\$41,243
			<i>Sub-Total</i>	<i>\$132,405</i>
			<b>Sub-Total</b>	<b>\$264,810</b>



### City of Nashua Fiscal Details

**05-95-90-902510-2239 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, HOSPITAL PREPAREDNESS 100% Federal Funds**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	90077700	\$10,000
2021	102-500731	Contracts for Prog Svc	90077700	\$10,000
			<b>Sub-Total</b>	<b>\$20,000</b>

**05-95-90-901510-7964 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF HEALTH PROTECTION, LEAD PREVENTION 100% Federal Funds**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	90036000	\$3,000
2021	102-500731	Contracts for Prog Svc	90036000	\$0
			<b>Sub-Total</b>	<b>\$3,000</b>

**05-95-90-902510-5178 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, IMMUNIZATION 100% Federal Funds**

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	90023013	\$7,000
2021	102-500731	Contracts for Prog Svc	90023013	\$0
			<b>Sub-Total</b>	<b>\$7,000</b>
			<b>Total</b>	<b>\$717,156</b>

Subject: Regional Public Health Network Services SS-2019-DPHS-28-REGION-02

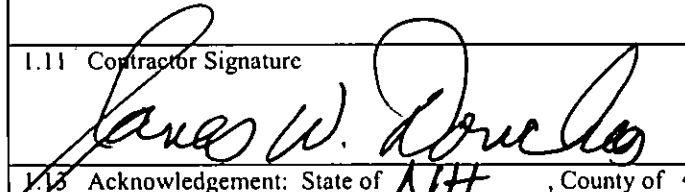
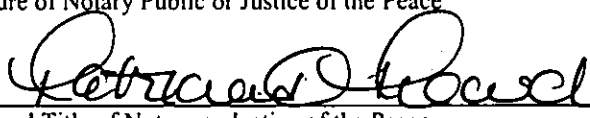
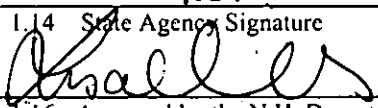
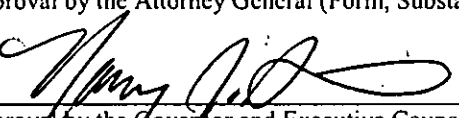
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

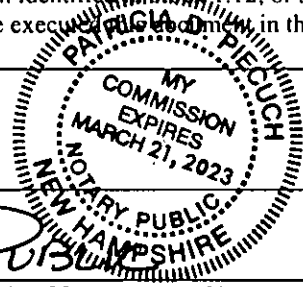
**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name City of Nashua		1.4 Contractor Address 18 Mulberry St. Nashua, NH 03060	
1.5 Contractor Phone Number 603-5894596	1.6 Account Number See Attached	1.7 Completion Date June 30, 2021	1.8 Price Limitation \$717,156.
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory James W. Donnell, Mayor	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>Aug 13, 2019</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace PATRICIA D. PIECUCH, NOTARY PUBLIC			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory LISA MORRIS, DIRECTOR DPHS	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>8/21/2019</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			



**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials

Date

*[Handwritten Signature]*  
8/19/19

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

#### 8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers, and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

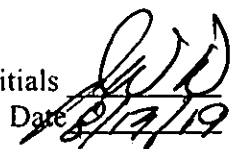
#### 14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Handwritten signature and date: 8/17/19

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials

Date

*[Handwritten Signature]*  
*[Handwritten Date: 8/13/19]*

New Hampshire Department of Health and Human Services  
Regional Public Health Network Services



Block 1.6 Account Number

1.6 Account Number

05-95-090-51700000-547-500394

05-95-090-79640000-102-500731

05-95-090-80110000-102-500731

05-95-092-33800000-102-500731

05-95-090-75450000-102-500731

05-95-090-22390000-102-500731

*[Handwritten Signature]*  
8/13/19



## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient), in accordance with 2 CFR 200.300.

### 2. Scope of Services

- 2.1. Lead Organization to Host a Regional Public Health Network (RPHN)
  - 2.1.1. The Contractor shall serve as a lead organization to host a Regional Public Health Network for the Greater Nashua region as defined by the Department, to provide a broad range of public health services within one or more of the state's thirteen designated public health regions. The purpose of the RPHNs statewide are to coordinate a range of public health and substance misuse-related services, as described below to assure that all communities statewide are covered by initiatives to protect and improve the health of the public. The Contractor shall provide services that include, but are not limited to:
    - 2.1.1.1. Sustaining a regional Public Health Advisory Council (PHAC),
    - 2.1.1.2. Planning for and responding to public health incidents and emergencies,
    - 2.1.1.3. Preventing the misuse of substances,
    - 2.1.1.4. Facilitating and sustaining a continuum of care to address substance use disorders,
    - 2.1.1.5. Conducting a community-based assessment related to childhood lead poisoning prevention, and
    - 2.1.1.6. Ensuring contract administration and leadership.

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2.2. Public Health Advisory Council

2.2.1. The Contractor shall coordinate and facilitate the regional Public Health Advisory Council (PHAC) to provide a PHAC leadership team and direction to public health activities within the assigned region. The Contractor shall:

2.2.1.1. Maintain a set of operating guidelines or by-laws for the PHAC

2.2.1.2. Recruit, train, and retain diverse regional PHAC representatives to serve on a PHAC leadership team with the authority to:

2.2.1.2.1. Approve regional health priorities and implement high-level goals and strategies.

2.2.1.2.2. Address emergent public health issues as identified by regional partners and the Department and mobilize key regional stakeholders to address the issue.

2.2.1.2.3. Form committees and workgroups to address specific strategies and public health topics.

2.2.1.2.4. Participate in and inform hospital needs assessments and data collection activities within the public health region.

2.2.1.2.5. Make recommendations within the public health region and to the state regarding funding and priorities for service delivery based on needs assessments and collection.

2.2.1.3. PHAC leadership team shall meet at least quarterly in order to:

2.2.1.3.1. Ensure meeting minutes are available to the public upon request.

2.2.1.3.2. Develop a conflict of interest statement and ensure all leadership team members sign a statement.

2.2.1.4. Ensure a currently licensed health care professional will serve as a medical director for the RPHN who shall perform the following functions that are not limited to:

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- 2.2.1.4.1. Write and issue standing orders when needed to carry out the programs and services funded through this agreement
- 2.2.1.4.2. Work with medical providers and the Department on behalf of the PHAC on any emergent public health issues. Participate in the Multi-Agency Coordinating Entity (MACE) during responses to public health emergencies as appropriate and based on availability.
- 2.2.1.5. Conduct at least biannual meetings of the PHAC.
- 2.2.1.6. Develop annual action plans for the services in this Agreement as advised by the PHAC.
- 2.2.1.7. Collect, analyze and disseminate data about the health status of the region; educate network partners about on-line and other sources of data; and participate in community health assessments.
- 2.2.1.8. Maintain a current Community Health Improvement Plan (CHIP) that is aligned with the State Health Improvement Plan (SHIP) and informed by other health improvement plans developed by other community partners;
- 2.2.1.9. Provide leadership through guidance, technical assistance and training to community partners to implement and ensure CHIP priorities and monitor CHIP implementation.
- 2.2.1.10. Publish an annual report disseminated to the community capturing the PHAC's activities and outcomes and progress towards addressing CHIP priorities.
- 2.2.1.11. Maintain a website, which provides information to the public and agency partners, at a minimum, includes information about the PHAC, CHIP, SMP, CoC, YA and PHEP programs.
- 2.2.1.12. Conduct at least two educational and training programs annually to RPHN partners and others to advance the work of RPHN.
- 2.2.1.13. Educate partners and stakeholder groups on the PHAC, including elected and appointed municipal officials.

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2.2.1.14. Use reasonable efforts to obtain other sources of funding to support the activities and priorities of the PHAC and implementation of the CHIP, for the purposes of sustaining public health improvement efforts.

2.3. Public Health Emergency Preparedness

2.3.1. The Contractor shall provide leadership and coordination to improve regional public health emergency response plans and the capacity of partnering organizations to mitigate, prepare for, respond to, and recover from public health incidents and emergencies as follows:

2.3.1.1. Ensure that all activities are directed toward meeting the national standards described in the U.S. Centers for Disease Control and Prevention's (CDC) Public Health Preparedness Capabilities (October 2018) and subsequent editions as follows:

2.3.1.2. Convene and coordinate a regional Public Health Emergency Preparedness (PHEP) coordinating/planning committee/workgroup to improve regional emergency response plans and the capacity of partnering entities to mitigate, prepare for, respond to and recover from public health emergencies.

2.3.1.3. Convene at least quarterly meetings of the regional PHEP committee/workgroup.

2.3.1.4. Ensure and document committee/workgroup review and concurrence with revision to the Regional Public Health Emergency Annex (RPHEA) annually.

2.3.1.5. Maintain a three-year Training and Exercise Program that, at a minimum, includes all drill and exercises required under the Strategic National Stockpile (SNS) and other requirements issued by CDC.

2.3.1.6. Develop statements of the mission and goals for the regional PHEP initiative including the workgroup.

2.3.1.7. Submit an annual work plan based on a template provided by the Department of Health and Human Services (DHHS).

2.3.1.8. Sponsor and organize the logistics for at least two trainings annually for regional partners. Collaborate with the DHHS, Division of Public Health Services

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- (DPHS), the Community Health Institute (CHI), NH Fire Academy, Granite State Health Care Coalition (GSHCC), and other training providers to implement these training programs.
- 2.3.1.9. Revise on an annual basis the Regional Public Health Emergency Anne (RPHEA) based on guidance from DHHS as follows:
    - 2.3.1.9.1. Upload the RPHEA with all appendices, attachments, and other supporting materials to a web-based document-sharing site identified by DHHS.
    - 2.3.1.9.2. Develop new appendices based on priorities identified by DHHS using templates provided by DHHS.
    - 2.3.1.9.3. Disseminate, educate, and train partners on the RPHEA to ensure a coordinated response to emergencies.
    - 2.3.1.9.4. Participate in workgroups to develop or revise components of the RPHEA that are convened by DHHS or the agency contracted to provide training and technical assistance to RPHNs.
  - 2.3.1.10. Understand the hazards and social conditions that increase vulnerability within the public health region including but not limited to cultural, socioeconomic, and demographic factors as follows:
    - 2.3.1.10.1. Implement strategies and activities in response to priorities established during the jurisdictional risk assessment conducted during SFY 2019.
    - 2.3.1.10.2. Participate, as requested, in risk and/or vulnerability assessments conducted by hospital-based health care systems, municipalities, entities serving individuals with functional needs, and other public health, health care, behavioral health and environmental health entities.
  - 2.3.1.11. Strengthen community partnerships to support public health preparedness and implement strategies to strengthen community resilience with governmental, public health, and health care entities that describe the respective roles and responsibilities of the parties in

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- the planning and response to a public health incident or emergency.
- 2.3.1.12. Regularly communicate with the Department's Area Agency contractor that provides developmental and acquired brain disorder services in your region.
  - 2.3.1.13. Ensure capacity to develop, coordinate, and disseminate information, alerts, warnings, and notifications to the public and incident management personnel.
  - 2.3.1.14. Identify and, as needed, train individuals to coordinate and disseminate information to the public during an incident or emergency.
  - 2.3.1.15. Disseminate Health Alert Network messages and other warnings issued by State or local authorities on a routine basis and during an incident or emergency.
  - 2.3.1.16. Maintain the capacity to utilize WebEOC, the State's emergency management platform, during incidents or emergencies. Provide training as needed to individuals to participate in emergency management using WebEOC.
  - 2.3.1.17. Maintain the capacity to support mass fatality management activities implemented by State officials during emergencies.
  - 2.3.1.18. Maintain the capacity to coordinate public health and supportive health care services in emergency shelters through collaboration with municipal officials.
  - 2.3.1.19. Implement activities that support the CDC's Operational Readiness Review (ORR) program in accordance with current requirements and guidance. Coordinate with the DHHS' SNS Coordinator to identify appropriate actions and priorities, that include, but are not limited to:
    - 2.3.1.19.1. Semi-annual submission of Medical Countermeasures Technical Assistance Action Plans;
    - 2.3.1.19.2. Annual submission of either ORR or self-assessment documentation;
    - 2.3.1.19.3. ORR site visit as scheduled by the CDC and DHHS;

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- 2.3.1.19.4. Completion of relevant drills/exercises and supporting documents to meet annual CDC exercise requirements.
- 2.3.1.20. As funding allows, maintain an inventory of supplies and equipment for use during incidents and emergencies as follows:
  - 2.3.1.20.1. Prior to purchasing new supplies or equipment, execute MOUs with agencies to store, inventory, and rotate these supplies.
  - 2.3.1.20.2. Upload, at least annually, a complete inventory to a Health Information Management System (HIMS) identified by DHHS.
- 2.3.1.21. Recruit, train, and retain volunteers to assist during incidents or emergencies, with a priority on individuals from the health care sector as follows:
  - 2.3.1.21.1. Maintain proficiency in the volunteer management system supported by DHHS.
  - 2.3.1.21.2. Enroll and manage local volunteers to ensure the capacity to activate and deploy during an incident or emergency.
  - 2.3.1.21.3. Provide training to individuals as needed to ensure the capacity to utilize the system during incidents or emergencies.
  - 2.3.1.21.4. Conduct notification drills of volunteers at least quarterly.
- 2.3.1.22. As requested, participate in drills and exercises conducted by other regional entities as appropriate; and participate in statewide drills and exercises as appropriate and as funding allows.
- 2.3.1.23. As requested by the DPHS, participate in a statewide healthcare coalition directed toward meeting the national standards described in the 2017-2022 Health Care Preparedness and Response Capabilities guidance published by the U.S. Department of Health and Human Services Assistant Secretary for Preparedness and Response.
- 2.3.1.24. As requested by DPHS, plan and implement targeted Hepatitis A vaccination clinics. Clinics should be held

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...at locations where individuals at-risk for Hepatitis A can  
...be accessed, according to guidance issued by DPHS.

2.4. Substance Misuse Prevention

2.4.1. The Contractor shall provide leadership and coordination to impact substance misuse and related health promotion activities by implementing, promoting and advancing evidence-based primary prevention approaches, programs, policies, and services as follows:

2.4.1.1. Reduce substance use disorder (SUD) risk factors and strengthen protective factors known to impact behaviors.

2.4.1.2. Maintain a substance misuse prevention SMP leadership team consisting of regional representatives with a special expertise in substance misuse prevention that can help guide/provide awareness and advance substance misuse prevention efforts in the region.

2.4.1.3. Implement the strategic prevention model in accordance with the SAMHSA Strategic Prevention Framework that includes: assessment, capacity development, planning, implementation and evaluation.

2.4.1.4. Implement evidenced-informed approaches, programs, policies and services that adhere to evidence-based guidelines, in accordance with the Department's guidance on what is evidenced informed.

2.4.1.5. Maintain, revise, and publicly promote data driven regional substance misuse prevention 3-year Strategic Plan that aligns with the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery Plan, and the State Health Improvement Plan).

2.4.1.6. Develop an annual work plan that guides actions and includes outcome-based logic models that demonstrates short, intermediate and long term measures in alignment the 3-year Strategic Plan, subject to Department's approval.

2.4.1.7. Advance and promote and implement substance misuse primary prevention strategies that incorporate

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the Institute of Medicine (IOM) categories of prevention: universal, selective and indicated by addressing risk factors and protective factors known to impact behaviors that target substance misuse and reduce the progression of substance use disorders and related consequences for individuals, families and communities.

- 2.4.1.8. Produce and disseminate an annual report that demonstrates past year successes, challenges, outcomes and projected goals for the subsequent year.
- 2.4.1.9. Comply with federal block grant requirements for substance misuse prevention strategies and collection and reporting of data as outlined in the Federal Regulatory Requirements for Substance Abuse and Mental Health Service Administration 20% Set-Aside Primary Prevention Block Grant Funds National Outcome Measures.
- 2.4.1.10. Ensure substance misuse prevention is represented at PHAC meetings and with an exchange of bi-directional information to advance efforts of substance misuse prevention initiatives.
- 2.4.1.11. Assist, at the direction of BDAS, SMP staff with the Federal Block Grant Comprehensive Synar activities that consist of, but are not limited to, merchant and community education efforts, youth involvement, and policy and advocacy efforts.

2.5. Continuum of Care

2.5.1. The Contractor shall provide leadership and/or support for activities that assist in the development of a robust continuum of care (CoC) utilizing the principles of Resiliency and Recovery Oriented Systems of Care (RROSC) as follows:

- 2.5.1.1. Engage regional partners (Prevention, Intervention, Treatment, Recovery Support Services, primary health care, behavioral health care and other interested and/or affected parties) in ongoing update of regional assets and gaps, and regional CoC plan development and implementation.

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- 2.5.1.2. Work toward, and adapt as necessary and indicated, the priorities and actions identified in the regional CoC development plan.
  - 2.5.1.3. Facilitate and/or provide support for initiatives that result in increased awareness of and access to services, increased communication and collaboration among providers, and increases in capacity and delivery of services.
  - 2.5.1.4. Demonstrate progress toward priorities and actions identified in the regional CoC development plan and service capacity increase activities.
  - 2.5.1.5. Coordinate activities with other RPHN projects and existing and emerging initiatives that relate to CoC work such as Integrated Delivery Networks.
  - 2.5.1.6. Work with the statewide and other initiatives to disseminate resource guides and other service access information to places where people are likely to seek help (health, education, safety, government, business, and others) in every community in the region.
  - 2.5.1.7. Engage regional stakeholders to assist with information dissemination.
- 2.6. Childhood Lead Poisoning Prevention Community Assessment
- 2.6.1. The Contractor shall participate in a statewide meeting, hosted by the Healthy Homes and Lead Poisoning Prevention Program (HHLPPP), to review data and other information specific to the burden of lead poisoning within the region as follows:
    - 2.6.1.1. Partner with the HHLPPP to identify and invite a diverse group of regional partners to participate in a regional outreach and educational meeting on the burden of lead poisoning. Partners may include, but are not limited to, municipal governments (e.g. code enforcement, health officers, elected officials) school administrators, school boards, hospitals, health care providers, U.S. Housing and Urban Department lead hazard control grantees, public housing officials, Women, Infant and Children programs, Head Start and Early Head Start programs, child educators, home visitors, legal aid, and child advocates.

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- 2.6.1.2. Collaborate with partners from within the region to identify strategies to reduce the burden of lead poisoning in the region. Strategies may include, but are not limited to, modifying the building permit process, implementing the Environmental Protection Agency's Renovate, Repair and Paint lead safe work practice training into the curriculum of the local school district's Career and Technical Center, identify funding sources to remove lead hazards from pre-1978 housing in the community, increase blood lead testing rates for one and two year old children in local health care practices, and/or implement pro-active inspections of rental housing and licensed child care facilities.
- 2.6.1.3. Prepare and submit a brief proposal to the HHLPPP identifying strategy(s) to reduce the burden of lead poisoning, outlining action steps and funding necessary to achieve success with the strategy over a one-year period.
- 2.7. Contract Administration and Leadership
  - 2.7.1. The Contactor shall introduce and orient all funded staff to the work of all the activities conducted under the contract as follows.
    - 2.7.1.1. Ensure detailed work plans are submitted annually for each of the funded services based on templates provided by the DHHS.
    - 2.7.1.2. Ensure all staff have the appropriate training, education, experience, skills, and ability to fulfill the requirements of the positions they hold and provide training, technical assistance or education as needed to support staff in areas of deficit in knowledge and/or skills.
    - 2.7.1.3. Ensure communication and coordination when appropriate among all staff funded under this contract.
    - 2.7.1.4. Ensure ongoing progress is made to successfully complete annual work plans and outcomes achieved.
    - 2.7.1.5. Ensure financial management systems are in place with the capacity to manage and report on multiple sources of state and federal funds, including work done by subcontractors.

**3. Training and Technical Assistance Requirements**

City of Nashua

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Contractor Initials

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- 3.1. The Contractor shall participate in training and technical assistance as follows:
  - 3.1.1. Public Health Advisory Council
    - 3.1.1.1. Attend semi-annual meetings of PHAC leadership convened by DPHS/BDAS.
    - 3.1.1.2. Complete a technical assistance needs assessment.
  - 3.1.2. Public Health Emergency Preparedness
    - 3.1.2.1. Attend bi-monthly meetings of PHEP coordinators and MCM ORR project meetings convened by DPHS/ESU. Complete a technical assistance needs assessment.
    - 3.1.2.2. Attend up to two trainings per year offered by DPHS/ESU or the agency contracted by the DPHS to provide training programs.
  - 3.1.3. Substance Misuse Prevention
    - 3.1.3.1. SMP coordinator shall attend community of practice meetings/activities.
    - 3.1.3.2. At DHHS' request engage with ongoing technical assistance to ensure the RPHN workforce is knowledge, skilled and has the ability to carry out all scopes of work (e.g. using data to inform plans and evaluate outcomes, using appropriate measures and tools, etc.)
    - 3.1.3.3. Attend all bi-monthly meetings of SMP coordinators.
    - 3.1.3.4. Participate with DHHS technical assistance provider on interpreting the results of the Regional SMP Stakeholder Survey.
    - 3.1.3.5. Attend additional meetings, conference calls and webinars as required by DHHS.
    - 3.1.3.6. SMP lead staff must be credentialed within one year of hire as Certified Prevention Specialist to meet competency standards established by the International Certification and Reciprocity Consortium (IC&RC), and the New Hampshire Prevention Certification Board. (<http://nhpreventcert.org/>).
    - 3.1.3.7. SMP staff lead must attend required training, Substance Abuse Prevention Skills Training (SAPST). This training is offered either locally or in New England one (1) to two (2) times annually.
  - 3.1.4. Continuum of Care

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- 3.1.4.1. Be familiar with the evidence-based Strategic Planning Model (includes five steps: Assessment, Capacity, Planning, Implementation, and Development), RROSC and NH DHHS CoC systems development and the "No Wrong Door" approach to systems integration.
- 3.1.4.2. Attend quarterly CoC Facilitator meetings.
- 3.1.4.3. Participate in the CoC learning opportunities as they become available to:
  - 3.1.4.3.1. Receive information on emerging initiatives and opportunities;
  - 3.1.4.3.2. Discuss best ways to integrate new information and initiatives;
  - 3.1.4.3.3. Exchange information on CoC development work and techniques;
  - 3.1.4.3.4. Assist in the refinement of measures for regional CoC development;
  - 3.1.4.3.5. Obtain other information as indicated by BDAS or requested by CoC Facilitators.
- 3.1.4.4. Participate in one-on-one information and/or guidance sessions with BDAS and/or the entity contracted by the department to provide training and technical assistance.

#### 4. Staffing

- 4.1. The Contractor's staffing structure must include a contract administrator and a finance administrator to administer all scopes of work relative to this agreement. In addition, while there is staffing relative to each scope of work presented below, the administrator must ensure that across all funded positions, in addition to subject matter expertise, there is a combined level of expertise, skills and ability to understand data; use data for planning and evaluation; community engagement and collaboration; group facilitation skills; and IT skills to effectively lead regional efforts related to public health planning and service delivery. The funded staff must function as a team, with complementary skills and abilities across these foundational areas of expertise to function as an organization to lead the RPHN's efforts.
- 4.2. The Contractor shall hire or subcontract and provide support for a designated project lead for each of the following four (4) scopes of work: PHEP, SMP, and CoC Facilitator. DHHS Recognizes that this agreement provides funding for multiple positions across the multiple program areas, which may result in some individual staff positions having responsibilities across several program areas,

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including, but not limited to, supervising other staff. A portion of the funds assigned to each program area may be used for technical and/or administrative support personnel. See Table 1 – Minimum for technical and/or administrative support personnel. See Table 1 – Minimum Staffing Requirements.

4.3. Table 1 – Minimum Staffing Requirements

Position Name	Minimum Required Staff Positions
Public Health Advisory Council	No minimum FTE requirement
Substance Misuse Prevention Coordinator	Designated Lead
Continuum of Care Facilitator	Designated Lead
Public Health Emergency Preparedness Coordinator	Designated Lead

5. Reporting

5.1. The Contractor shall:

- 5.1.1. Participate in Site Visits as follows:
  - 5.1.1.1. Participate in an annual site visit conducted by DPHS/BDAS that includes all funded staff, the contract administrator and financial manager.
  - 5.1.1.2. Participate in site visits and technical assistance specific to a single scope of work as described in the sections below.
  - 5.1.1.3. Submit other information that may be required by federal and state funders during the contract period.
- 5.1.2. Provide Reports for the Public Health Advisory Council as follows:
  - 5.1.2.1. Submit quarterly PHAC progress reports using an on-line system administered by the DPHS.
- 5.1.3. Provide Reports for the Public Health Preparedness as follows:
  - 5.1.3.1. Submit quarterly PHEP progress reports using an on-line system administered by the DPHS.
  - 5.1.3.2. Submit all documentation necessary to complete the MCM ORR review or self-assessment.

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- 5.1.3.3. Submit semi-annual action plans for MCM ORR activities on a form provided by the DHHS.
- 5.1.3.4. Submit information documenting the required MCM ORR-related drills and exercises.
- 5.1.3.5. Submit final After Action Reports for any other drills or exercises conducted.
- 5.1.4. Provide Reports for Substance Misuse Prevention as follows:
  - 5.1.4.1. Submit Quarterly SMP Leadership Team meeting agendas and minutes
  - 5.1.4.2. 3-Year Plans must be current and posted to RPHN website, any revised plans require BDAS approval
  - 5.1.4.3. Submission of annual work plans and annual logic models with short, intermediate and long term measures
  - 5.1.4.4. Input of data on a monthly basis to an online database (e.g. PWITS) per Department guidelines and in compliance with the Federal Regulatory Requirements for Substance Abuse and Mental Health Service Administration 20% Set-Aside Primary Prevention Block Grant Funds National Outcome Measures.
    - Federal Block Grant. The data includes but is not limited to:
      - 5.1.4.4.1. Number of individuals served or reached
      - 5.1.4.4.2. Demographics
      - 5.1.4.4.3. Strategies and activities per IOM by the six (6) activity types.
      - 5.1.4.4.4. Dollar Amount and type of funds used in the implementation of strategies and/or interventions
      - 5.1.4.4.5. Percentage evidence based strategies
  - 5.1.4.5. Submit annual report
  - 5.1.4.6. Provide additional reports or data as required by the Department.
  - 5.1.4.7. Participate and administer the Regional SMP Stakeholder Survey in alternate years.
- 5.1.5. Provide Reports for Continuum of Care as follows:
  - 5.1.5.1. Submit update on regional assets and gaps assessments as required.
  - 5.1.5.2. Submit updates on regional CoC development plans as indicated.
  - 5.1.5.3. Submit quarterly reports as indicated.

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- 5.1.5.4. Submit year-end report as indicated.
- 5.1.6. Provide Reports for Childhood Lead Poisoning Prevention Community Assessment as follows:
  - 5.1.6.1. Submit a proposal that identifies at least one (1) strategy that can be implemented to reduce the burden of lead poisoning.

## 6. Performance Measures

- 6.1. The Contractor shall ensure the following performance indicators are annually achieved and monitored monthly, or at intervals specified by the DHHS, to measure the effectiveness of the agreement as follows:
  - 6.1.1. Public Health Advisory Council
    - 6.1.1.1. Documented organizational structure for the PHAC (e.g. vision or mission statements, organizational charts, MOUs, minutes, etc.).
    - 6.1.1.2. Documentation that the PHAC membership represents public health stakeholders and the covered populations described in section 3.1.
    - 6.1.1.3. CHIP evaluation plan that demonstrates positive outcomes each year.
    - 6.1.1.4. Publication of an annual report to the community.
  - 6.1.2. Public Health Emergency Preparedness
    - 6.1.2.1. Annual improvement in planning and operational levels of implementation as documented through the MCM ORR review based on prioritized recommendations from DHHS.
    - 6.1.2.2. Response rate and percent of staff responding during staff notification, acknowledgement and assembly drills.
    - 6.1.2.3. Percent of requests for activation met by the Multi-Agency Coordinating Entity.
    - 6.1.2.4. Percent of requests for deployment during emergencies met by partnering agencies and volunteers.
  - 6.1.3. Substance Misuse Prevention
    - 6.1.3.1. As measured by the Youth Risk Behavioral Survey (YRBS) and National Survey on Drug Use and Health (NSDUH), reductions in prevalence rates for:
      - 6.1.3.1.1. 30-day alcohol use.

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- 6.1.3.1.2. 30-day marijuana use
- 6.1.3.1.3. 30-day illegal drug use
- 6.1.3.1.4. Illicit drug use other than marijuana
- 6.1.3.1.5. 30-day Nonmedical use of pain relievers
- 6.1.3.1.6. Life time heroin use
- 6.1.3.1.7. Binge Drinking
- 6.1.3.1.8. Youth smoking prevalence rate, currently smoke cigarettes
- 6.1.3.1.9. Binge Drinking
- 6.1.3.1.10. Youth smoking prevalence rate, currently smoke cigarettes
- 6.1.3.2. As measured by the YRB and NSDUH increases in the perception of risk for:
  - 6.1.3.2.1. Perception of risk from alcohol use
  - 6.1.3.2.2. Perception of risk from marijuana use
  - 6.1.3.2.3. Perception of risk from illegal drug use
  - 6.1.3.2.4. Perception of risk from Nonmedical use of prescription drugs without a prescription
  - 6.1.3.2.5. Perception of risk from binge drinking
  - 6.1.3.2.6. Perception of risk in harming themselves physically and in other ways when they smoke one or more packs of cigarettes per day
  - 6.1.3.2.7. Demonstrated outcomes related to Risk and Protective Factors that align with prevalence data and strategic plans.
- 6.1.4. Continuum of Care
  - 6.1.4.1. Evidence of ongoing update of regional substance use services assets and gaps assessment.
  - 6.1.4.2. Evidence of ongoing update of regional CoC development plan.
  - 6.1.4.3. Number of partners assisting in regional information dissemination efforts.
  - 6.1.4.4. Increase in the number of calls from community members in regional seeking help as a result of information dissemination.
  - 6.1.4.5. Increase in the number of community members in region accessing services as a result of information dissemination.
  - 6.1.4.6. Number of other related initiatives CoC Facilitator leads, participates in, or materially contributes to

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- 6.1.5. Childhood Lead Poisoning Prevention Community Assessment
  - 6.1.5.1. At least one (1) representative from the RPHN attends a one-day meeting hosted by the HHLPPP to review data pertaining to the burden of lead in the region.
  - 6.1.5.2. At least six (6) diverse partners from the region participate in an educational session on the burden of lead poisoning.
  - 6.1.5.3. Submission of a proposal that identifies at least one (1) strategy that can be implemented to reduce the burden of lead poisoning

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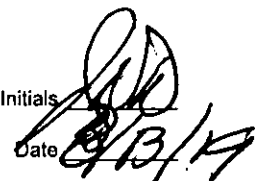


## Exhibit B

### Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
  - 1.1. This Agreement is funded with funds from the:
    - 1.1.1. Federal Funds from the US Centers for Disease Control and Prevention, Preventive Health Services, Catalog of Federal Domestic Assistance (CFDA #) 93.991, Federal Award Identification Number (FAIN) #B01OT009205.
    - 1.1.2. Federal Funds from the US Centers for Disease Control and Prevention, Public Health Emergency Preparedness Program, Catalog of Federal Domestic Assistance (CFDA #) 93.074 and 93.069, Federal Award Identification Number (FAIN) #U90TP000535, and General Funds.
    - 1.1.3. Federal Funds from the US DHHS, Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Prevention, Substance Abuse Prevention and Treatment Block Grant, Catalog of Federal Domestic Assistance (CFDA #) 93.959, Federal Award Identification Number (FAIN) #TI010035, and General Funds
    - 1.1.4. Federal Funds from the US DHHS, Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Prevention, NH Partnership for Success Initiative, Catalog of Federal Domestic Assistance (CFDA #) 93.243, Federal Award Identification Number (FAIN) #SP020796
    - 1.1.5. Federal Funds from the US Centers for Disease Control and Prevention, National Center for Immunization and Respiratory Diseases, Catalog of Federal Domestic Assistance (CFDA #) 93.268, Federal Award Identification Number (FAIN) #H23IP000757
    - 1.1.6. Federal Funds from the US Department of Health and Human Services, Public Health Hospital Preparedness Program, Catalog of Federal Domestic Assistance (CFDA #) 93.074 and 93.889, Federal Award Identification Number (FAIN) #U90TP000535.
    - 1.1.7. Federal Funds from the US Department of Health and Human Services, Childhood Lead Poisoning Prevention and Surveillance Program, Catalog of Federal Domestic Assistance (CFDA #) 93.197, Federal Award Identification Number (FAIN) #NUE2EH001408.
    - 1.1.8. And General Funds from the State of New Hampshire.
  - 1.2. The Contractor shall provide the services in Exhibit A, Scope of Service in compliance with funding requirements.
  - 1.3. Failure to meet the scope of services may jeopardize the funded contractor's current and/or future funding.

## 2. Program Funding

Handwritten initials "JD" and date "9/13/19".



New Hampshire Department of Health and Human Services  
Regional Public Health Network Services

**Exhibit B**

- 2.1. The Contractor shall be paid up to the amounts specified for each program/scope of work identified in Exhibit B-1 Program Funding.
- 2.2. The Contractor shall submit a detailed budget to the Department for review and approval no later than ten (10) business days from the contract effective date. The Contractor shall:
  - 2.2.1. Utilize budget forms as provided by the Department
  - 2.2.2. Submit a budget for each program/scope of work for each state fiscal year in accordance with Exhibit B-1.
  - 2.2.3. Collaborate with the Department to incorporate approved budgets into this agreement by Amendment.
3. Payment for said services shall be made monthly as follows:
  - 3.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved budget line items in Section 2.2 above.
  - 3.2. The Contractor shall submit an invoice form provided by the Department no later than the twentieth (20<sup>th</sup>) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
  - 3.3. The Contractor shall ensure the invoices are completed, signed, dated and returned to the Department in order to initiate payments.
  - 3.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and only if sufficient funds are available.
  - 3.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.
  - 3.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to:

Department of Health and Human Services  
Division of Public Health Services  
29 Hazen Drive  
Concord, NH 03301  
Email address: [DPHSContractBilling@dhhs.nh.gov](mailto:DPHSContractBilling@dhhs.nh.gov)
4. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.
5. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
6. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.

*[Handwritten Signature]*  
Date 8/13/19

Vendor Name: City of Nashua  
 Contract Name: Regional Public Health Network Services  
 Region: Greater Nashua

Program Name and Funding Amounts

State Fiscal Year	Public Health Advisory Council	Public Health Emergency Preparedness	Substance Misuse Prevention	Continuum of Care	Childhood Lead Poisoning Prevention Community Assessment	Hepatitis A Vaccination Clinics
2018	\$ -	\$ -	\$ -	\$ -	\$ 1,200.00	
2020	\$ 30,000.00	\$ 204,673.00	\$ 76,162.00	\$ 41,243.00	\$ 1,800.00	\$ 10,000.00
2021	\$ 30,000.00	\$ 204,673.00	\$ 76,162.00	\$ 41,243.00	\$ -	\$ -

3/12/19  
 Contractor Initials  
 JWD



**SPECIAL PROVISIONS**

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
  - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
  - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

*[Handwritten Signature]*  
Date 8/17/19



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

**RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:**

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
  - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
  - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
  - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

*[Handwritten Signature]*  
Date 8/13/19

New Hampshire Department of Health and Human Services  
Exhibit C



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
  
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
  
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
  
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
  
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
  
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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8/13/19



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF  
WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
  - (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
  - (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.
19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

*[Handwritten Signature]*  
Date *8/17/19*



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

**20. Contract Definitions:**

- 20.1. **COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.
- 20.2. **DEPARTMENT:** NH Department of Health and Human Services.
- 20.3. **PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the services and/or goods to be provided by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.
- 20.4. **UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.
- 20.5. **FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from time to time.
- 20.6. **SUPPLANTING OTHER FEDERAL FUNDS:** Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.

*[Handwritten Signature]*  
Date *8/19/19*





**REVISIONS TO STANDARD CONTRACT LANGUAGE**

**1. Revisions to Form P-37, General Provisions**

1.1. Subparagraph 3, Section 3.1 of the General Provisions of this Contract, Effective Date/Completion of Services is amended to read as follows:

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire as indicated in block 1.18, this Agreement, and all obligations of the parties hereunder, shall become effective on June 30, 2019 ("Effective Date").

1.2. Section 4, Conditional Nature of Agreement, is replaced as follows:

**4. CONDITIONAL NATURE OF AGREEMENT**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.3. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

*WD*  
08/19/19



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS**  
**US DEPARTMENT OF EDUCATION - CONTRACTORS**  
**US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner  
NH Department of Health and Human Services  
129 Pleasant Street,  
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
    - 1.2.1. The dangers of drug abuse in the workplace;
    - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
    - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
  - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
    - 1.4.1. Abide by the terms of the statement; and
    - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
  - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

*[Handwritten Signature]*  
Date *8/19/19*



has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
    - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
    - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
  - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check  if there are workplaces on file that are not identified here.

8/13/19  
Date

Vendor Name:

James W. Donchess  
Name: James W Donchess  
Title: Mayor

JD  
8/13/19



**CERTIFICATION REGARDING LOBBYING**

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS  
US DEPARTMENT OF EDUCATION - CONTRACTORS  
US DEPARTMENT OF AGRICULTURE, - CONTRACTORS

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Vendor Name:

8/13/19  
Date

*James W. Donohue*  
Name: James W. Donohue, Mayor  
Title:  
8/13/19

Exhibit E - Certification Regarding Lobbying

Vendor Initials

Date



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS**

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

*[Handwritten Signature]*  
Date 8/19/19



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8/13/19  
Date

Vendor Name:

James W. Donohue  
Name: James W. Donohue  
Title: Mayor

Vendor Initials

JWD  
Date 8/13/19



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO  
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND  
WHISTLEBLOWER PROTECTIONS**

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

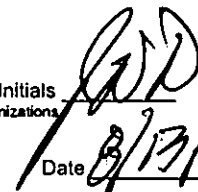
The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Vendor Initials

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date

  
8/13/09

New Hampshire Department of Health and Human Services  
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

8/13/19  
Date

Vendor Name:

James W. Donchess  
Name: James W. Donchess  
Title: Mayor

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Vendor Initials

Date

JWD  
8/13/19





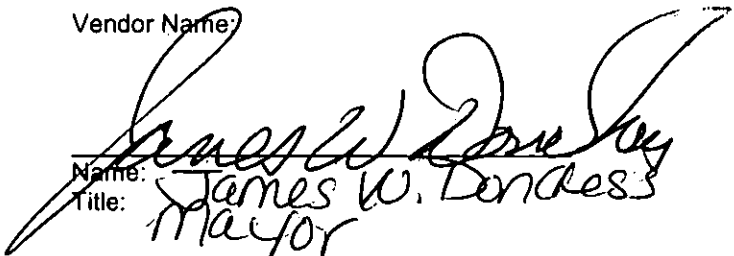
**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

8/13/19  
Date

Vendor Name:  
  
Name: James W. Dondoss  
Title: Mayor

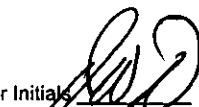
Vendor Initials   
Date 8/13/19



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Vendor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Vendor and subcontractors and agents of the Vendor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. "**Breach**" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "**Business Associate**" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "**Covered Entity**" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "**Designated Record Set**" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "**Data Aggregation**" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "**Health Care Operations**" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "**HITECH Act**" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "**Individual**" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "**Privacy Rule**" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "**Protected Health Information**" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

3/2014

Vendor Initials

Date

*[Handwritten Signature]*  
8/13/19



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

*[Handwritten Signature]*  
8/23/14



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

3/2014

Vendor Initials

Date

*[Handwritten Signature]*  
8/13/19



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

3/2014

Vendor Initials

*[Handwritten Signature]*  
Date 8/13/19



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

**(5) Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

**(6) Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

3/2014

Vendor Initials

*[Handwritten Signature]*  
Date 8/13/19



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services  
The State

City of Nashua  
Name of the Vendor

Signature of Authorized Representative

James W. Donohue  
Signature of Authorized Representative

Name of Authorized Representative

James W. Donohue  
Name of Authorized Representative

Title of Authorized Representative

Mayor  
Title of Authorized Representative

Date

8/13/19  
Date

JWD  
Date 8/13/19



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Vendor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

8/13/19  
Date

Vendor Name:

Name:  
Title:

*James W. Donohoe*  
*James W. Donohoe*  
*Mayor*

Vendor Initials

*JWD*  
Date 8/13/19





**FORM A**

As the Vendor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: \_\_\_\_\_
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

*[Handwritten Signature]*  
Date *8/13/09*



Exhibit K

DHHS Information Security Requirements

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

*[Handwritten Signature]*  
Date *8/17/19*



Exhibit K

DHHS Information Security Requirements

mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services:
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

*[Handwritten Signature]*  
*[Handwritten Date: 8/13/19]*



Exhibit K

DHHS Information Security Requirements

request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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8/13/19



wireless network...End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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8/23/19



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information-collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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8/17/19



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures; systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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9/13/19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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8/13/19





Exhibit K

DHHS Information Security Requirements

- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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8/13/19



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

*[Handwritten Signature]*  
*[Handwritten Date: 9/23/17]*



# City of Nashua

## Office of the City Clerk

Patricia D. Picuch  
City Clerk

229 Main Street  
P.O. Box 2019  
Nashua, NH 03061-2019

(603) 589-3010, Option 5  
Fax (603) 589-3029  
E-Mail: cityclerkdept@NashuaNH.gov

### CERTIFICATE OF VOTE

I, Patricia D. Picuch, City Clerk of the City of Nashua, County of Hillsborough, State of New Hampshire, do hereby certify that:

1. I am the duly appointed City Clerk for the City of Nashua, NH;
2. I maintain and have custody of and am familiar with the seal and minute books of the municipality;
3. I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificate;
4. The attached is a true and complete copy of Resolution 19-155; that said Resolution was approved following a motion duly made at a meeting of the Board of Aldermen of the City of Nashua, NH, held on August 13, 2019, which was duly called and at which a quorum was present;
5. The foregoing Resolution R-19-155 is in full force and effect, unamended, as of the date hereof;
6. That James W. Donchess, was duly elected as Mayor of the City of Nashua at a Municipal Election held on November 3, 2015, by the voters of the City of Nashua; and
7. Resolved: That as Mayor he is hereby authorized on behalf of the City of Nashua to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable or appropriate.

IN WITNESS WHEREOF, I have hereunto set my hand as the City Clerk of the Municipality this 14<sup>th</sup> day of August, 2019.

Patricia D. Picuch, City Clerk

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

On August 14, 2019, before the undersigned officer personally appeared the person identified in the foregoing certificate, known to me, to be the City Clerk of the Municipality identified in the foregoing certificate, and acknowledge that she executed the foregoing certificate.

In witness whereof I hereunto set my hand and official seal.

  
Notary Public/Justice of the Peace

**WENDY R DROUIN**  
Notary Public, State of New Hampshire  
My Commission Expires July 27, 2023



## RESOLUTION

**RELATIVE TO THE ACCEPTANCE AND APPROPRIATION OF \$717,156 FROM THE STATE OF NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES INTO PUBLIC HEALTH AND COMMUNITY SERVICES GRANT ACTIVITY "FY2020 AND FY2021 REGIONAL PUBLIC HEALTH NETWORK SERVICES"**

### *CITY OF NASHUA*

*In the Year Two Thousand and Nineteen*

**RESOLVED** by the Board of Aldermen of the City of Nashua that the City of Nashua and the Division of Public Health and Community Services are authorized to accept and appropriate \$717,156 from the State of New Hampshire Department of Health and Human Services into Public Health and Community Services Grant Activity "FY2020 and FY2021 Regional Public Health Network Services" for the purpose of providing regional public health network services in the Greater Nashua Public Health Region.. This funding shall be in effect from July 1, 2019 through June 30, 2021.

**RESOLUTION**

**R-19-155**

**Relative to the acceptance and appropriation of \$717,156 from the State of New Hampshire Department of Health and Human Services into Public Health and Community Services Grant Activity "FY2020 and FY2021 Regional Public Health Network Services"**

**IN THE BOARD OF ALDERMEN**

1<sup>ST</sup> READING JUNE 25, 2019

Referred to:  
HUMAN AFFAIRS COMMITTEE

2<sup>nd</sup> Reading AUGUST 13, 2019

3<sup>rd</sup> Reading \_\_\_\_\_

4<sup>th</sup> Reading \_\_\_\_\_

Other Action \_\_\_\_\_

Passed AUGUST 13, 2019

Indefinitely Postponed \_\_\_\_\_

Defeated \_\_\_\_\_

Attest: [Signature]  
City Clerk

[Signature]  
President

Approved [Signature]  
Mayor's Signature

8/13/19  
Date

**Endorsed by**

<u>[Signature]</u>	MAYOR
<u>[Signature]</u>	WILSHIRE
<u>[Signature]</u>	O'BRIEN
<u>[Signature]</u>	HARRIOTT-GATHRIGHT
<u>[Signature]</u>	DOWD
<u>[Signature]</u>	KLEE
<u>[Signature]</u>	LAWS
<u>[Signature]</u>	LOPEZ
<u>[Signature]</u>	CARON
<u>[Signature]</u>	KELLY
<u>[Signature]</u>	MELIZZI-GOLJA
<u>[Signature]</u>	SCHMIDT

Vetoed: \_\_\_\_\_

Veto Sustained: \_\_\_\_\_

Veto Overridden: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
President



Client#: 1664199

CITYNASH3

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/01/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: USI Insurance Services LLC, 12 Gill Street Suite 5500, Woburn, MA 01801, 855 874-0123. CONTACT NAME: Maria Nixon, PHONE: 855 874-0123, FAX: 781-376-5035, E-MAIL ADDRESS: Maria.Nixon@usi.com. INSURER(S) AFFORDING COVERAGE: INSURER A: American Alternative Insurance Company (NAIC # 19720), INSURER B: Safety National Casualty Corp (NAIC # 15105).

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liability, and Workers Compensation and Employers' Liability.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) RE: JARC Grant - letter of commitment funding.

CERTIFICATE HOLDER CANCELLATION

CERTIFICATE HOLDER: State of New Hampshire, Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301. CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: [Signature]



# City of Nashua

Division of Public Health and Community Services  
18 Mulberry Street, Nashua, NH 03060

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## VISION:

An informed, safe, healthy and resilient community where all people can thrive and prosper.

## MISSION:

To promote, protect and preserve the health and well-being of the Greater Nashua Region through leadership and community collaboration.

## CORE VALUES:

The Strategic Planning Team, comprised of the Division's senior staff members, met in August 2014 to discuss the creation of Value Statements that would reflect the core principles, beliefs and underlying assumptions that guide the Nashua DPHCS. The team reviewed sample value statements of other health departments that were included in the NACCHO planning document "Developing a Local Health Department Strategic Plan: A How-To Guide." In open discussion, the staff agreed the key values of the Nashua DPHCS should reflect our highest commitment to the following areas: Respect, Customer Service, Integrity, Collaboration, Excellence (especially in Science and Innovation) and Communication. Senior staff were asked to write sample value statements, which were then grouped by topic area to be reviewed at the next senior staff meeting. Staff agreed the final statements would show support for the unchanged Vision and Mission. They selected six value statements that were then distributed via survey to all Division staff for additional input, revision, and edits. All Division staff were encouraged to contribute additional value statements as well. Comments were summarized, and updates were made. The resulting six value statements are listed:

- We are a reliable and trusted resource
- We believe our employees and our community contribute to the continuous improvement of our organization
- We deliver high quality, science-based programs and services
- We strive to provide exceptional service and communication
- We value diversity and approach all people with respect and dignity
- We collaborate by sharing resources, expertise, and ideas





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Nashua  
New Hampshire**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Aldermen  
City of Nashua, New Hampshire

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units (except Nashua Airport Authority), each major fund, and the aggregate remaining fund information of the City of Nashua, New Hampshire, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

The City's 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Nashua Airport Authority, which represents 7.9 percent, 65.3 percent, and 3.5 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Nashua Airport Authority is based solely on the report of other auditors. 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 auditors' 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Nashua, New Hampshire, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Pension and OPEB schedules appearing on pages 141 to 146 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 evidence sufficient to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules appearing on pages 150 through 172 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections appearing on pages 1 through 14, and 174 through 195, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 26, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 City'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 City's internal control over financial reporting and compliance.

*Melanson Heath*

December 26, 2018

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Nashua, we offer readers of the City of Nashua's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an explanation of the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report contains supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, education, health and human services, culture and recreation, community development, communications, and hydroelectric operations. The business-type activities of the City include Wastewater and Solid Waste activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate entities for which the primary government is financially accountable (known as component units). Pennichuck Corporation and the Nashua Airport Authority are reported as a discretely presented governmental component units. Financial information for Pennichuck Corporation and the Nashua Airport Authority are reported separately from the financial information presented for the primary government.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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 for governmental funds with similar information presented for governmental activities 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 27 individual governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund. Data from all the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

### ***Proprietary funds***

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Wastewater and Solid Waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insured programs. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate

information for the Wastewater and Solid Waste operations, both of which are considered to be major funds of the City.

***Fiduciary funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government (i.e., Public Works Pension Funds, Scholarship Funds, etc.). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to 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 concerning the City's progress in funding its obligation to provide pension and other post-employment (OPEB) benefits to its employees.

**FINANCIAL HIGHLIGHTS**

- The City's total net position decreased by \$31.0 million in comparison to the prior year. This change comprises a decrease of \$33.3 million in governmental activities offset by an increase of \$2.3 million within business-type activities. \$41.6 million and \$1.5 million of the decrease within governmental activities and business-type activities, respectively are due to the implementation of *GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (OPEB)*. GASB 75 requires that the value of the City's full OPEB liability be recorded in the Government-wide Financial Statements. Fiscal year 2018 operations of governmental and business-type activities resulted in changes in net position of \$8.2 million and \$3.1 million, respectively.
- As of the close of the current fiscal year, the City of Nashua's governmental funds reported combined ending fund balances of \$98.8 million, a decrease of \$1.1 million over the prior year.
- The City's general fund revenue and other financing sources (uses) exceeded expenditures by \$4.1 million. This is primarily due to motor vehicle permit revenues exceeding revenue estimates for the year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$29.1 million, an increase of \$0.8 million in comparison with the prior year.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal year (in thousands).

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 245,927	\$ 245,884	\$ 25,055	\$ 24,604	\$ 270,982	\$ 270,488
Capital assets	322,790	318,516	156,462	156,881	479,252	475,397
Noncurrent assets	<u>130,530</u>	<u>133,960</u>	<u>-</u>	<u>-</u>	<u>130,530</u>	<u>133,960</u>
Total assets	699,247	698,360	181,517	181,485	880,764	879,845
Deferred outflows of resources	54,486	78,605	94	509	54,580	79,114
Current liabilities	49,439	50,877	11,550	10,142	60,989	61,019
Noncurrent liabilities	<u>568,842</u>	<u>568,135</u>	<u>64,107</u>	<u>68,242</u>	<u>632,949</u>	<u>636,377</u>
Total liabilities	618,281	619,012	75,657	78,384	693,938	697,396
Deferred inflows of resources	119,095	108,230	448	426	119,543	108,656
Net position:						
Net investment in capital assets	204,799	189,557	97,330	101,398	302,129	290,955
Restricted	33,290	32,793	6,224	5,217	39,514	38,010
Unrestricted	<u>(221,732)</u>	<u>(172,627)</u>	<u>1,952</u>	<u>(3,431)</u>	<u>(219,780)</u>	<u>(176,058)</u>
Total net position	<u>\$ 16,357</u>	<u>\$ 49,723</u>	<u>\$ 105,506</u>	<u>\$ 103,184</u>	<u>\$ 121,863</u>	<u>\$ 152,907</u>

As depicted in the table above, the largest portion of the City's net position, \$302.1 million, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$39.5 million, represents resources that are subject to external restrictions on how they may be used (i.e., grants, capital projects, contributions, etc.). The remaining balance of net position (\$219.7 million) is considered unrestricted and represents the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, while the City's unrestricted net position reflects a negative balance due to the impact of *GASB 68 - Accounting and Financial Reporting for Pensions* and *GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (OPEB)*. The City is able to report a positive net position for the government as a whole, as well as for its separate Wastewater and Solid Waste activities. The same situation held true for the prior fiscal year.

The restricted portion of net position \$6.2 million reported within the City's business-type activities, primarily represents the regulatory funds set-aside for the closure of the Nashua Four Hills Lined Landfill.



The following table indicates the changes in net position for governmental and business-type activities (in thousands):

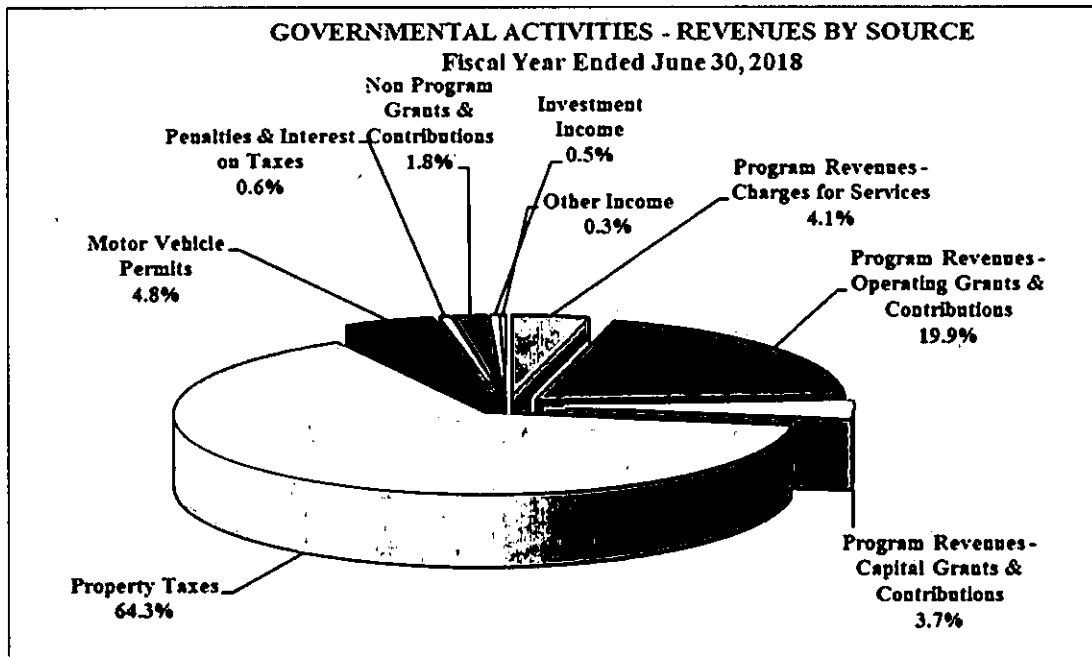
	<u>CHANGES IN NET POSITION</u>					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,153	\$ 10,501	\$ 18,162	\$ 15,908	\$ 31,315	\$ 26,409
Operating grants and contributions	63,751	63,241	-	-	63,751	63,241
Capital grants and contributions	11,724	8,656	855	763	12,579	9,419
General revenues:						
Property taxes	207,032	200,937	-	-	207,032	200,937
Auto permits	15,256	14,817	-	-	15,256	14,817
Penalties and interest on taxes	1,799	1,688	-	-	1,799	1,688
Grants and contributions not restricted to specific programs	5,720	5,591	1,308	525	7,028	6,116
Investment income	1,494	1,095	254	97	1,748	1,192
Other	1,038	2,783	-	-	1,038	2,783
Total revenues	<u>320,967</u>	<u>309,309</u>	<u>20,579</u>	<u>17,293</u>	<u>341,546</u>	<u>326,602</u>
Expenses:						
General government	29,087	27,917	-	-	29,087	27,917
Police	35,259	35,887	-	-	35,259	35,887
Fire	26,374	27,710	-	-	26,374	27,710
Water fire protection services	2,870	2,682	-	-	2,870	2,682
Education	169,231	169,486	-	-	169,231	169,486
Public works	12,300	13,191	-	-	12,300	13,191
Health and human services	3,207	3,336	-	-	3,207	3,336
Culture and recreation	7,539	7,899	-	-	7,539	7,899
Community development	8,279	8,356	-	-	8,279	8,356
Communications	1,379	829	-	-	1,379	829
Hydroelectric	598	346	-	-	598	346
Interest and costs	12,837	11,915	-	-	12,837	11,915
Wastewater services	-	-	14,276	13,159	14,276	13,159
Solid waste services	-	-	7,098	6,690	7,098	6,690
Total expenses	<u>308,960</u>	<u>309,554</u>	<u>21,374</u>	<u>19,849</u>	<u>330,334</u>	<u>329,403</u>
Change in net assets before transfers	12,007	(245)	(795)	(2,556)	11,212	(2,801)
Permanent fund contributions	92	93	-	-	92	93
Transfers	<u>(3,877)</u>	<u>(3,602)</u>	<u>3,877</u>	<u>3,602</u>	<u>-</u>	<u>-</u>
Change in net position	8,222	(3,754)	3,082	1,046	11,304	(2,708)
Net position - beginning of year, as restated*	<u>8,135</u>	<u>53,477</u>	<u>102,424</u>	<u>102,138</u>	<u>110,559</u>	<u>155,615</u>
Net position - end of year	<u>\$ 16,357</u>	<u>\$ 49,723</u>	<u>\$ 105,506</u>	<u>\$ 103,184</u>	<u>\$ 121,863</u>	<u>\$ 152,907</u>

\*Beginning net position was restated for implementation of GASB 75 - Accounting and Financial Reporting for Post-employment Benefits Other than Pension (OPEB).

**Governmental activities.** Governmental activities for the year resulted in a increase in net position of \$8.2 million or 101%. Key elements of this change are as follows (in thousands):

General fund excess of revenues over expenditures	\$ 8,525
General fund transfer to Solid Waste fund	(3,982)
Capital assets acquired from current revenue	15,150
Depreciation expense exceeding principal debt service (excluding Pennichuck bonds)	(5,970)
Increase in net pension liability and related deferrals	(5,964)
Increase in net OPEB liability and related deferrals	(340)
Permanent funds favorable returns on investments, net	1,631
Other	<u>(828)</u>
Total	<u>\$ 8,222</u>

The chart below identifies revenues by source for governmental activities.



As reflected in the above chart, the City's largest sources of revenue are from property taxes (64.3%) and operating grants and contributions (19.9%). The cost of all governmental activities this year was \$309.0 million. This reflects a \$.6 million decrease over the fiscal year 2017 total of \$309.6 million. However, as shown in the Statement of Activities on page 32, the amount that our taxpayers ultimately financed for these activities through City property taxes was \$207.0 million because some of the cost was paid by those who directly benefited from the programs through charges for services or by other governments and organizations that subsidized certain programs with capital and operating grants and contributions. The City supports the remaining portion of the governmental activities with

other general revenues such as motor vehicle registrations, investment income, unrestricted grants and contributions, and miscellaneous other revenues.

The table below presents the cost of each of the City's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the amount that must be supported by property taxes and other general revenues.

	Governmental Activities (In Thousands)			
	Total Cost of Services		Net Cost of Services	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General government	\$ 37,444	\$ 35,166	\$ 24,133	\$ 24,213
Police	35,310	35,951	33,315	33,701
Fire	26,600	27,917	26,302	27,469
Water fire protection services	2,870	2,682	2,870	2,681
Education	171,568	172,164	116,234	117,148
Public works	13,601	14,415	9,444	9,209
Health and human services	3,207	3,336	2,039	2,059
Culture and recreation	7,585	7,956	6,698	6,972
Community development	8,490	8,467	(1,687)	2,638
Communications	1,687	1,154	1,635	1,154
Hydroelectric	598	346	(652)	(90)
	<u>\$ 308,960</u>	<u>\$ 309,554</u>	<u>\$ 220,331</u>	<u>\$ 227,154</u>

**Business-type activities.** Overall, business-type activities increased the City's net position by \$3.1 million.

Key elements of this change are as follows:

- The Wastewater Fund's total net position increased by \$1.2 million. This increase is predominantly due to increased user fees and intergovernmental revenues. The City continues to annually update its wastewater rate study model in order to ensure that the rates are sufficient to cover the operating and capital costs of the wastewater system. A user fee rate increase of 15% for both the demand and flow charges was implemented on January 1, 2017. The City estimates that its next rate increase will be presented during the 2020 calendar year.
- The Solid Waste Disposal Fund increased its total net position by \$1.9 million resulting in an overall positive net position. This increase is largely due to increased disposal charges, sale of recyclables, and cover material revenue. The City continues to supplement the Solid Waste operations through property taxation for the residential costs of collection and disposal. There is currently no separate fee charged to the City's residential population.

- The Solid Waste Disposal Fund negative unrestricted net position of \$8.7 million is primarily due to the fund's high percentage of non-capital (landfill closure costs) related debt, as well as the GAAP requirement to record closure and post closure care liability (the amount the City would be required to spend should the landfill cease operations).

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

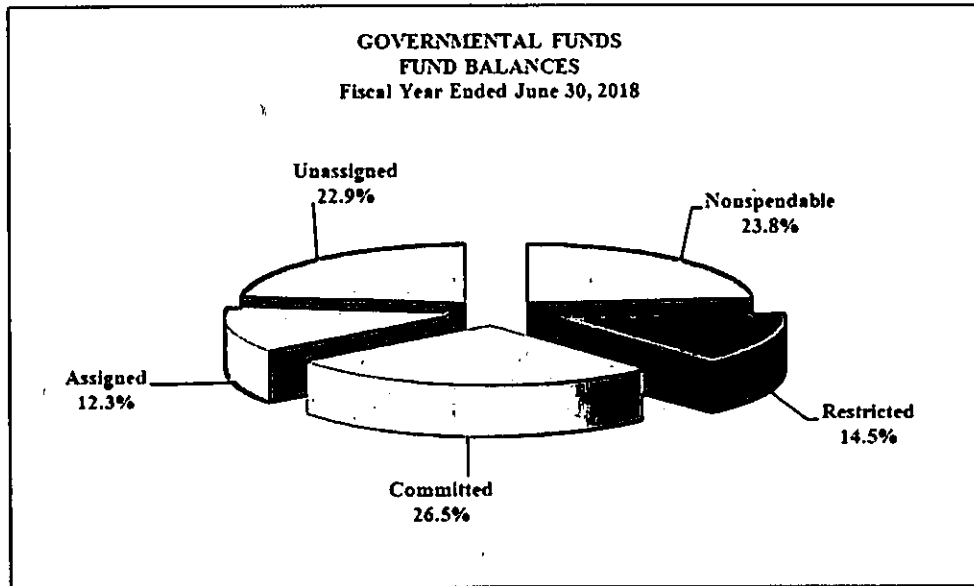
**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure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

As of the end of the current fiscal year, the City of Nashua's governmental funds reported combined ending fund balances of \$98.7 million representing a decrease of \$1.2 million over the prior year and can be summarized as follows (in thousands):

General fund revenues and transfers in excess of expenditures and transfers out	\$ 4,090
Special revenue fund revenues and transfers in excess of expenditures and transfers out	650
Capital Project Fund expenditures in excess of revenues, bond proceeds, and transfers in	(7,537)
Permanent Fund excess revenues over expenditures and transfers out	<u>1,631</u>
Total	<u>\$ (1,166)</u>

The components of fund balance for all governmental funds are as follows (in thousands):

Nonspendable	\$ 23,495
Restricted	14,323
Committed	26,191
Assigned	12,158
Unassigned	<u>22,559</u>
Total	<u>\$ 98,726</u>



Unassigned fund balance represents \$22.6 million or 22.9% of the total combined ending governmental fund balances. The remaining components of fund balance, \$76.2 million, are not available for new spending.

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$29.1 million compared to \$28.3 million last year, while total general fund balance was \$54.8 million compared to \$50.7 million last year. As a measure of the general fund's change in financial position, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures over time. Unassigned fund balance, represents 10.8% of total general fund expenditures and transfers out consistent with the prior year, while total fund balance represents 20.2% of total general fund expenditures and transfers, compared to 19.3% for the prior year.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unlike governmental funds, proprietary funds utilize the accrual basis of accounting. Therefore, no reconciliation is needed between the government-wide financial statements and the proprietary fund financial statements.

Factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The following reconciles the City's adopted budget with the "original budget" columns of the Budget and Actual Financial Statements on page 38 and the Budget and Actual Detail Schedule on pages 165 - 166 (in thousands).

Total Adopted Budget	\$ 258,494
Plus: Hillsborough County appropriation	11,821
Plus: Appropriation to Solid Waste Fund	3,982
Plus: Supplemental appropriation	800
Total Original Budget, per Financial Statements/Schedules	<u>\$ 275,097</u>

The difference between the original and final amended budget resulted in an overall increase in appropriations of \$0.9 million and is summarized as follows:

Total Original Budget, per budgetary financial statements/schedule	\$ 275,097
Plus: Transfers in from Retirement Trust and Capital Equipment Reserve Fund	864
Total Final Budget, per Financial Statements/Schedules	<u>\$ 275,961</u>

The combined difference between the final amended budget and actual results reflects an overall surplus of \$6.6 million.

Actual revenues, transfers, and other financing sources on a budgetary basis were \$282.6 million which represents a \$6.6 million surplus over the final revenue budget. Significant revenue surpluses are summarized as follows:

- \$4,636 in motor vehicle registrations
- \$445 in penalties and interest on taxes
- \$459 in interest and dividend earnings
- \$269 in intergovernmental revenues
- \$147 in licenses and permits
- \$80 in cable franchise fees

Actual expenditures, transfers, and other financing uses on a budgetary basis were \$275.9 million, (inclusive of carryforward appropriations), resulting in a minor surplus below the final expenditure budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to \$479.3 million, net of accumulated depreciation, an increase of \$3.9 million over the prior fiscal year. This investment in capital assets includes land, buildings, vehicles, equipment, and infrastructure.

### **CAPITAL ASSETS AS OF JUNE 30, 2018 AND 2017** (net of accumulated depreciation) (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and improvements	\$ 31,116	\$ 31,116	\$ 7,857	\$ 8,287	\$ 38,973	\$ 39,403
Buildings and systems	164,441	168,807	37,195	38,764	201,636	207,571
Machinery and equipment	31,966	32,367	21,763	21,237	53,729	53,604
Infrastructure	84,994	80,218	79,245	80,497	164,239	160,715
Construction in progress	10,273	6,008	10,402	8,096	20,675	14,104
	<u>\$ 322,790</u>	<u>\$ 318,516</u>	<u>\$ 156,462</u>	<u>\$ 156,881</u>	<u>\$ 479,252</u>	<u>\$ 475,397</u>

Major capital asset additions during the current fiscal year included the following (in thousands):

#### ***Governmental Activities***

City-wide street paving and preservation program	\$ 5,349
Purchase of 8 clean natural gas (CNG) transit buses	3,988
Acquisition of 201 Main Street (future performing arts center)	2,000
Construction of Park and Ride facility at 25 Crown Street	1,958
Spit Brook Road fire station renovations	1,545
School technology - software and hardware upgrades	1,320
City-wide telecommunications system	917
Hydroelectric facilities improvements	865
Broad Street Parkway construction	486
Amherst Street/Charron Avenue traffic improvements	342
Fairgrounds Middle School roof replacement	305
David Dean Skateboard Park	268

#### ***Business-type Activities***

Sewer infrastructure improvements	\$ 1,234
Wastewater facility headworks project	1,098
Wastewater facility HVAC system upgrades	1,070
Wastewater primary digester upgrades	515
Landfill soil walls	501
Sewer pump stations upgrades	454
Landfill gas collection system	343

Additional information concerning the City's capital assets can be found in Note 8 on pages 60 - 61.

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$311.2 million compared to \$332.5 million in the prior year. Of this amount, \$302.9 million represents general obligation debt, which is backed by the full faith and credit of the government.

**OUTSTANDING DEBT AS OF JUNE 30, 2017 AND 2016**

(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bonds and notes	\$ 116,163	\$ 127,723	\$ 56,186	\$ 61,669	\$ 172,349	\$ 189,392
Unamortized bond premiums	6,846	7,527	1,090	1,202	7,936	8,729
Pennichuck acquisition bonds	130,530	133,960	-	-	130,530	133,960
Capital leases	362	446	-	-	362	446
Total	<u>\$ 253,901</u>	<u>\$ 269,656</u>	<u>\$ 57,276</u>	<u>\$ 62,871</u>	<u>\$ 311,177</u>	<u>\$ 332,527</u>

During the fiscal year, the City issued zero new debt and retired \$21.4 million of outstanding debt through scheduled principal payments.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total assessed valuation for the City or 7% of its total assessed valuation for the School. The City of Nashua has imposed more restrictive limits for City and School respectively of 2% for and 6% of total assessed valuation. The current debt limitation for the City and School combined is \$837.8 million, which is significantly above the \$123.0 million of general obligation debt subject to these limitations. Wastewater, Solid Waste, and Pennichuck acquisition debt of \$187.8 is not subject to these limitations.

The City maintains a AAA credit rating from both Fitch and Standard & Poor's Rating Services, both agencies citing the City's strong management procedures and improved local economy.

Additional information on the City's long-term debt can be found in Note 14 on pages 63 - 68.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City continues to see signs of local revenue growth, specifically in motor vehicle registration fees and interest and dividends, and is experiencing increased development activity throughout the City's commercial and residential zones. Likewise, the City continues to invest in road paving, capital equipment replacement, capital improvements for buildings and City-related infrastructure, traffic mitigation, and other initiatives that promote economic growth and vibrancy. As noted by rating agencies, the City has strong financial management, a diverse and expanding economic base, above-average socioeconomic factors, and a manageable debt burden.



The City adopted a fiscal year 2019 general fund operating budget of \$279.4 million (inclusive of the subsidy transfer to solid waste and the Hillsborough County appropriation), compared to an adopted budget of \$275.1 million for fiscal year 2018. The budget reflects an overall increase of 1.6% over the prior year. \$4.5 million of assigned fund balance is planned to be used as a funding source towards the fiscal year 2019 tax rate.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Nashua's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Financial Reporting  
City of Nashua  
229 Main Street  
Nashua, New Hampshire 03061

CITY OF NASHUA, NEW HAMPSHIRE  
STATEMENT OF NET POSITION  
JUNE 30, 2018  
(Except for Pennichuck Corporation Component Unit, which is as of December 31, 2017)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Government Wide Total	
<b>Assets</b>				
<b>Current:</b>				
Cash and short-term investments	\$ 114,977,805	\$ 13,688,641	\$ 128,666,446	\$ 1,362,050
Investments	101,151,599	4,215,853	105,367,452	226,542
Restricted cash and investments	-	-	-	8,241,000
Receivables, net of allowance for uncollectibles:				
Property taxes	22,401,221	-	22,401,221	-
Tax delinquent property	488,116	-	488,116	-
User fees	-	3,948,785	3,948,785	5,703,734
Departmental and other	1,396,971	-	1,396,971	-
Intergovernmental	5,195,179	928,138	6,123,317	255,151
Loans	458,133	-	458,133	-
Internal balances	(2,273,351)	2,273,351	-	-
Due from external parties - fiduciary funds	432,576	-	432,576	-
Other assets	1,698,514	-	1,698,514	2,345,000
<b>Total Current Assets</b>	<b>245,926,763</b>	<b>25,054,768</b>	<b>270,981,531</b>	<b>18,133,477</b>
<b>Noncurrent:</b>				
Capital assets being depreciated, net of accumulated depreciation	281,401,017	145,828,188	427,229,205	227,000,917
Capital assets not being depreciated	41,389,302	10,633,535	52,022,837	9,408,418
Acquisition premium	-	-	-	73,227,000
Equity interest in Pennichuck	130,530,000	-	130,530,000	-
Other assets	-	-	-	103,000
<b>Total Noncurrent Assets</b>	<b>453,320,319</b>	<b>156,461,723</b>	<b>609,782,042</b>	<b>309,739,335</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	52,927,419	58,022	52,985,441	129,488
Related to OPEB	1,086,767	35,926	1,122,693	1,176
Other	472,004	-	472,004	13,684,000
<b>Total Deferred Outflows of Resources</b>	<b>54,486,190</b>	<b>93,948</b>	<b>54,580,138</b>	<b>13,814,664</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>753,733,272</b>	<b>181,610,439</b>	<b>935,343,711</b>	<b>341,687,476</b>
<b>Liabilities</b>				
<b>Current:</b>				
Accounts payable	11,612,718	-	11,612,718	1,791,394
Retainage payable	1,230,150	-	1,230,150	25,903
Accrued liabilities	18,029,020	1,226,577	19,255,597	2,494,339
Unearned revenues	13,077	-	13,077	-
Notes payable	-	4,859,634	4,859,634	-
Customer advances	-	-	-	191,000
Line of credit	-	-	-	5,574,000
Other	955,864	-	955,864	-
Current portion of long-term liabilities:				
Bonds and notes payable	12,268,979	5,402,295	17,671,274	5,575,000
Acquisition bonds payable	3,505,000	-	3,505,000	-
Compensated absences	1,738,706	60,747	1,799,453	-
Capital leases	86,592	-	86,592	-
<b>Total Current Liabilities</b>	<b>49,440,106</b>	<b>11,549,253</b>	<b>60,989,359</b>	<b>15,651,636</b>
<b>Noncurrent:</b>				
Bonds and notes payable	107,310,425	51,873,826	159,184,251	200,869,000
Acquisition bonds payable	130,455,000	-	130,455,000	-
Compensated absences	15,648,354	546,727	16,195,081	9,200
Capital leases	275,066	-	275,066	-
Landfill closure and post closure	-	6,841,040	6,841,040	-
Net and total OPEB liability	66,759,921	1,418,211	68,178,132	3,052,007
Net pension liability - State of NH	244,236,535	-	244,236,535	10,997,006
Net pension liability - Board of Public Works	4,156,217	3,426,737	7,582,954	-
Contributions in aid of construction	-	-	-	47,458,000
Other noncurrent liabilities	-	-	-	10,928,000
<b>Total Noncurrent Liabilities</b>	<b>568,841,518</b>	<b>64,106,541</b>	<b>632,948,059</b>	<b>272,413,213</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	9,710,169	349,300	10,059,469	131,601
Related to OPEB	3,132,586	99,102	3,231,688	16
Other	106,251,911	-	106,251,911	13,417,000
<b>Total Deferred Inflows of Resources</b>	<b>119,094,666</b>	<b>448,402</b>	<b>119,543,068</b>	<b>13,548,617</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>737,376,290</b>	<b>76,104,196</b>	<b>813,480,486</b>	<b>301,613,466</b>
<b>Net Position</b>				
Net investment of capital assets	204,799,330	97,329,930	302,129,260	57,659,432
<b>Restricted for:</b>				
Pennichuck Corporation	-	-	-	(17,869,000)
Grants and other statutory restrictions	7,492,731	-	7,492,731	-
Capital projects	1,183,222	6,223,823	7,407,045	-
<b>Permanent funds:</b>				
Expendable	1,606,446	-	1,606,446	-
Nonexpendable	23,007,283	-	23,007,283	-
Unrestricted	(221,732,030)	1,952,490	(219,779,540)	283,578
<b>Total Net Position</b>	<b>\$ 16,356,982</b>	<b>\$ 105,506,243</b>	<b>\$ 121,863,225</b>	<b>\$ 40,074,010</b>

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

CITY OF NASHUA, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR FISCAL YEAR ENDED JUNE 30, 2018

(Except for Pennichuck Corporation Component Unit, which is as of December 31, 2017)

	Expenses	Indirect Cost Allocation	Program Revenues			Net (Expenses) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General government	\$ 29,087,312	\$ 8,357,014	\$ 4,023,809	\$ 9,287,707	\$ -	\$ (24,132,810)
Police	35,258,730	50,916	1,149,458	844,796	-	(33,315,392)
Fire	26,374,113	226,134	97,189	201,012	-	(26,302,046)
Water fire protection services	2,869,869	-	-	-	-	(2,869,869)
Education	169,231,339	2,336,660	3,246,307	52,088,051	-	(116,233,641)
Public works	12,299,594	1,301,143	895,996	263,662	2,997,127	(9,443,952)
Health and human services	3,207,058	-	173,166	995,313	-	(2,038,579)
Culture and recreation	7,538,581	45,772	815,812	70,544	-	(6,697,997)
Community development	8,279,260	210,934	1,501,588	-	8,675,628	1,687,022
Communications	1,379,479	307,772	-	-	51,730	(1,635,521)
Hydroelectric	597,861	-	1,250,101	-	-	652,240
Interest and costs	12,836,345	(12,836,345)	-	-	-	-
<b>Total Governmental Activities</b>	<b>308,959,541</b>	<b>-</b>	<b>13,153,426</b>	<b>63,751,085</b>	<b>11,724,485</b>	<b>(220,330,545)</b>
<b>Business-Type Activities:</b>						
Wastewater services	14,276,433	-	13,394,083	-	855,412	(26,938)
Solid waste services	7,098,224	-	4,767,621	-	-	(2,330,603)
<b>Total Business-Type Activities</b>	<b>21,374,657</b>	<b>-</b>	<b>18,161,704</b>	<b>-</b>	<b>855,412</b>	<b>(2,357,541)</b>
<b>Total primary government</b>	<b>\$ 330,334,198</b>	<b>\$ -</b>	<b>\$ 31,315,130</b>	<b>\$ 63,751,085</b>	<b>\$ 12,579,897</b>	<b>\$ (222,688,086)</b>
<b>Component units:</b>						
Pennichuck Corporation	\$ 46,226,000	\$ -	\$ 40,893,000	\$ -	\$ -	\$ (5,333,000)
Nashua Airport Authority	2,040,593	-	570,399	-	890,755	(579,439)
<b>Total component units</b>	<b>\$ 48,266,593</b>	<b>\$ -</b>	<b>\$ 41,463,399</b>	<b>\$ -</b>	<b>\$ 890,755</b>	<b>\$ (5,912,439)</b>

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

(continued)

## CITY OF NASHUA, NEW HAMPSHIRE

## STATEMENT OF ACTIVITIES

FOR FISCAL YEAR ENDED JUNE 30, 2018

(Except for Pennichuck Corporation Component Unit, which is as of December 31, 2017)

(continued)

	Governmental Activities	Business- Type Activities	Total	Component Units
Change in Net Position:				
Net (Expenses) Revenue from previous page	\$ (220,330,545)	\$ (2,357,541)	\$ (222,688,086)	\$ (5,912,439)
<b>General revenues, permanent fund contributions and transfers:</b>				
Property taxes	207,031,735	-	207,031,735	-
Auto permits	15,255,808	-	15,255,808	-
Penalties, interest and other taxes	1,798,343	-	1,798,343	-
Grants and contributions not restricted				-
to specific programs	5,720,113	1,308,208	7,028,321	-
Investment income	1,494,164	254,088	1,748,252	2,602
Miscellaneous	1,037,463	-	1,037,463	-
Permanent fund contributions	92,362	-	92,362	-
Transfers in (out)	(3,877,315)	3,877,315	-	-
Other Pennichuck adjustments	-	-	-	(1,340,000)
<b>Total general revenues, contributions and transfers</b>	<u>228,552,673</u>	<u>5,439,611</u>	<u>233,992,284</u>	<u>(1,337,398)</u>
Change in Net Position	8,222,128	3,082,070	11,304,198	(7,249,837)
<b>Net Position:</b>				
Beginning of year, as restated	<u>8,134,854</u>	<u>102,424,173</u>	<u>110,559,027</u>	<u>47,323,847</u>
End of year	<u>\$ 16,356,982</u>	<u>\$ 105,506,243</u>	<u>\$ 121,863,225</u>	<u>\$ 40,074,010</u>

CITY OF NASHUA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and short-term investments	\$ 111,809,225	\$ -	\$ 3,168,580	\$ 114,977,805
Investments	75,041,597	-	26,110,002	101,151,599
Receivables, net of allowance for uncollectibles:				
Property taxes	22,401,221	-	-	22,401,221
Tax deeded property	488,116	-	-	488,116
Departmental and other	1,303,952	-	184,799	1,488,751
Intergovernmental	-	-	5,101,761	5,101,761
Loans	-	-	458,133	458,133
Due from other funds	17,928,497	4,313,333	11,584,436	33,826,266
<b>Total Assets</b>	<b>\$ 228,972,608</b>	<b>\$ 4,313,333</b>	<b>\$ 46,607,711</b>	<b>\$ 279,893,652</b>
<b>Liabilities</b>				
Accounts payable	\$ 11,612,668	\$ -	\$ 50	\$ 11,612,718
Accrued liabilities	7,909,083	-	336,084	8,245,167
Unearned revenue	-	-	13,077	13,077
Due to other funds	44,123,734	-	6,622,650	50,746,384
Other liabilities	95,588	-	-	95,588
<b>Total Liabilities</b>	<b>63,741,073</b>	<b>-</b>	<b>6,971,861</b>	<b>70,712,934</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	110,430,233	-	24,640	110,454,873
<b>Fund Balances</b>				
Nonspendable	488,116	-	23,007,283	23,495,399
Restricted	-	4,313,333	10,009,509	14,322,842
Committed	13,044,794	-	13,145,852	26,190,646
Assigned	12,157,462	-	-	12,157,462
Unassigned	29,110,930	-	(6,551,434)	22,559,496
<b>Total Fund Balances</b>	<b>54,801,302</b>	<b>4,313,333</b>	<b>39,611,210</b>	<b>98,725,845</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 228,972,608</b>	<b>\$ 4,313,333</b>	<b>\$ 46,607,711</b>	<b>\$ 279,893,652</b>

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

CITY OF NASHUA, NEW HAMPSHIRE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2018

<b>Total governmental fund balances</b>	<b>\$</b>	<b>98,725,845</b>
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		322,790,319
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.		5,591,362
• To record investment in Pennichuck Waterworks.		130,530,000
• Deferred outflows of resources related to pensions and OPEB.		54,014,186
• Deferred outflows of resources related to losses on prior year bond refundings.		472,004
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(3,872,884)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable		(119,579,404)
Acquisition bonds payable		(133,960,000)
Compensated absences		(17,387,060)
Capital leases		(361,658)
Net OPEB liability		(66,759,921)
Net pension liability - State of NH		(244,236,535)
Net pension liability - Board of Public Works		(4,156,217)
• Deferred inflows of resources related to pensions and OPEB.		(12,842,755)
• Deferred inflows of resources related to gains on current and prior year bond refundings.		(1,388,400)
• Internal service funds are used by management to account for health insurance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		<u>8,778,100</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>16,356,982</u></b>

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

CITY OF NASHUA, NEW HAMPSHIRE  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 206,338,909	\$ -	\$ 106,972	\$ 206,445,881
Auto permits	14,555,808	-	700,000	15,255,808
Penalties, interest and other taxes	1,416,307	-	382,036	1,798,343
Charges for services	1,406,003	-	5,131,795	6,537,798
Intergovernmental	44,554,740	-	25,402,183	69,956,923
Licenses and permits	1,379,056	-	-	1,379,056
Investment income	1,029,279	-	2,549,981	3,579,260
Contributions	505,000	8,766,046	926,466	10,197,512
Hydroelectric power generation	1,250,101	-	-	1,250,101
Cable TV franchise fees	965,834	-	465,031	1,430,865
Miscellaneous	768,459	-	412,778	1,181,237
<b>Total Revenues</b>	<b>274,169,496</b>	<b>8,766,046</b>	<b>36,077,242</b>	<b>319,012,784</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	14,285,885	-	1,695,866	15,981,751
Police	30,449,350	-	2,217,431	32,666,781
Fire	24,279,282	-	1,606,602	25,885,884
Water fire protection services	2,869,869	-	-	2,869,869
Education	143,817,979	-	15,314,207	159,132,186
Public works	9,030,416	-	6,629,552	15,659,968
Health and human services	2,101,913	-	980,205	3,082,118
Culture and recreation	6,972,419	-	413,905	7,386,324
Community development	2,445,154	-	12,316,081	14,761,235
Communications	514,449	-	124,354	638,803
Hydroelectric	727,710	-	410,371	1,138,081
<b>Debt service</b>				
Principal	11,500,000	3,430,000	60,000	14,990,000
Interest and issuance cost	4,828,818	5,335,809	18,320	10,182,947
Intergovernmental	11,820,795	-	-	11,820,795
<b>Total Expenditures</b>	<b>265,644,039</b>	<b>8,765,809</b>	<b>41,786,894</b>	<b>316,196,742</b>
Excess (Deficiency) of Revenues Over Expenditures	8,525,457	237	(5,709,652)	2,816,042
<b>Other Financing Sources (Uses)</b>				
Transfers in	561,896	-	1,015,399	1,577,295
Transfers out	(4,997,714)	-	(561,896)	(5,559,610)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,435,818)</b>	<b>-</b>	<b>453,503</b>	<b>(3,982,315)</b>
Change in Fund Balance	4,089,639	237	(5,256,149)	(1,166,273)
*Fund Balance at Beginning of Year	50,711,663	4,313,096	44,867,359	99,892,118
<b>Fund Balance at End of Year</b>	<b>\$ 54,801,302</b>	<b>\$ 4,313,333</b>	<b>\$ 39,611,210</b>	<b>\$ 98,725,845</b>

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

CITY OF NASHUA, 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, 2018

<b>Net changes in fund balances - Total governmental funds</b>	<b>\$ (1,166,273)</b>																														
<ul style="list-style-type: none"> <li>• 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 and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="width: 20%; text-align: right;">22,681,810</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(17,614,637)</td> </tr> <tr> <td>Loss on disposal of capital assets</td> <td style="text-align: right;">(798,035)</td> </tr> <tr> <td>Transfer of assets, net</td> <td style="text-align: right;">5,281</td> </tr> </table> </li> <li>• The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Repayment of capital leases</td> <td style="width: 20%; text-align: right;">84,279</td> </tr> <tr> <td>Repayments of debt</td> <td style="text-align: right;">14,990,000</td> </tr> </table> </li> <li>• Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in unavailable revenue. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: right;">585,854</td> </tr> </table> </li> <li>• To record amortization of Equity Interest in Pennichuck. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: right;">(3,430,000)</td> </tr> </table> </li> <li>• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: right;">205,167</td> </tr> </table> </li> <li>• 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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Increase in compensated absences liability</td> <td style="width: 20%; text-align: right;">(41,928)</td> </tr> <tr> <td>Increase in net OPEB liability, net of related deferred outflows and inflows</td> <td style="text-align: right;">(339,994)</td> </tr> <tr> <td>Increase in net pension liability, net of related deferred outflows and inflows</td> <td style="text-align: right;">(5,963,911)</td> </tr> <tr> <td>Amortize bond premiums</td> <td style="text-align: right;">680,979</td> </tr> <tr> <td>Amortize gains and losses on prior years refunding bonds</td> <td style="text-align: right;">(109,544)</td> </tr> </table> </li> <li>• Internal service funds are used by management to account for health insurance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: right;"><u>(1,546,920)</u></td> </tr> </table> </li> </ul>		Capital outlay	22,681,810	Depreciation	(17,614,637)	Loss on disposal of capital assets	(798,035)	Transfer of assets, net	5,281	Repayment of capital leases	84,279	Repayments of debt	14,990,000		585,854		(3,430,000)		205,167	Increase in compensated absences liability	(41,928)	Increase in net OPEB liability, net of related deferred outflows and inflows	(339,994)	Increase in net pension liability, net of related deferred outflows and inflows	(5,963,911)	Amortize bond premiums	680,979	Amortize gains and losses on prior years refunding bonds	(109,544)		<u>(1,546,920)</u>
Capital outlay	22,681,810																														
Depreciation	(17,614,637)																														
Loss on disposal of capital assets	(798,035)																														
Transfer of assets, net	5,281																														
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	205,167																														
Increase in compensated absences liability	(41,928)																														
Increase in net OPEB liability, net of related deferred outflows and inflows	(339,994)																														
Increase in net pension liability, net of related deferred outflows and inflows	(5,963,911)																														
Amortize bond premiums	680,979																														
Amortize gains and losses on prior years refunding bonds	(109,544)																														
	<u>(1,546,920)</u>																														
<b>Change in net position of governmental activities</b>	<b>\$ <u>8,222,128</u></b>																														

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



CITY OF NASHUA, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES -  
BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues and Other Sources</b>				
Property taxes	\$ 205,967,665	\$ 205,967,665	\$ 206,338,909	\$ 371,244
Auto permits	9,920,000	9,920,000	14,555,808	4,635,808
Penalties, interest and other taxes	971,000	971,000	1,416,307	445,307
Charges for services	982,710	982,710	986,057	3,347
Intergovernmental	44,285,771	44,285,771	44,554,742	268,971
Licenses and permits	1,231,550	1,231,550	1,379,054	147,504
Interest earnings	450,000	450,000	909,151	459,151
Miscellaneous	3,690,732	3,690,732	3,909,338	218,606
Transfers in	497,653	1,361,604	1,425,849	64,245
<b>Total Revenues and Other Sources</b>	<b>267,997,081</b>	<b>268,861,032</b>	<b>275,475,215</b>	<b>6,614,183</b>
<b>Expenditures and Other Uses</b>				
General government	15,670,642	15,542,079	15,536,526	5,553
Police	29,859,056	30,080,047	30,079,321	726
Fire	23,951,890	24,215,376	24,214,158	1,218
Water fire protection services	3,100,000	2,870,000	2,869,869	131
Education	143,288,882	143,375,272	143,375,026	246
Public works	13,479,493	12,766,835	12,765,353	1,482
Health and human services	2,382,474	2,081,035	2,078,955	2,080
Culture and recreation	6,428,764	6,399,565	6,399,280	285
Community development	2,855,595	2,802,745	2,802,042	703
Communications	321,656	304,149	303,660	489
Hydroelectric	456,070	416,570	416,109	461
Debt service	16,499,387	16,329,187	16,328,818	369
Intergovernmental	11,820,795	11,820,795	11,820,795	-
Transfers out	4,982,377	6,957,377	6,957,377	-
<b>Total Expenditures and Other Uses</b>	<b>275,097,081</b>	<b>275,961,032</b>	<b>275,947,289</b>	<b>13,743</b>
<b>Other Financing Sources (Uses)</b>				
Use of Unassigned Fund Balance	7,100,000	7,100,000	7,100,000	-
<b>Excess of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,627,926</b>	<b>\$ 6,627,926</b>

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

CITY OF NASHUA, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2018

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Waste Water Fund	Solid Waste Fund	Total	
<b>Assets</b>				
<b>Current:</b>				
Cash and short-term investments	\$ 12,349,491	\$ 1,339,150	\$ 13,688,641	\$ -
Investments	-	4,215,853	4,215,853	-
User fees, net of allowance for uncollectibles	3,441,969	506,816	3,948,785	-
Intergovernmental receivable	928,138	-	928,138	-
Due from other funds	-	3,664,418	3,664,418	15,079,343
Other assets	-	-	-	1,700,152
<b>Total Current Assets</b>	<b>16,719,598</b>	<b>9,726,237</b>	<b>26,445,835</b>	<b>16,779,495</b>
<b>Noncurrent:</b>				
Capital assets being depreciated, net	134,656,055	11,172,133	145,828,188	-
Capital assets not being depreciated	10,130,062	503,473	10,633,535	-
<b>Total Noncurrent Assets</b>	<b>144,786,117</b>	<b>11,675,606</b>	<b>156,461,723</b>	<b>-</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	33,460	24,562	58,022	-
Related to OPEB	20,208	15,718	35,926	-
<b>Total Deferred Outflows of Resources</b>	<b>53,668</b>	<b>40,280</b>	<b>93,948</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>161,559,383</b>	<b>21,442,123</b>	<b>183,001,506</b>	<b>16,779,495</b>
<b>Liabilities</b>				
<b>Current:</b>				
Due to other funds	1,391,067	-	1,391,067	-
Accrued liabilities	1,026,167	200,410	1,226,577	7,141,119
Notes payable	4,859,634	-	4,859,634	-
Other liabilities	-	-	-	860,276
<b>Current portion of long-term liabilities:</b>				
Bonds and notes payable	3,723,976	1,678,319	5,402,295	-
Compensated absences	24,175	36,572	60,747	-
<b>Total Current Liabilities</b>	<b>11,025,019</b>	<b>1,915,301</b>	<b>12,940,320</b>	<b>8,001,395</b>
<b>Noncurrent:</b>				
Bonds and notes payable	44,024,236	7,849,590	51,873,826	-
Compensated absences	217,577	329,150	546,727	-
Net/total OPEB liability	797,744	620,467	1,418,211	-
Net pension liability - Board of Public Works	1,976,118	1,450,619	3,426,737	-
Landfill closure and post closure	-	6,841,040	6,841,040	-
<b>Total Noncurrent Liabilities</b>	<b>47,015,675</b>	<b>17,090,866</b>	<b>64,106,541</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	201,433	147,867	349,300	-
Related to OPEB	55,745	43,357	99,102	-
<b>Total Deferred Inflows of Resources</b>	<b>257,178</b>	<b>191,224</b>	<b>448,402</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>58,297,872</b>	<b>19,197,391</b>	<b>77,495,263</b>	<b>8,001,395</b>
<b>Net Position</b>				
Net investment in capital assets	92,178,270	5,151,660	97,329,930	-
Restricted for capital projects	440,588	5,783,235	6,223,823	-
Unrestricted	10,642,653	(8,690,163)	1,952,490	8,778,100
<b>Total Net Position</b>	<b>\$ 103,261,511</b>	<b>\$ 2,244,732</b>	<b>\$ 105,506,243</b>	<b>\$ 8,778,100</b>

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

CITY OF NASHUA, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Waste Water <u>Fund</u>	Solid Waste <u>Fund</u>	<u>Total</u>	Internal Service <u>Fund</u>
<b>Operating Revenues</b>				
Charges for services	\$ 13,394,083	\$ 4,526,999	\$ 17,921,082	\$ -
Employer contributions	-	-	-	32,700,641
Employee and retiree contributions	-	-	-	11,680,613
Other	-	240,622	240,622	1,175,811
<b>Total Operating Revenues</b>	<b>13,394,083</b>	<b>4,767,621</b>	<b>18,161,704</b>	<b>45,557,065</b>
<b>Operating Expenses</b>				
Salaries and benefits	3,857,918	2,918,275	6,776,193	824,139
Other operating expenses	3,528,060	2,147,083	5,675,143	204,575
Depreciation	5,648,557	1,806,990	7,455,547	-
Claims and policy costs	-	-	-	46,465,056
<b>Total Operating Expenses</b>	<b>13,034,535</b>	<b>6,872,348</b>	<b>19,906,883</b>	<b>47,493,770</b>
<b>Operating Income (Loss)</b>	<b>359,548</b>	<b>(2,104,727)</b>	<b>(1,745,179)</b>	<b>(1,936,705)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental	1,115,199	193,009	1,308,208	-
Investment income	170,701	83,387	254,088	284,785
Loss on disposal of capital assets	(5,281)	-	(5,281)	-
Interest expense	(1,236,617)	(225,876)	(1,462,493)	-
<b>Total Nonoperating Revenues (Expenses), Net</b>	<b>44,002</b>	<b>50,520</b>	<b>94,522</b>	<b>284,785</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>403,550</b>	<b>(2,054,207)</b>	<b>(1,650,657)</b>	<b>(1,651,920)</b>
Capital contributions	855,412	-	855,412	-
Transfers in	-	3,982,315	3,982,315	105,000
Transfers out	(105,000)	-	(105,000)	-
<b>Change in Net Position</b>	<b>1,153,962</b>	<b>1,928,108</b>	<b>3,082,070</b>	<b>(1,546,920)</b>
Net Position at Beginning of Year, as restated	102,107,549	316,624	102,424,173	10,325,020
<b>Net Position at End of Year</b>	<b>\$ 103,261,511</b>	<b>\$ 2,244,732</b>	<b>\$ 105,506,243</b>	<b>\$ 8,778,100</b>

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

CITY OF NASHUA, NEW HAMPSHIRE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Waste Water Fund	Solid Waste Fund	Total	
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 13,249,251	\$ 4,630,795	\$ 17,880,046	\$ 12,856,424
Receipts from interfund services provided	-	-	-	32,700,641
Payments to vendors	(3,614,585)	(1,520,391)	(5,134,976)	(47,568,364)
Payments to employees	(3,670,870)	(2,833,801)	(6,504,671)	(822,263)
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>5,963,796</b>	<b>276,603</b>	<b>6,240,399</b>	<b>(2,833,562)</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Proceeds from interfund loan agreements	2,774,973	(1,566,489)	1,208,484	2,443,777
Transfers	(105,000)	3,982,315	3,877,315	105,000
Intergovernmental subsidy	1,115,199	193,009	1,308,208	-
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>3,785,172</b>	<b>2,608,835</b>	<b>6,394,007</b>	<b>2,548,777</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(6,434,649)	(607,188)	(7,041,837)	-
Contributions	670,583	-	670,583	-
Proceeds/premiums from bonds and notes	2,175,749	-	2,175,749	-
Principal payments on bonds	(3,629,912)	(1,852,659)	(5,482,571)	-
Interest expense	(1,399,984)	(264,269)	(1,664,253)	-
<b>Net Cash (Used For) Capital and Related Financing Activities</b>	<b>(8,618,213)</b>	<b>(2,724,116)</b>	<b>(11,342,329)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>				
Purchase of investments	-	(4,215,853)	(4,215,853)	-
Investment income	170,701	83,387	254,088	284,785
<b>Net Cash Provided By (Used For) Investing Activities</b>	<b>170,701</b>	<b>(4,132,466)</b>	<b>(3,961,765)</b>	<b>284,785</b>
<b>Net Change in Cash and Short-Term Investments</b>	<b>1,301,456</b>	<b>(3,971,144)</b>	<b>(2,669,688)</b>	<b>-</b>
<b>Cash and Short-Term Investments, Beginning of Year</b>	<b>11,048,035</b>	<b>5,310,294</b>	<b>16,358,329</b>	<b>-</b>
<b>Cash and Short-Term Investments, End of Year</b>	<b>\$ 12,349,491</b>	<b>\$ 1,339,150</b>	<b>\$ 13,688,641</b>	<b>\$ -</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</b>				
Operating income (loss)	\$ 359,548	\$ (2,104,727)	\$ (1,745,179)	\$ (1,936,705)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,648,557	1,806,990	7,455,547	-
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees	(118,569)	(137,826)	(256,395)	-
Deferred outflows - related to pensions	249,071	202,090	451,161	-
Deferred outflows - related to OPEB	(20,208)	(15,718)	(35,926)	-
Other assets	-	-	-	(257,427)
Accounts payable	(142,810)	(4,048)	(146,858)	-
Accrued liabilities	(39,380)	26,677	(12,703)	(640,064)
Net pension liability	8,640	(127,732)	(119,092)	-
Total OPEB obligation	(1,967)	(1,531)	(3,498)	-
Landfill closure and postclosure	-	630,740	630,740	-
Other liabilities	-	-	-	634
Deferred inflows - related to pensions	(34,831)	(41,669)	(76,500)	-
Deferred inflows - related to OPEB	55,745	43,357	99,102	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 5,963,796</b>	<b>\$ 276,603</b>	<b>\$ 6,240,399</b>	<b>\$ (2,833,562)</b>
<b>Noncash Investing, Capital, and Financing Activities</b>				
State revolving loan notes not yet received	\$ 328,149	\$ -	\$ 328,149	\$ -

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

CITY OF NASHUA, NEW HAMPSHIRE  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2018

	Pension Trust <u>Fund</u>	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 924,604	\$ 249,574	\$ 286,030
Investments			
Fixed income securities	11,173,938	2,100,858	-
Equities	29,137,133	3,227,367	-
Mutual funds	<u>499,400</u>	<u>684,363</u>	<u>-</u>
Total Investments	<u>40,810,471</u>	<u>6,012,588</u>	<u>-</u>
Total Assets	<u>\$ 41,735,075</u>	<u>\$ 6,262,162</u>	<u>\$ 286,030</u>
<b>Liabilities</b>			
Other liabilities - escrow deposits	\$ -	\$ -	\$ 264,346
Due to external parties - governmental funds	<u>275,789</u>	<u>135,103</u>	<u>21,684</u>
Total Liabilities	275,789	135,103	286,030
<b>Net Position</b>			
Total net position restricted for pensions and other purposes	<u>41,459,286</u>	<u>6,127,059</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 41,735,075</u>	<u>\$ 6,262,162</u>	<u>\$ 286,030</u>

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

CITY OF NASHUA, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR FISCAL YEAR ENDED JUNE 30, 2018

	Pension Trust <u>Fund</u>	Private Purpose Trust <u>Funds</u>
<b>Additions</b>		
Contributions:		
Employers	\$ 823,768	\$ -
Plan members	823,768	-
Other	<u>1,095</u>	<u>30,412</u>
Total Contributions	1,648,631	30,412
Investment Income:		
Dividend, interest and investment income	3,479,274	379,860
Less: management fees	<u>(186,835)</u>	<u>-</u>
Total Investment Income	<u>3,292,439</u>	<u>379,860</u>
Total Additions	4,941,070	410,272
<b>Deductions</b>		
Benefit payments to plan members and beneficiaries	2,830,049	140,790
Administrative expenses	<u>5,619</u>	<u>35,158</u>
Total Deductions	<u>2,835,668</u>	<u>175,948</u>
Net Change	2,105,402	234,324
<b>Net Position restricted for pensions and other purposes</b>		
Beginning of year	<u>39,353,884</u>	<u>5,892,735</u>
End of year	<u>\$ 41,459,286</u>	<u>\$ 6,127,059</u>

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

CITY OF NASHUA, NEW HAMPSHIRE  
Combining Statement of Net Position  
Component Units  
June 30, 2018

(Except for Pennichuck Corporation Component Unit, which is as of December 31, 2017)

	<u>Pennichuck Corporation</u>	<u>Nashua Airport Authority</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 994,000	\$ 368,050	\$ 1,362,050
Investments	-	226,542	226,542
Restricted cash and investments	8,241,000	-	8,241,000
Receivables, net of allowance for uncollectibles:			
User fees	5,699,000	4,734	5,703,734
Intergovernmental	-	255,151	255,151
Inventory	604,000	-	604,000
Prepaid expenses	1,741,000	-	1,741,000
<b>Total current assets</b>	<u>17,279,000</u>	<u>854,477</u>	<u>18,133,477</u>
<b>Noncurrent assets:</b>			
Non-depreciable capital assets	3,305,000	6,103,418	9,408,418
Depreciable capital assets, net	207,193,000	19,807,917	227,000,917
Acquisition premium	73,227,000	-	73,227,000
Investment in real estate partnership	103,000	-	103,000
<b>Total noncurrent assets</b>	<u>283,828,000</u>	<u>25,911,335</u>	<u>309,739,335</u>
<b>Deferred Outflows of Resources</b>			
Related to pensions	-	129,488	129,488
Related to OPEB	-	1,176	1,176
Other	13,684,000	-	13,684,000
<b>Total Deferred Outflows of Resources</b>	<u>13,684,000</u>	<u>130,664</u>	<u>13,814,664</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>314,791,000</u>	<u>26,896,476</u>	<u>341,687,476</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and other liabilities	1,543,000	248,394	1,791,394
Retainage payable	-	25,903	25,903
Accrued liabilities	867,000	2,339	869,339
Accrued interest payable	1,625,000	-	1,625,000
Customer deposits	191,000	-	191,000
Line of credit	5,574,000	-	5,574,000
Current portion of long-term liabilities:			
Bonds, notes payable and other obligations	5,575,000	-	5,575,000
<b>Total current liabilities</b>	<u>15,375,000</u>	<u>276,636</u>	<u>15,651,636</u>
<b>Noncurrent liabilities:</b>			
Regulatory liability	9,955,000	-	9,955,000
Bonds, notes payable and other obligations	200,869,000	-	200,869,000
Compensated absences	-	9,200	9,200
Net pension liability	9,792,000	305,006	10,097,006
Net OPEB obligation	3,047,000	5,007	3,052,007
Liability for derivative instruments	374,000	-	374,000
Contributions in aid of construction	47,458,000	-	47,458,000
Other noncurrent liabilities	599,000	-	599,000
<b>Total noncurrent liabilities</b>	<u>272,094,000</u>	<u>319,213</u>	<u>272,413,213</u>
<b>Deferred Inflows of Resources</b>			
Related to pensions	-	131,601	131,601
Related to OPEB	-	16	16
Other	13,417,000	-	13,417,000
<b>Total Deferred Inflows of Resources</b>	<u>13,417,000</u>	<u>131,617</u>	<u>13,548,617</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>300,886,000</u>	<u>727,466</u>	<u>301,613,466</u>
<b>Net Position</b>			
Net investment in capital assets	31,774,000	25,885,432	57,659,432
Restricted for:			
Pennichuck Corporation	(17,869,000)	-	(17,869,000)
Unrestricted	-	283,578	283,578
<b>Total net position</b>	<u>\$ 13,905,000</u>	<u>\$ 26,169,010</u>	<u>\$ 40,074,010</u>

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

CITY OF NASHUA, NEW HAMPSHIRE  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Component Units  
Fiscal Year Ending June 30, 2018  
(Except for Pennichuck Corporation Component Unit, which is as of December 31, 2017)

	<u>Pennichuck Corporation</u>	<u>Nashua Airport Authority</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 40,893,000	\$ 504,328	\$ 41,397,328
Other	-	66,071	66,071
	<u>40,893,000</u>	<u>570,399</u>	<u>41,463,399</u>
<b>Operating Expenses:</b>			
Cost of services	21,312,000	705,641	22,017,641
Taxes other than income taxes	6,343,000	-	6,343,000
Depreciation	<u>7,762,000</u>	<u>1,334,952</u>	<u>9,096,952</u>
	<u>35,417,000</u>	<u>2,040,593</u>	<u>37,457,593</u>
Operating Income (Loss)	5,476,000	(1,470,194)	4,005,806
<b>Nonoperating Revenues (Expenses):</b>			
Interest income	-	2,602	2,602
Interest expense	(10,833,000)	-	(10,833,000)
Other nonoperating revenues (expenses)	<u>24,000</u>	<u>-</u>	<u>24,000</u>
	<u>(10,809,000)</u>	<u>2,602</u>	<u>(10,806,398)</u>
Income (Loss) Before Contributions	(5,333,000)	(1,467,592)	(6,800,592)
Capital contributions	-	890,755	890,755
(Provision for) Benefit from income taxes	(1,108,000)	-	(1,108,000)
Other	<u>(232,000)</u>	<u>-</u>	<u>(232,000)</u>
Change in net position	(6,673,000)	(576,837)	(7,249,837)
Stockholders' equity/Net position, beginning	<u>20,578,000</u>	<u>26,745,847</u>	<u>47,323,847</u>
Stockholders' equity/Net position, ending	<u>\$ 13,905,000</u>	<u>\$ 26,169,010</u>	<u>\$ 40,074,010</u>

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



# CITY OF NASHUA, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the City of Nashua (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### A. Reporting Entity

The City is a municipal corporation governed by an elected Mayor and Board of Aldermen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable.

#### *Fiduciary Component Unit*

The Board of Public Works Retirement System (the System) was established to provide retirement benefits exclusive to regular employees of the Board of Public Works (the Board). The System is governed by a board of five trustees, comprised of one member of the Board of Public Works, two representatives of the public works employees, one member of the Board of Aldermen, and one member appointed by the Mayor. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. The System met the required GASB 14 (as amended) criteria of a fiduciary component unit as the benefits provided are exclusively or almost exclusively to the City or its employees. The System does not issue a separate financial report.

#### *Discretely Presented Component Units*

In fiscal year 2018, it was determined that the Pennichuck Corporation and Nashua Airport Authority met the required GASB 14 (as amended) criteria of discretely presented component units.

Pennichuck Corporation (Pennichuck) is a holding company headquartered in Merrimack, New Hampshire with five wholly owned operating subsidiaries. Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. are involved in regulated water supply and distribution to customers in New Hampshire. Pennichuck Water Service Corporation conducts non-regulated water-related services, while the Southwood Corporation owns several parcels of undeveloped land. On January 25, 2012, the City purchased all of the outstanding shares acquiring control of Pennichuck's assets, liabilities, and businesses. Pennichuck remains an independent corporation with the City as its sole shareholder. Pennichuck meets the criteria as a discretely presented component unit as the City owns a majority of the equity interest in Pennichuck, and the intent of the acquisition was to enhance the control of water resources and watershed, along with providing stability in water rates. Complete financial statements of Pennichuck Corporation may

be obtained from its corporate office at 25 Manchester Street, Merrimack, New Hampshire 03054.

The Nashua Airport Authority (the Authority) was established on August 27, 1961 by legislative act as a separate legal entity. The Authority is located at Boire Field in Nashua, New Hampshire and provides general airport operations as well as airplane tie-down rentals. The Authority is governed by a five-member board, to be appointed by the Mayor and confirmed by the Board of Aldermen. The Authority meets the criteria as a discretely presented component unit as the City can appoint a voting majority of the Authority's governing board and can impose a financial burden as the City can guarantee the principal and interest of any bonds issued by the Authority. Complete financial statements of Nashua Airport Authority may be obtained from its Airport Manager at 93 Perimeter Road, Nashua, New Hampshire 03063.

## B. Government-wide and Fund Financial Statements

### Government-wide Financial Statements

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

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

### Fund Financial Statements

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

## C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary funds (other than Agency funds which have no measurement focus) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property

taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

#### Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax and intergovernmental revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgment, compensated absences, OPEB, and pension are recorded only when payment is due.

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Debt Service Fund* is used to account for resources and debt service payments associated with the bond issuance for the acquisition of Pennichuck Corporation.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds (which include both enterprise and internal service funds) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

- The *Wastewater Enterprise Fund* that accounts for the resources and cost associated with the City's wastewater treatment.
- The *Solid Waste Enterprise Fund* that accounts for the resources and costs associated with the City's landfills.

The City's self-insurance programs are reported as an internal service fund in the accompanying financial statements.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The City reports the following fiduciary funds:

- The *Pension Trust Fund* accounts for the activities of the Board of Public Works Employees Contributory Retirement System, which accumulates resources for pension benefit payments to qualified employees. No separate issue financial statement is available.
- The *Private-Purpose Trust Fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Agency Funds* include escrow deposits and performance bonds. These funds are custodial in nature and do not involve measurement of results of operations.

#### D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, with the exception of such cash necessary to maintain adequate liquidity, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, money-market funds, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

*E. Investments*

State and local statutes, as well as the City's investment policy, place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Investments in the following are considered in compliance with the City's investment objectives/policy: non-negotiable certificates of deposit, repurchase agreements with underlying collateral in federal obligations, U.S. Treasuries and notes, Treasury bills, Federal agency securities as issued by government-sponsored agencies, domestic stocks, mutual funds, and shares in the New Hampshire Public Deposit Investment Pool established pursuant to RSA 383:22 (except for capital reserves).

Investments are reported at fair value except for certificates of deposit which are reported at cost.

*F. Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The government-wide Statement of Activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between these two columns appear in this statement.

*G. Loans*

The Economic Development Office administers loan programs that provides for working capital and capital asset financing for start-up and existing businesses in the Nashua area. The City records a receivable for the principal amount of the loan issued.

*H. Inventories*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

*I. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$15,000 and an estimated

useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20 - 40
Infrastructure	7 - 60
Vehicles	3 - 8
Machinery and equipment	5 - 20
Computer equipment	3 - 5

*J. Equity Interest in Pennichuck*

The City's equity interest in Pennichuck Corporation represents, through the acquisition of all outstanding shares, the control of all of Pennichuck's assets, liabilities and businesses, including land comprising the watershed of the Pennichuck Brook and the three regulated water utilities owned by Pennichuck. Taking into account all of the assumed liabilities of the company and its businesses, the acquisition was valued at approximately \$200 million. Pennichuck remains an independent corporation with an independent Board of Directors with the City of Nashua as its sole shareholder.

The City accounts for this asset in accordance with *GASB Statement 61 – The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*. The equity interest represents an asset to offset the related acquisition bonds in the governmental funds, and is adjusted accordingly by the related debt service.

*K. Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

*L. Long-Term Obligations*

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

*M. Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “Net Position”.

Fund Balance - Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

*Net Position* - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing 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 City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

*N. Use of Estimates*

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**2. Stewardship, Compliance, and Accountability**

*A. Budgetary Information*

The Mayor presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by the Board of Aldermen, establishes the legal level of control and projects the particular

revenues that will fund certain appropriations. The original budget may be amended, by supplemental appropriations or transfers, during the fiscal year at Board of Aldermen meetings as required by changing conditions. The Financial Services Department may transfer appropriations between operating categories within departmental budgets at the request of department heads, but expenditures may not legally exceed budgeted appropriations in total.

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds. Effective budgetary control is achieved for all other funds through provisions of the New Hampshire statutes.

At year-end, appropriation balances lapse, except for multi-year grants, certain unexpended capital items, and encumbrances which will be honored during the subsequent year.

*B. Budgetary Basis*

The general fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

*C. Budget/GAAP Reconciliation*

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 274,169,496	\$ 265,644,039
Other financing sources/uses (GAAP Basis)	<u>561,896</u>	<u>4,997,714</u>
Subtotal (GAAP Basis)	274,731,392	270,641,753
To record use of fund balance	7,100,000	-
Reverse effect of activity appropriated in prior year	-	(1,287,173)
Add end-of-year appropriation carryforwards to expenditures	-	3,113,202
Reverse non-budgeted revenues and expenditures (capital reserves)	<u>743,823</u>	<u>3,479,507</u>
Budgetary Basis	<u>\$ 282,575,215</u>	<u>\$ 275,947,289</u>



D. Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2018.

<u>Nonmajor Governmental Funds:</u>	
Public Works Projects	\$ (4,271,790)
Community Development Projects	(1,974,484)
School Department Projects	<u>(305,160)</u>
Total	<u>\$ (6,551,434)</u>

It is anticipated that the deficits in these funds will be eliminated through future bond proceeds.

3. Cash and Investments

A. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. RSA 48:16 states that "deposits in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, except that a City with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank." The City's investment policy for custodial credit risk related to deposits requires collateral on all deposits and short-term investments (in excess of FDIC). Pledged collateral must be in writing and held at an independent third-party institution.

As of June 30, 2018, the City's entire bank balance was fully insured and collateralized.

B. Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of another party. The City's investments are exposed to custodial risk. The City's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis to ensure that securities are deposited in an allowable financial institution prior to the release of funds. Securities will be held by an independent third-party custodian selected by the City as evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls.

Investments at June 30, 2018 included the following:

U.S. Treasury Obligations	\$	10,182,951
U.S. Government Agencies		13,879,824
Corporate Bonds		5,282,106
Equity Securities		52,817,368
Mutual Funds		9,723,140
Long-term Certificates of Deposit		<u>60,305,122</u>
Total	\$	<u>152,190,511</u>

*C. 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. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The City's investment policy is to minimize credit risk by limiting investments in fixed income securities rated at A or above by Standard & Poor's (S&P).

*D. Concentration of Credit Risk*

The City's investment policy limits investments to 5% of the total portfolio in a specific issuer (excluding U.S. treasuries, government agency securities) except for investments under the direction of the Board of Trustees and the Board of Public Works Pension Fund. The City does not have an investment in one issuer, other than U.S. Treasury bonds and notes, greater than 5% of total investments. The Board of Public Works Pension Fund has one investment great than 5% of total investments; the iShares Core S&P 500 exchange-traded fund, which represents approximately 9.92% of total investments.

*E. 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 greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information regarding the quality and maturity dates of fixed income securities is as follows:

	<u>Total</u>	<u>Average Duration</u>	<u>Average Rating</u>
Corporate Bonds	\$ 5,282,106	6.93	A1

**F. Foreign Currency Risk**

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City's investment policy does not address foreign currency risk.

**G. Fair Value**

The City categorizes its fair value measurements within the fair value hierarchy established by *Governmental Accounting Standards Board Statement No. 72 Fair Value Measurement and Application (GASB 72)*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following fair value measurements as of June 30, 2018:

<u>Description</u>	<u>Fair Value Measurements Using:</u>		
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:			
Debt securities			
U.S. Treasury Obligations	\$ 10,182,951	\$ -	\$ 10,182,951
U.S. Government Agencies	13,879,824	-	13,879,824
Corporate Bonds	5,282,106	-	5,282,106
Equity Securities	52,817,368	52,817,368	-
Mutual Funds	9,723,140	-	9,723,140
<b>Total</b>	<b>\$ 91,885,389</b>		

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

U.S. Treasury securities, U.S. Government agency securities, corporate bonds, and mutual funds classified in Level 2 are valued using standard inputs consisting of benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, where available, and reference data including market research publications.

**4. Property Taxes Receivable**

The City bills property taxes semi-annually, in May and November. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes billed and collected in advance of the year for which they are levied, and are recorded as a prepaid tax liability.

Property taxes are due in July and December. Taxes paid after the due, date accrue interest at 12% per annum. In April of the following calendar year, the Tax Collector executes tax liens on properties that have unpaid taxes. The lien is recorded on the delinquent taxpayer's property at the Registry of Deeds. The tax liens accrue interest at 18% per annum. If the lien is not redeemed within a two-year redemption period, the property may be conveyed to the City by deed.

Property tax receivables at June 30, 2018 consist of the following:

<u>Receivables:</u>	<u>Gross Amount (fund basis)</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount (accrual basis)</u>
Levy of 2017	\$ 19,249,461	\$ -	\$ 19,249,461
Prior levies	25,279	-	25,279
Tax Liens	<u>5,669,521</u>	<u>(2,543,040)</u>	<u>3,126,481</u>
Subtotal property taxes	24,944,261	(2,543,040)	22,401,221
Tax deceded property	<u>488,116</u>	-	<u>488,116</u>
Total	<u>\$ 25,432,377</u>	<u>\$ (2,543,040)</u>	<u>\$ 22,889,337</u>

#### 5. User Fee Receivables

Receivables for user charges at June 30, 2018 consist of the following:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Wastewater user charges	\$ 3,524,732	\$ (82,763)	\$ 3,441,969
Solid waste charges	<u>506,816</u>	<u>-</u>	<u>506,816</u>
Total	<u>\$ 4,031,548</u>	<u>\$ (82,763)</u>	<u>\$ 3,948,785</u>

#### 6. Intergovernmental Receivables

This balance represents reimbursements requested from Federal, State, and Local agencies for expenditures incurred in fiscal 2018.

#### 7. Interfund Fund Receivables/Payables and Transfers In/Out

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable

accounts must be utilized. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following is an analysis of the June 30, 2018 balances in interfund receivable and payable accounts:

Funds:	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 17,928,497	\$ 44,123,734
Debt Service Fund	4,313,333	-
Nonmajor Governmental Funds:		
Police grants	-	79,269
Fire grants	31,641	-
Community health and services grants	-	160,715
Parks and recreation grants	12,994	-
Transit grants	-	75,153
Community Development Block grants/Home grants	-	333,697
Community Development division grants	336,829	-
Homeland security grants	-	68,712
Other city grants	6,054	-
Food services	430,794	-
School grants	-	3,419,270
City revolving funds	7,429,398	-
School revolving funds	1,127,796	-
Other trust funds	-	248,712
Fire projects	174,755	-
Public works projects	1,148,994	-
Community development projects	-	1,859,484
School department projects	-	76,925
Technology projects	382,043	-
City building projects	23,833	-
City-wide communications projects	467,028	-
Other projects	12,277	-
Cemetery permanent funds	-	284,809
Library permanent funds	-	13,329
Other permanent funds	-	2,575
Enterprise funds:		
Wastewater	-	1,391,067
Solid Waste	3,664,418	-
Internal service fund:		
Employee benefits fund	10,316,856	-
Property and casualty fund	4,762,487	-
Fiduciary fund types:		
Pension trust	-	275,789
Private purpose	-	135,103
Agency	-	21,684
Total	<u>\$ 52,570,027</u>	<u>\$ 52,570,027</u>

The City reports interfund transfers between many of its funds. The City's routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the general fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental fund financial statements.

The following is an analysis of interfund transfers made in fiscal year 2018:

Funds:	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 561,896	\$ 4,997,714
Nonmajor Governmental Funds:		
Police grants	69,318	-
Fire grants	66,917	-
Transit grants	490,255	-
Community Development division grants	271,572	10,370
School grants	48,909	-
City revolving funds	-	72,601
Other trust funds	96,043	101,999
Public works projects	-	98,436
Community development projects	165,000	-
City building projects	1,999	-
Cemetery permanent funds	9,679	480,209
Other permanent funds	-	2,574
Enterprise funds:		
Wastewater	-	105,000
Solid waste - operations	3,982,315	-
Internal service funds:		
Property and casualty fund	<u>105,000</u>	<u>-</u>
Total	<u>\$ 5,868,903</u>	<u>\$ 5,868,903</u>

The following is a detailed analysis of general fund transfers made in fiscal year 2018:

<b>General Fund Transfers In:</b>	
Income transfer from Cemetery Trust funds	\$ 389,296
Transfer from School Impact Fees Fund	100,000
Surplus transfer from Police Outside Detail Fund	68,934
Surplus transfer from Engineering Services Fund	3,410
Transfer of excess matching funds from Police Grants Fund	<u>256</u>
Total General Fund Transfers In	<u>\$ 561,896</u>

**General Fund Transfers Out:**

Solid Waste operating subsidy	\$ 3,982,315
Matching funds for Nashua Transit Grants	490,255
Transfer to Downtown Wayfinding Signage Project	165,000
Matching funds for Heritage Rail Trail Construction Grant	100,000
Matching funds for Greeley Park Boat Ramp Improvement Grant	75,000
Matching funds for Assistance to Firefighters Grant	66,917
Matching funds for Police Violence Against Women Grant	69,318
Matching funds for School Security Upgrade Grants	<u>48,909</u>
Total General Fund Transfers Out	<u>\$ 4,997,714</u>

**8. Capital Assets**

Capital asset activity for the year ended June 30, 2018 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	Transferred Assets <u>(Net)</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>					
Capital assets, being depreciated:					
Buildings and improvements	\$ 288,171	\$ 2,819	\$ -	\$ -	\$ 290,990
Machinery and equipment	71,831	6,945	28	(2,812)	75,992
Infrastructure	<u>115,483</u>	<u>8,653</u>	<u>-</u>	<u>-</u>	<u>124,136</u>
Total capital assets, being depreciated	475,485	18,417	28	(2,812)	491,118
Less accumulated depreciation for:					
Buildings and improvements	(119,364)	(7,185)	-	-	(126,549)
Machinery and equipment	(39,464)	(6,553)	(23)	2,014	(44,026)
Infrastructure	<u>(35,265)</u>	<u>(3,877)</u>	<u>-</u>	<u>-</u>	<u>(39,142)</u>
Total accumulated depreciation	<u>(194,093)</u>	<u>(17,615)</u>	<u>(23)</u>	<u>2,014</u>	<u>(209,717)</u>
Total capital assets, being depreciated, net	281,392	802	5	(798)	281,401
Capital assets, not being depreciated:					
Land	31,116	-	-	-	31,116
Construction in progress	<u>6,008</u>	<u>11,890</u>	<u>-</u>	<u>(7,625)</u>	<u>10,273</u>
Total capital assets, not being depreciated	<u>37,124</u>	<u>11,890</u>	<u>-</u>	<u>(7,625)</u>	<u>41,389</u>
Governmental activities capital assets, net	<u>\$ 318,516</u>	<u>\$ 12,692</u>	<u>\$ 5</u>	<u>\$ (8,423)</u>	<u>\$ 322,790</u>

	Beginning Balance	Increases	Transferred Assets (Net)	Decreases	Ending Balance
<b>Business-Type Activities:</b>					
Capital assets, being depreciated:					
Buildings	\$ 81,227	\$ -	\$ -	\$ -	\$ 81,227
Land improvements	18,363	501	-	-	18,864
Machinery and equipment	45,512	2,902	(28)	-	48,386
Infrastructure	<u>127,362</u>	<u>1,333</u>	<u>-</u>	<u>-</u>	<u>128,695</u>
Total capital assets, being depreciated	272,464	4,736	(28)	-	277,172
Less accumulated depreciation for:					
Buildings	(42,463)	(1,569)	-	-	(44,032)
Land improvements	(10,308)	(931)	-	-	(11,239)
Machinery and equipment	(24,275)	(2,371)	23	-	(26,623)
Infrastructure	<u>(46,865)</u>	<u>(2,585)</u>	<u>-</u>	<u>-</u>	<u>(49,450)</u>
Total accumulated depreciation	<u>(123,911)</u>	<u>(7,456)</u>	<u>23</u>	<u>-</u>	<u>(131,344)</u>
Total capital assets, being depreciated, net	148,553	(2,720)	(5)	-	145,828
Capital assets, not being depreciated:					
Land	232	-	-	-	232
Construction in progress	<u>8,096</u>	<u>5,947</u>	<u>-</u>	<u>(3,641)</u>	<u>10,402</u>
Total capital assets, not being depreciated	<u>8,328</u>	<u>5,947</u>	<u>-</u>	<u>(3,641)</u>	<u>10,634</u>
Business-type activities capital assets, net	<u>\$ 156,881</u>	<u>\$ 3,227</u>	<u>\$ (5)</u>	<u>\$ (3,641)</u>	<u>\$ 156,462</u>

Depreciation expense was charged to functions of the City as follows (in thousands):

**Governmental Activities:**

General government	\$ 1,430
Police	638
Fire	854
Education	7,289
Public works	4,538
Culture and recreation	772
Health and human services	16
Community development	1,103
Communications	793
Hydroelectric	<u>182</u>

Total depreciation expense - governmental activities \$ 17,615

**Business-Type Activities:**

Wastewater	\$ 5,649
Solid Waste	<u>1,807</u>

Total depreciation expense - business-type activities \$ 7,456



**9. Deferred Outflows of Resources**

Deferred outflows of resources represent the consumption of net position by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

Other deferred outflows related to the loss on refunding bonds reported at June 30, 2018 totals \$472,004. Losses on refunding bonds are reported in the government-wide statement of net position in connection with the unamortized amount of losses resulting from the refunding of long-term bonds.

**10. Accounts Payable**

Accounts payable represent 2018 expenditures paid after June 30, 2018.

**11. Accrued Liabilities**

Accrued liabilities represent 2018 expenditures for salaries and wages, debt service interest, and health insurance claims paid after June 30, 2018.

**12. Notes Payable**

The following summarizes the City's notes outstanding as of June 30, 2018 and the activity in notes payable during fiscal year 2018:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
<u>Business-Type Activities:</u>							
Headworks Upgrade Project SRF Loan	1.0%	02/10/15	upon completed construction	\$ 2,593,912	\$ 1,098,207	\$ -	\$ 3,692,119
Pump Stations Upgrade Project SRF Loan	1.0%	02/10/15	upon completed construction	418,122	453,984	-	872,106
Water Booster Station Upgrade Project SRF Loan	2.0%	06/07/17	upon completed construction	-	109,181	-	109,181
Primary Tanks Upgrade Project SRF Loan	2.0%	06/07/17	upon completed construction	-	186,228	-	186,228
Total				<u>\$ 3,012,034</u>	<u>\$ 1,847,600</u>	<u>\$ -</u>	<u>\$ 4,859,634</u>

**13. Capital Lease Obligations**

The City entered into a six-year capital lease for School Department photocopier equipment using noncancellable lease financing. For financial reporting purposes, the lease

is reported in the government-wide financial statements. Future minimum lease payments on the lease consisted of the following as of June 30, 2018:

Fiscal Year	Present Value of Minimum		Total Lease Payments
	Lease Payments	Interest Payments	
2019	\$ 86,592	\$ 10,633	\$ 97,225
2020	89,138	8,087	97,225
2021	91,743	5,481	97,224
2022	94,185	2,769	96,954
Total	<u>\$ 361,658</u>	<u>\$ 26,970</u>	<u>\$ 388,628</u>

#### 14. Long-Term Debt

##### A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds and notes currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
Refunding for Fire Station	7/15/2018	0.85%	\$ 150,000
Refunding for Communications System	7/15/2018	0.85%	145,000
Nashua Enterprise Resource Planning (ERP) System	4/1/2019	2.43%	145,000
Refunding for High School Land Acquisition	10/1/2019	1.09%	664,500
Refunding for Amherst Street School Renovations	10/1/2019	1.09%	427,500
Refunding for Athletic Fields	10/1/2019	1.09%	94,500
Refunding for School Planning	10/1/2019	1.09%	19,000
Refunding for Land Acquisition	10/1/2019	0.85%	246,000
Nashua Enterprise Resource Planning (ERP) System	5/1/2020	2.96%	320,000
Refunding for Refunded High School Planning	7/15/2020	0.85%	237,500
Refunding for Refunded Police Department CAD System	7/15/2020	0.85%	355,000
Refunding for Refunded Police Department Headquarters	7/15/2020	0.85%	570,000
Refunding for Refunded High School Construction	7/15/2020	0.85%	6,840,000
Refunding for Refunded Athletic Fields	7/15/2020	0.85%	555,000
Refunding for Refunded Citywide Communication Towers	7/15/2020	0.85%	709,000
Refunding for Refunded Library Automation	7/15/2020	0.85%	70,000
Refunding for Refunded HWY and Sidewalk Construction	7/15/2020	0.85%	154,500
Refunding for Refunded School Construction Series A	7/15/2020	0.85%	7,442,000
Refunding for Refunded Holman Stadium Series A	7/15/2020	0.85%	1,247,000
Elm Street Middle School Capital Equipment	10/15/2021	2.06%	140,000
Elm Street Middle School Fire Alarm	10/15/2021	2.06%	180,000
Citywide Communication System Upgrade	4/1/2023	2.43%	625,000
Refunding for Refunded High School Construction	3/15/2024	2.04%	13,375,000

(continued)

(continued)

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
	Through		as of
<u>Governmental Activities:</u>			<u>6/30/18</u>
Nashua School Access Control System	5/1/2024	2.96%	1,780,000
Public Safety Portable Radios	5/1/2024	2.96%	715,000
Radio Communications Upgrade	7/15/2024	2.53%	5,185,000
Refunding for Senior Center	7/15/2025	1.74%	924,000
Refunding for Police Remodeling 1	7/15/2025	1.74%	109,000
Refunding for Police Remodeling 2	7/15/2025	1.74%	224,000
Refunding for Riverwalk	7/15/2025	1.74%	428,000
Refunding for Land Acquisition	7/15/2026	1.74%	165,000
Refunding for Fire Station	7/15/2026	1.74%	1,547,000
Refunding for Land Acquisition and Redevelopment	7/15/2026	1.74%	823,000
Fire Pumper Truck	4/1/2028	2.43%	280,000
Broad Street Parkway Construction	8/1/2030	3.00%	1,430,000
Elm Street Garage Renovation	8/1/2030	3.00%	345,000
High Street Garage Renovation	8/1/2030	3.00%	455,000
Fire Pumper Truck	10/1/2030	2.23%	430,000
Broad Street Parkway Construction	10/15/2031	3.04%	1,750,000
Hunt Memorial Building Renovation	10/15/2031	3.04%	700,000
Nashua City Hall Renovation	10/15/2031	3.04%	350,000
Ledge Street School HVAC System Replacement	10/15/2031	3.04%	2,940,000
Fairgrounds School HVAC System Replacement	10/15/2031	3.04%	1,070,000
Elm Street Middle School Roof Replacement	10/15/2031	3.04%	280,000
Telecom System	3/15/2032	2.37%	2,137,500
City Buildings Renovation	4/1/2033	2.43%	415,000
Charlotte Avenue School HVAC System Replacement	4/1/2033	2.43%	1,746,500
Fire Ladder Truck	4/1/2033	2.43%	720,000
Broad Street Parkway Construction	4/1/2033	2.79%	1,448,500
Broad Street Parkway Construction	5/1/2034	2.96%	15,015,000
Broad Street Parkway Construction	7/15/2034	2.53%	6,255,000
Nashua Enterprise Resource Planning (ERP) System	7/15/2034	2.53%	435,000
Aerial Tower Truck	7/15/2034	2.53%	965,000
Broad Street School Improvements	7/15/2034	2.53%	6,970,000
Multi-Schools Roof Replacement	10/1/2035	2.23%	1,290,000
Sunset Heights School Renovations	10/1/2035	2.23%	9,253,500
Amherst Street/Charon Avenue	10/1/2035	2.23%	470,000
Burke Street Property	10/1/2035	2.23%	2,280,000
Mine Falls Dam	3/15/2037	3.42%	3,665,000
Broad Street Parkway	3/15/2037	2.72%	1,959,000
LED Street Lights	3/15/2037	2.72%	1,959,000
Amherst Street/Charon Avenue	3/15/2037	2.68%	444,500
Spit Brook Road Fire Station Improvements	3/15/2037	2.73%	1,617,000
Mine Falls Dam (Di Minimus)	3/15/2037	2.73%	476,000
Pennichuck Corporation Acquisition Bonds	1/15/2042	4.09%	130,530,000
Total Governmental Activities			<u>\$ 246,693,000</u>

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
<b>Solid Waste Disposal Fund:</b>			
Landfill Compactor	4/15/2019	2.20%	\$ 77,000
Landfill Expansion and Closure	8/1/2020	1.19%	1,278,420
Multisite Landfill - Old Nashua	8/1/2022	1.53%	116,218
Multisite Landfill - Atherton Park	8/1/2022	1.53%	22,113
Multisite Landfill - Roussel/Gardner	8/1/2022	1.53%	374,532
Multisite Landfill - Shady Lane	8/1/2022	1.53%	56,834
Lined Landfill Expansion II	4/15/2024	2.89%	2,563,000
Landfill Compactor	7/15/2024	1.65%	475,000
Multisite - Lincoln Park	8/1/2024	1.87%	543,207
Multisite - Engineering	8/1/2024	1.87%	361,726
Landfill Closure	8/1/2024	1.87%	2,620,438
Soil Wall	3/15/2037	2.73%	186,500
Gas System	3/15/2037	2.70%	280,000
Landfill Expansion	3/15/2037	2.71%	465,500
<b>Total Solid Waste Fund</b>			<b>9,420,488</b>
<b>Waste Water Treatment Fund:</b>			
Sludge Digester	8/1/2020	1.19%	1,383,812
Net Metering Project	8/1/2021	1.36%	99,265
Wet Weather SRF Loan	8/1/2029	2.58%	17,750,839
Haines Street Sewer Project	8/1/2030	2.62%	430,991
Nashua Storage Tank Facility	4/1/2033	2.63%	3,867,470
Dewatering Equipment Replacement	4/1/2033	2.63%	2,146,113
Aeration Blower Upgrade	4/1/2033	2.63%	2,791,417
Dewatering Equipment Replacement	5/1/2034	3.04%	1,760,000
Harbor Avenue SRF Loan	8/1/2034	2.86%	3,910,065
Water Pollution Control	8/1/2035	2.55%	12,625,774
<b>Total Wastewater Fund</b>			<b>46,765,746</b>
<b>Total Enterprise Fund Bonds and Notes Payable</b>			<b>\$ 56,186,234</b>

**B. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2018 are as follows:

<u>City and School</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 11,588,000	\$ 4,383,278	\$ 15,971,278
2020	11,315,000	3,905,580	15,220,580
2021	10,865,000	3,451,643	14,316,643
2022	10,760,000	3,049,642	13,809,642
2023	9,635,000	2,620,841	12,255,841
2024 - 2028	31,670,000	8,064,923	39,734,923
2029 - 2033	22,390,000	3,468,006	25,858,006
2034 - 2038	7,940,000	432,350	8,372,350
<b>City and School Total</b>	<b>\$ 116,163,000</b>	<b>\$ 29,376,263</b>	<b>\$ 145,539,263</b>

<u>Pennichuck</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,505,000	\$ 5,261,756	\$ 8,766,756
2020	3,590,000	5,175,568	8,765,568
2021	3,690,000	5,076,592	8,766,592
2022	3,795,000	4,970,430	8,765,430
2023	3,910,000	4,854,797	8,764,797
2024 - 2028	21,635,000	22,183,751	43,818,751
2029 - 2033	26,330,000	17,492,468	43,822,468
2034 - 2038	32,530,000	11,294,674	43,824,674
Thereafter	<u>31,545,000</u>	<u>3,525,087</u>	<u>35,070,087</u>
Pennichuck Total	\$ <u>130,530,000</u>	\$ <u>79,835,123</u>	\$ <u>210,365,123</u>

<u>Total Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 15,093,000	\$ 9,645,034	\$ 24,738,034
2020	14,905,000	9,081,148	23,986,148
2021	14,555,000	8,528,235	23,083,235
2022	14,555,000	8,020,072	22,575,072
2023	13,545,000	7,475,638	21,020,638
2024 - 2028	53,305,000	30,248,674	83,553,674
2029 - 2033	48,720,000	20,960,474	69,680,474
2034 - 2038	40,470,000	11,727,024	52,197,024
Thereafter	<u>31,545,000</u>	<u>3,525,087</u>	<u>35,070,087</u>
Combined Total	\$ <u>246,693,000</u>	\$ <u>109,211,386</u>	\$ <u>355,904,386</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,290,616	\$ 1,528,732	\$ 6,819,348
2020	5,223,618	1,393,591	6,617,209
2021	5,223,616	1,257,549	6,481,165
2022	4,331,205	1,121,503	5,452,708
2023	4,301,396	994,096	5,295,492
2024 - 2028	17,511,381	3,290,228	20,801,609
2029 - 2033	11,440,113	1,157,620	12,597,733
2034 - 2038	<u>2,864,289</u>	<u>133,699</u>	<u>2,997,988</u>
Total	\$ <u>56,186,234</u>	\$ <u>10,877,018</u>	\$ <u>67,063,252</u>

C. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2018 are as follows:

<u>Purpose</u>	<u>Amount</u>
Multi-year Paving Project	\$ 37,500,000
Performing Arts Center	15,500,000
Pump Stations Upgrade Project	8,500,000
Broad Street Parkway Project	6,629,100
Wastewater Wet Weather Facility and Disinfection Facility	5,996,285
Refunding of Prior Year Capital Improvement Bonds	5,745,000
Wastewater Collection System (Capacity, Management, Operation, and Maintenance Plan)	5,200,000
Refunding of Solid Waste and Wastewater State Revolving Loan Funds	4,077,060
Wastewater Treatment Plan Primary Tank Upgrades	3,900,000
Headworks Upgrade Project	3,800,000
Wastewater Infrastructure Replacements	2,500,000
Solid Waste Refuse Trucks	2,001,555
Purchase of Burke Street Property	1,917,100
Storage Tank Facility, Aeration Blower, and Sludge Dewatering Upgrade	1,538,453
City Building Improvements	1,253,000
Roof Replacements at Fairgrounds Middle School	1,200,000
Wastewater Treatment Plan Booster Stations Project	779,000
Solid Waste Four Hills Landfill Improvements	573,445
Light-Emitting Diode (LED) Street lights	241,000
Enterprise Resource Planning Modernization	198,300
Sunset Heights Elementary School Roof	119,000
Pumper Fire Truck	85,400
Citywide Telecommunications	62,500
Amherst Street Road and Traffic Improvements	59,400
Spit Brook Road Fire Station Renovations	33,000
Improvements at Four Hills Landfill	18,000
Hydroelectric Facility in Mine Falls Park	9,000
Total	<u>\$ 109,435,598</u>

**D. Changes in General Long-Term Liabilities**

During the year ended June 30, 2018, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/17	Additions	Reductions	Total Balance 6/30/18	Less Current Portion	Equals Long-Term Portion 6/30/18
<b><u>Governmental Activities</u></b>						
Bonds payable	\$ 127,723	\$ -	\$ (11,560)	\$ 116,163	\$ (11,588)	\$ 104,575
Unamortized bond premiums	7,527	-	(681)	6,846	(681)	6,165
Acquisition bonds payable	133,960	-	(3,430)	130,530	(3,505)	127,025
Subtotal bonds payable	269,210	-	(15,671)	253,539	(15,774)	237,765
Compensated absences <sup>(1)</sup>	17,345	1,777	(1,735)	17,387	(1,739)	15,648
Capital leases <sup>(1)</sup>	446	-	(84)	362	(86)	276
Net OPEB liability <sup>(1)</sup>	68,466	-	(1,706)	66,760	-	66,760
Net pension liability <sup>(1)</sup>	271,746	-	(23,353)	248,393	-	248,393
Totals	\$ 627,213	\$ 1,777	\$ (42,549)	\$ 586,441	\$ (17,599)	\$ 568,842

<sup>(1)</sup>The City typically uses the General Fund to liquidate governmental activities liabilities.

	Total Balance 7/1/17	Additions	Reductions	Total Balance 6/30/18	Less Current Portion	Equals Long-Term Portion 6/30/18
<b><u>Business-Type Activities</u></b>						
Bonds payable	\$ 61,669	\$ -	\$ (5,483)	\$ 56,186	\$ (5,290)	\$ 50,896
Unamortized bond premiums	1,202	-	(112)	1,090	(112)	978
Subtotal bonds payable	62,871	-	(5,595)	57,276	(5,402)	51,874
Compensated absences <sup>(2)</sup>	609	59	(61)	607	(61)	546
Landfill closure and postclosure costs	6,210	631	-	6,841	-	6,841
Total OPEB liability <sup>(2)</sup>	1,422	-	(3)	1,419	-	1,419
Net pension liability <sup>(2)</sup>	3,546	-	(119)	3,427	-	3,427
Totals	\$ 74,658	\$ 690	\$ (5,778)	\$ 69,570	\$ (5,463)	\$ 64,107

<sup>(2)</sup>The City typically uses the Wastewater and Solid Waste Funds to liquidate their respective business-type liabilities.

**15. Landfill Closure and Postclosure Care Costs**

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as a liability in the financial statements in each period based on landfill capacity used as of each balance sheet date.

The \$6,841,040 reported as landfill closure and postclosure care liability at June 30, 2018 comprises \$932,800 of post closure care cost for the Nashua Four Hills unlined landfill and \$5,908,240 in closure, and post closure costs for the Nashua Four Hills Phase I and Phase II lined expansion landfills. The recognition of these costs is based on annual statutorily required engineering estimates. Waste filling operations in the Phase II lined expansion landfill began in November 2009. The combined landfills are conservatively estimated to have an operational life of five years and remaining capacity is estimated to be 24%. The City will recognize the remaining estimated cost of closure and post closure care of the lined landfill as the remaining capacity is filled. The actual life of the landfill may be longer due to recycling efforts and actual costs may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

The City is required by State and Federal laws and regulations to make annual contributions to an account held by the City to finance closure and post closure costs of the municipal solid waste landfill. As of June 30, 2018, the City has cash on deposit with a balance of \$5,555,003 restricted for closure and post closure costs.

#### 16. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. Other deferred inflows of resources are described as follows:

	<u>Entity-wide Basis</u>	<u>Fund Basis</u>	
	<u>Governmental</u>	<u>Governmental Funds</u>	
	<u>Activities</u>	<u>General Fund</u>	<u>Nonmajor</u>
Unavailable revenues	\$ -	\$ 5,566,722	\$ 24,640
Taxes levied in advance	104,863,511	104,863,511	-
Gains on refunding bonds	<u>1,388,400</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 106,251,911</u>	<u>\$ 110,430,233</u>	<u>\$ 24,640</u>

*Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

*Taxes levied in advance* are reported in the governmental funds balance sheet and government-wide statement of net position in connection with subsequent year property tax revenue collections which are not available for use in the current year.



*Gains on refunding bonds* are reported in the government-wide statement of net position in connection with the unamortized amount of gains resulting from the refunding of long-term bonds.

17. **Governmental Funds – Fund Balances**

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The City implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2018:

**Nonspendable** - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for tax deeds and nonmajor governmental fund reserves for the principal portion of permanent funds.

**Restricted** - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes amounts restricted for future debt service, various special revenue funds, capital project funds, and the income portion of permanent funds.

**Committed** - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the City's Board of Aldermen. The City Charter designated the Board of Aldermen as its appropriating authority. This fund balance classification includes general fund escrows for non-lapsing appropriations, capital reserve funds set aside by Board of Alderman resolution for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54), various special revenue funds, and capital project funds. A similar action is needed to modify or rescind a commitment.

**Assigned** - Represents amounts that are constrained by the City's intent to use these resources for a specific purpose. In addition, this fund balance classification includes general fund encumbrances (purchase orders) that have been established by various City departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period. The City's Revised Ordinances (NRO) permits the Chief Financial Officer to make assignments.

**Unassigned** - Represents amounts that are available to be spent in future periods and temporary deficit balances in nonmajor governmental funds.

Following is a breakdown of the City's fund balances at June 30, 2018:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>				
Reserved for tax deeds	\$ 488,116	\$ -	\$ -	\$ 488,116
Nonexpendable cemetery permanent funds	-	-	18,096,629	18,096,629
Nonexpendable library permanent funds	-	-	4,727,295	4,727,295
Nonexpendable other permanent funds	-	-	183,359	183,359
<b>Total Nonspendable</b>	<b>488,116</b>	<b>-</b>	<b>23,007,283</b>	<b>23,495,399</b>
<b>Restricted</b>				
For future debt service	-	4,313,333	-	4,313,333
Police grants	-	-	31,071	31,071
Fire grants	-	-	59,090	59,090
Community health & services grants	-	-	31,315	31,315
Parks & recreation grants	-	-	12,994	12,994
Transit grants	-	-	256,120	256,120
CDBG/HOME grants	-	-	24,998	24,998
Community Development division grants	-	-	337,849	337,849
Other City grants	-	-	3,054	3,054
Food services	-	-	646,082	646,082
School grants	-	-	48,909	48,909
Fire projects	-	-	174,755	174,755
Public works projects	-	-	5,572,243	5,572,243
Community Development projects	-	-	115,000	115,000
School department projects	-	-	228,235	228,235
Technology projects	-	-	382,043	382,043
City-wide communications projects	-	-	467,028	467,028
Other projects	-	-	12,277	12,277
Cemetery expendable permanent funds	-	-	860,677	860,677
Library expendable permanent funds	-	-	734,576	734,576
Other expendable permanent funds	-	-	11,193	11,193
<b>Total Restricted</b>	<b>-</b>	<b>4,313,333</b>	<b>10,009,509</b>	<b>14,322,842</b>
<b>Committed</b>				
For continuing appropriations	4,094,632	-	-	4,094,632
School capital funds	1,021,301	-	-	1,021,301
City capital funds	7,928,861	-	-	7,928,861
City revolving funds	-	-	7,883,795	7,883,795
School revolving funds	-	-	1,122,796	1,122,796
Other trust funds	-	-	4,115,428	4,115,428
City building projects	-	-	23,833	23,833
<b>Total Committed</b>	<b>13,044,794</b>	<b>-</b>	<b>13,145,852</b>	<b>26,190,646</b>
<b>Assigned</b>				
For next year's tax rate	4,500,000	-	-	4,500,000
For encumbrances	1,257,462	-	-	1,257,462
For overlay contingency	1,500,000	-	-	1,500,000
For unfunded liabilities	4,900,000	-	-	4,900,000
<b>Total Assigned</b>	<b>12,157,462</b>	<b>-</b>	<b>-</b>	<b>12,157,462</b>
<b>Unassigned</b>				
General Fund	29,110,930	-	-	29,110,930
Deficit balances	-	-	(6,551,434)	(6,551,434)
<b>Total Unassigned</b>	<b>29,110,930</b>	<b>-</b>	<b>(6,551,434)</b>	<b>22,559,496</b>
<b>Total Fund Balance</b>	<b>\$ 54,801,302</b>	<b>\$ 4,313,333</b>	<b>\$ 39,611,210</b>	<b>\$ 98,725,845</b>

## 18. Retirement System

### *New Hampshire Retirement System*

The City follows the provisions of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

#### *A. Plan Description*

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost-sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

#### *B. Benefits Provided*

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 3 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	12	2.2%
Less than 4 years	49	24	2.1%

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7.00% for employees and teachers, 11.55% for police, and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.08% to 27.79% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2018 was \$23,924,823, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

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 NHRS and additions to/deductions from NHRS' 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 benefit terms. Investments are reported at fair value.

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

At June 30, 2018, the City reported a liability of \$244,236,535 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the most recent measurement date, the City's proportion was 4.96618324%, which was a decrease of 0.05867571% from the previous year.

For the year ended June 30, 2018, the City recognized pension expense of \$26,727,907. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 553,787	\$ (3,108,429)
Changes of assumptions	24,524,572	-
Net difference between projected and actual earnings on pension plan investments	-	(3,110,475)
Changes in proportion and differences between contributions and proportionate share of contributions	3,853,866	(3,067,605)
Contributions subsequent to the measurement date	<u>23,924,823</u>	<u>-</u>
Total	<u>\$ 52,857,048</u>	<u>\$ (9,286,509)</u>

The \$23,924,823 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 4,911,429
2020	4,911,429
2021	4,911,429
2022	<u>4,911,429</u>
Total	<u>\$ 19,645,716</u>

*F. Actuarial Assumptions*

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2016, rolled forward to June 30, 2017
Actuarial cost method	Entry Age Normal
Inflation	2.50%
Projected salary increases	5.60% average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

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

Asset Class	Target Allocation Percentage	Weighted Average Average Long-Term Expected Real Rate of Return
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	7.50	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.75%
Emerging Int'l Equities	7.00	6.25%
Total international equities	20.00	
Core Bonds	5.00	0.64%
Short Duration	2.00	-0.25%
Global Multi-Sector Fixed Income	11.00	1.71%
Unconstrained Fixed Income	7.00	1.08%
Total fixed income	25.00	
Private equity	5.00	6.25%
Private debt	5.00	4.75%
Opportunistic	5.00	3.68%
Total alternative investments	15.00	
Real estate	10.00	3.25%
Total	100.00 %	

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
\$ 321,769,377	\$ 244,236,535	\$ 180,701,441

*I. Pension Plan Fiduciary Net Position*

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

***Public Works Employees' Retirement System***

The City follows the provisions of *GASB Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* and *GASB Statement No. 68 Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

*A. Plan Description*

All Public Works employees of the City are members of the Public Works Employees' Retirement System (the System), a single-employer, defined benefit PERS. Eligible employees must participate in the System. The pension plan provides pension benefits and death and disability benefits to employees reaching age 60, provided they have accumulated 10 years of service. A City ordinance passed in 1947 established the System which is administered by a five-member Board of Trustees. Amendments to benefit provisions are made by the Board of Trustees with the concurrence of the Board of Aldermen. The Public Works Employees' Retirement System does not issue independent financial statements. Administrative costs are financed by Trust earnings.

Membership of each plan consisted of the following at July 1, 2016, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries receiving benefits	101
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>157</u>
Total	<u><u>259</u></u>

*B. Benefits Provided*

The System provides for retirement and death benefits. The retirement allowance benefit is up to a maximum 65% of final compensation reduced proportionately for creditable services less than 25 years (30 if hired after July 1, 2010). Benefit payments are based upon a member's age and length of creditable service. Members become fully vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 60 with 10 years of credited service or upon attaining 25 years (30 years if hired after July 1, 2010) of continuous service with the Board of Public Works. The plan also provides for early retirement for 65% of final compensation reduced by 0.555% for each month between age 60 and the member's early retirement date. In addition, the System provides for disability retirement allowance if age 60 or older with a minimum of 10 years of creditable service, 65% (60% if under age 60) of final compensation reduced proportionately for creditable service less than 25 years (30 years if hired after July 1, 2010).

The death allowance benefits are based upon creditable service and classification. Members become vested after 10 years of creditable service. Employee contributions must be left in the plan for the deferred vested benefit to be payable. Pre-retirement spouse benefits are paid at 50% of the benefit to which the member would have been entitled had the member retired on the date of death, when accidental death benefits are not payable, and if the member has 10 or more years of service.

Post-Retirement benefits of \$3,000 are paid to beneficiaries of retired members upon the death of the retired member. Accidental death benefits are 65% of final compensation to spouse until death or remarriage, or dependent child to age 18, or dependent parent for life.

*C. Contributions*

The City employees each contribute 9.15% of their base salary, as specified by ordinance. The City's contribution is determined by the actuarial valuation. The City's contribution to the System for the year ended June 30, 2018 was \$823,768, which was equal to its annual required contribution.

*D. Summary of Significant Accounting Policies*

The accounting policies of the System as reflected in the accompanying financial statements for the year ended June 30, 2018 conform to generally accepted accounting principles for public employee retirement systems (PERS). The more significant accounting policies of the System are summarized below.

*Basis of accounting:* Contributory retirement system financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized as revenue in the period in which the members provide services to the employer. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.



Investment policy: Investments are reported at fair value in accordance with requirements. System assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability: 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 System and additions to/deductions from System's fiduciary net position have been determined on the same basis as they are reported by System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

E. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2018 were as follows:

Total pension liability	\$ 49,042,240
Plan fiduciary net position	<u>(41,459,286)</u>
Employers' net pension liability	\$ <u>7,582,954</u>
Plan fiduciary net position as a percentage of total pension liability	84.54%

*Changes in the Net Pension Liability - Board of Public Works*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2017	\$ (47,443,844)	\$ 39,353,884	\$ (8,089,960)
Changes for the year:			
Service cost	(1,125,936)	-	(1,125,936)
Interest	(3,302,509)	-	(3,302,509)
Contributions - employer	-	823,768	823,768
Contributions - employee	-	823,768	823,768
Net investment income	-	3,290,484	3,290,484
Benefit payments, including refunds of employee contributions	2,830,049	(2,830,049)	-
Administrative expense	-	(2,569)	(2,569)
Net changes	<u>(1,598,396)</u>	<u>2,105,402</u>	<u>507,006</u>
Balances at June 30, 2018	\$ <u>(49,042,240)</u>	\$ <u>41,459,286</u>	\$ <u>(7,582,954)</u>

*F. Actuarial Assumptions*

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation Date	July 1, 2016
Actuarial cost method	Entry Age Actuarial Cost
Inflation	2.60%
Projected salary increases	Inflation of 3.00%, plus merit increases ranging from 2.00% to 0.00%, based on age
Investment rate of return	7.00%, net of investment-related and administrative expenses

Actuarial valuation of the ongoing System involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used in the July 1, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2014.

Mortality rates in the July 1, 2016 valuation for non-disabled individuals reflects the RP-2014 Mortality Table, adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2016.

Mortality rates in the July 1, 2016 valuation for disabled individuals reflects the RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to the valuation date with Scale MP-2016, setback 10 years.

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 (expected returns, net of pension plan investment expense and inflation) 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. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Real Return Arithmetic Basis</u>
Intermediate Bond	40.00%	2.00%	0.80%
US Large Cap Equity	30.00%	6.50%	1.95%
US Small Cap Equity	10.00%	8.00%	0.80%
International Equity	<u>20.00%</u>	6.20%	<u>1.24%</u>
Total	<u>100.00%</u>		4.79%
Inflation			<u>2.60%</u>
Expected arithmetic nominal return			<u>7.39%</u>

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. 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 active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00%) or 1 percentage-point higher (8.00%) than the current rate:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$ 12,881,075	\$ 7,582,954	\$ 3,053,508

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

At June 30, 2018, the City reported a liability of \$7,582,954 for its net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial

valuation as of July 1, 2016. The City's net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2018, the City recognized pension expense of \$1,151,839. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,796	\$ (189,414)
Changes in assumptions	17,543	(583,546)
Net difference between projected and actual earnings on pension plan investments	<u>71,054</u>	<u>-</u>
Total	<u>\$ 128,393</u>	<u>\$ (772,960)</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 258,590
2020	(55,606)
2021	(568,919)
2022	(238,969)
2023	(33,052)
Thereafter	<u>(6,611)</u>
Total	<u>\$ (644,567)</u>

**19. Other Post-Employment Benefits (GASB 75)**

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**A. City OPEB Plan**

All the following OPEB disclosures are based on a measurement date of June 30, 2018.

## General Information about the OPEB Plan

### Plan Description

The City provides post-employment healthcare benefits for retired employees through the City's plan. The City provides health insurance coverage through the City's self-insured employee benefits fund. The OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

The City indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City's healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

### Benefits Provided

The City provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

### Plan Membership

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	835
Active employees	<u>2,554</u>
Total	<u>3,389</u>

### Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Projected salary increases	3.25%, average, including inflation
Discount rate	3.87%
Healthcare cost trend rates	9.00% for 2019, fluctuating 0.50%, to an ultimate rate of 5.00% as of 2027 and later years
Retirees' share of benefit-related costs	100.00%

The discount rate was based on the Bond Buyer GO 20-Year Municipal Bond Index at June 30, 2018.

Mortality rates were based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 (RPH-2017 table is based on RPH-2014 table with 8 years of mortality improvement using Scale MP-2014 backed out and projected to 2017 using Scale MP-2017).

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of June 30, 2010.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The City's total OPEB liability of \$44,319,084 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2017	\$ 44,428,414
Changes for the year:	
Service cost	2,526,279
Interest	1,645,880
Changes of benefit terms	-
Differences between expected and actual experience	(3,613,115)
Changes in assumptions or other inputs	1,309,808
Benefit payments	<u>(1,978,182)</u>
Net Changes	<u>(109,330)</u>
Balances at June 30, 2017	<u>\$ 44,319,084</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 5.00% in 2017 to 3.87% in 2018 and healthcare trend rates were reset to an annual trend of 9.00% to an ultimate rate of 5.00%.

As noted previously, with the exception of one group of retirees described below, the City does not pay a direct subsidy towards their retiree's health insurance premiums. In accordance with RSA 100-A:50, retired employees shall be deemed to be

part of the same group as active employees for health insurance premium purposes, thereby resulting in a so-called "blended rate". The blended rate decreases the cost of insurance premiums for retirees and increases the cost for active employees, thereby resulting in the City paying an Implicit Subsidy.

The City's Explicit Subsidy pertains to only one group of retirees. Teachers who have retired after June 30, 1991 who have at least 20 years of service with the Nashua School District and who are actually receiving retirements benefits under the New Hampshire Retirement System, will have a portion of their health insurance premiums paid according to a set schedule based on the years of service at retirement. The subsidy ranges from 20% for a teacher retiree with 20 years of service at retirement to 50% for a teacher with 30+ years of service at retirement. The City's Explicit Subsidy associated with each eligible teacher retiree ends when the retiree is eligible for Medicare. The following table shows the Explicit and Implicit Liability amounts:

	<u>Explicit</u>	<u>Implicit</u>	<u>Totals</u>
Current Retirees	\$ 0.2 million	\$ 7.7 million	\$ 7.9 million
Future Retirees	<u>4.0 million</u>	<u>32.4 million</u>	<u>36.4 million</u>
Totals	<u>\$ 4.2 million</u>	<u>\$ 40.1 million</u>	<u>\$ 44.3 million</u>

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

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

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 48,270,357	\$ 44,319,084	\$ 40,735,334

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

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 39,593,604	\$ 44,319,084	\$ 49,864,553

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

For the year ended June 30, 2018, the City recognized an OPEB expense of \$3,843,115. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ (3,096,956)
Changes in assumptions	<u>1,122,693</u>	<u>-</u>
Total	<u>\$ 1,122,693</u>	<u>\$ (3,096,956)</u>

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

Year Ended June 30:

2019	\$ (329,044)
2020	(329,044)
2021	(329,044)
2022	(329,044)
2023	(329,044)
Thereafter	<u>(329,043)</u>
Total	<u>\$ (1,974,263)</u>

B. New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed in Note 19 A – H, the City participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. The four membership groups are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their



insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person - \$375.56  
 2 Person - \$751.12  
 1 Person Medicare Supplement - \$236.84  
 2 Person Medicare Supplement - \$473.68

Actuarial Assumptions and Other Inputs

The City's proportionate share of the NHRS Medical Subsidy as of June 30, 2018 is based upon an actuarial valuation performed as of June 30, 2016 rolled forward to June 30, 2017. The actuarial valuation used the following actuarial assumptions:

Price inflation	2.50%
Wage inflation	3.25%
Salary increases	5.60% average, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Discount rate	7.25%

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

Net OPEB Liability, Expense, and Deferred Outflows and Inflows

The City's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2017 was \$23,859,048.

For the year ended June 30, 2018, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$1,627,527. At June 30, 2018, the City reported

deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes in proportion	\$ -	\$ (59,445)
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>(75,287)</u>
Total	<u>\$ -</u>	<u>\$ (134,732)</u>

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

Year Ended June 30:

2019	\$ (26,946)
2020	(26,946)
2021	(26,946)
2022	(26,946)
2023	<u>(26,948)</u>
Total	<u>\$ (134,732)</u>

*Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate*

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

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
\$ 25,965,738	\$ 23,859,048	\$ 22,033,758

C. Consolidation of Total/Net OPEB Liabilities and Related Deferred Outflows and Inflows

The following consolidates the City's total OPEB liability and related deferred outflows/inflows, and the City's proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at June 30, 2018:

	Total/Net OPEB <u>Liability</u>	Total Deferred Outflows <u>of Resources</u>	Total Deferred Inflows <u>of Resources</u>
City OPEB Plan	\$ 44,319,084	\$ 1,122,693	\$ (3,096,956)
Proportionate share of NHRS Medical Subsidy Plan	<u>23,859,048</u>	<u>-</u>	<u>(134,732)</u>
Total	<u>\$ 68,178,132</u>	<u>\$ 1,122,693</u>	<u>\$ (3,231,688)</u>

The City reports a net OPEB liability in governmental activities as these respective employees are members of the NHRS, while Business-Type activities reports a total OPEB liability as these respective employees are included only in the City's plan that does not have assets held in a trust for future OPEB liabilities.

**20. Self-Insurance**

The City self-insures against claims for workers compensation, general liability, property, long-term disability, and employee health coverage. Annual estimated requirements for claims are provided in the City's annual operating budget.

Health Insurance

The City contracts with insurance carriers for claims processing. Under the terms of the insurance coverage, the employee is only liable for the cost sharing premiums and co-pays. The City retains the risk to \$350,000 and maintains excess insurance for claims that exceed \$350,000. The claims liability represents an estimate of claims incurred but unpaid at year-end, based on past historical costs and claims paid subsequent to year-end.

General Liability/Workers' Compensation

The City is self-administered for claims processing of the City's workers' compensation, property, and casualty programs. The workers' compensation, property, and casualty liabilities represent an estimate of future costs based on historical analysis of similar claims.

Changes in the aggregate liability for claims for the year ended June 30, 2018 are as follows:

	Year Ended <u>June 30, 2018</u>	Year Ended <u>June 30, 2017</u>
Claims liability, beginning of year	\$ 7,779,307	\$ 7,122,745
Claims incurred/recognized	46,465,056	47,245,408
Claims paid	<u>(47,103,244)</u>	<u>(46,588,846)</u>
Claims liability, end of year	<u>\$ 7,141,119 *</u>	<u>\$ 7,779,307 *</u>

\* This liability is considered to be all current.

The \$7,141,119 estimated liability for claims incurred, but not reported, includes only an estimate for known loss events expected to later be presented as claims. The City is unable to estimate the amount of unknown loss events expected to become claims and expected future developments on claims already reported.

## 21. Commitments and Contingencies

Outstanding Legal Issues - On an ongoing basis, there are typically pending legal issues in which the City is involved. The City's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Abatements - There are several cases pending before the Board of Tax and Land Appeals and Superior Court in regard to alleged discrepancies in property assessments. According to the City's counsel, the probable outcome of these cases at the present time is indeterminable.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

## 22. Tax Abatements

The City provides property tax abatements authorized under New Hampshire RSA 79E, *Community Revitalization Tax Relief Incentive*. The purpose of the program is to provide short-term property tax assessment relief to encourage enhancements to the downtown area with respect to economic activity and to replace or rehabilitate underutilized structures in urban centers. A property owner can apply for tax relief if:

- The building is located within the boundaries of the downtown Nashua Community Revitalization Tax Relief district,

- The rehabilitation costs are at least 15% of the building's pre-rehab assessed value, or \$75,000, whichever is less, and
- The rehabilitation is consistent with downtown Nashua Master Plan and the development regulations of the City.

In order to qualify for tax relief, the proposed substantial rehabilitation must provide at least one of the following public benefits:

- Enhances the economic vitality of the downtown;
- Enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located;
- Promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with New Hampshire RSA 9-B; or
- Increases residential housing in urban or town centers.

RSA Chapter 79E stipulates that the Board of Aldermen must review the application submitted by the property owner, schedule a public hearing within 60 days of receiving the application, and render a decision on the application within 45 days of the public hearing.

Property tax revenues were reduced by \$211,491 under agreements entered into by the City during fiscal year 2018.

### 23. Beginning Net Position Restatement

The beginning (July 1, 2017) net position of the City has been restated as follows:

	Government- Wide Financial Statements	Business-Type Activities		
		Fund Basis Financial Statements		
		Governmental Activities	Waste Water Fund	Solid Waste Fund
As previously reported	\$ 49,722,934	\$ 102,563,067	\$ 621,012	\$ 103,184,079
GASB 75 implementation for OPEB	(41,588,080)	(455,518)	(304,388)	(759,906)
As restated	<u>\$ 8,134,854</u>	<u>\$ 102,107,549</u>	<u>\$ 316,624</u>	<u>\$ 102,424,173</u>

**Pennichuck Corporation and Subsidiaries**  
Notes to Financial Statements

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**PENNICHUCK CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Description of Business and Summary of Significant Accounting Policies**

**Description of Business:**

Pennichuck Corporation (“the Company,” “we,” or “our”) is a holding company headquartered in Merrimack, New Hampshire with five wholly owned operating subsidiaries: Pennichuck Water Works, Inc., (“Pennichuck Water”) Pennichuck East Utility, Inc., (“Pennichuck East”) and Pittsfield Aqueduct Company, Inc. (“PAC”) (collectively referred to as our Company’s “utility subsidiaries”), which are involved in regulated water supply and distribution to customers in New Hampshire; Pennichuck Water Service Corporation (“Service Corporation”) which conducts non-regulated water-related services; and The Southwood Corporation (“Southwood”) which owns several parcels of undeveloped land.

The Company’s utility subsidiaries are engaged principally in the collection, storage, treatment and distribution of potable water to approximately 36,590 customers throughout the State of New Hampshire. The utility subsidiaries, which are regulated by the New Hampshire Public Utilities Commission (the “NHPUC”), are subject to the provisions of Accounting Standards Codification (“ASC”) Topic 980 “*Regulated Operations*.”

**Summary of Significant Accounting Policies:**

***Basis of Presentation***

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

***Use of Estimates in the Preparation of Consolidated Financial Statements***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Property, Plant and Equipment***

Property, plant and equipment, which includes principally the water utility assets of the Company’s utility subsidiaries, is recorded at cost plus an allowance for funds used during construction on major, long-term projects and includes property funded with contributions in aid of construction.

Maintenance, repairs and minor improvements are charged to expense as incurred. Improvements which significantly increase the value of property, plant and equipment are capitalized.



### ***Cash and Cash Equivalents***

Cash and cash equivalents generally consist of cash, money market funds and other short-term liquid investments with original maturities of three months or less.

### ***Restricted Cash – RSF***

This restricted cash balance consists of funds maintained for the Rate Stabilization Fund (“RSF”), which was established in conformity with the requirements of NHPUC Order 25,292, as explained more fully in Note 11 of these financial statements. The RSF is an imprest fund of \$5 million, which is subject to funding above or below the imprest fund balance, reflecting actual revenue performance as it relates to prescribed revenue levels supported by the RSF. The excess or deficient amount (versus the \$5.0 million imprest balance) is subject to return or collection to rate payers over the succeeding three-year period of time, as of the rate order issued with the next promulgated rate case filing. On November 7, 2017, the NH PUC approved and issued Order No. 26,070 which established new rates for Pennichuck Water. In addition, the rate order then authorized the reallocation of the existing \$5,000,000 Rate Stabilization Fund among the Company’s three utilities. Such that, Pennichuck Water’s allocated share of the RSF would now be \$3,920,000, with the remaining balance of \$1,080,000 to be allocated between Pennichuck East and Pittsfield Aqueduct. The purpose for splitting and allocating the existing RSF is to provide additional reserves which ensure sufficient capital to enable the Company to support its operations. For the years ending December 31, 2017 and 2016, the balances in the RSF were \$4.9 million and \$6.5 million, respectively.

### ***Restricted Cash – Bond Project Funds***

This restricted cash balance consists of funds remaining from the issuance of the Series 2014 and 2015 tax-exempt bonds (the “Bonds”) in December of 2014 and October of 2015, respectively. The proceeds from those bond issuance transactions are maintained in separate restricted cash accounts, with Trustee oversight, and are subject to withdrawal as a reimbursement of eligible capital project expenditures for the years 2014 through 2019, as defined by the indenture and issuance documents associated with each offering. The restricted cash accounts are also used as a “conduit” for the transfer of money from operating cash to restricted cash, allowing the Trustee to make the required payments to bondholders for principal and interest due semi-annually.

As of December 31, 2016, the funds in these restricted cash accounts totaled approximately \$7.6 million. During 2017, approximately \$3.3 million was withdrawn from the restricted cash accounts to make the principal and interest payments for the Bonds, on January 1 and July 1. Also during 2017, approximately \$4.3 million was withdrawn from the restricted cash accounts, and transferred to the Company’s operating cash accounts, for reimbursements of qualifying capital projects completed and “used and useful” during 2017, which were initially funded from working capital. In December 2017, approximately \$3.3 million was transferred into these restricted cash accounts from the Company’s operating cash accounts, to provide the funds needed to make the net principal and interest payments due on January 1, 2018 for the Bonds. As of December 31, 2017, the funds in these restricted cash accounts totaled approximately \$3.3 million.

### ***Concentration of Credit Risks***

Financial instruments that subject the Company to credit risk consist primarily of cash (including cash equivalents and restricted cash) and accounts receivable. Cash balances are invested in financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2017 and 2016, the Company had approximately \$9,000,000 and \$16,950,000 in excess of FDIC insured limits, respectively. Our accounts receivable balances primarily represent amounts due from the residential, commercial and industrial customers of our regulated water utility operations, as well as receivables from our Service Corporation customers.

### ***Accounts Receivable – Billed, Net***

Accounts receivable are recorded at the invoiced amounts. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable, and is determined based on historical write-off experience and the aging of account balances. We review the allowance for doubtful accounts quarterly. Account balances are written off against the allowance when it is probable the receivable will not be recovered.

### ***Accounts Receivable – Unbilled, Net***

We read our customer meters on a monthly basis and record revenues based on meter reading results. Information from the last meter reading date is used to estimate the value of unbilled revenues through the end of the accounting period. Estimates of water utility revenues for water delivered to customers but not yet billed are accrued at the end of each accounting period. Actual results could differ from those estimates.

### ***Inventory***

Inventory is stated at the lower of cost or market, cost being determined using the average cost method which approximates the first-in, first-out (FIFO) method through December 31, 2016. Effective January 1, 2017, inventory is stated at the lower of cost or net realizable value, cost being determined using the average cost method which approximates the FIFO method.

### ***Deferred Land Costs***

Included in deferred land costs is the Company's original basis in its undeveloped landholdings and any land improvement costs, which are stated at the lower of cost or market. All costs associated with real estate and land projects are capitalized and allocated to the project to which the costs relate. Administrative labor and the related fringe benefit costs attributable to the acquisition, active development, and construction of land parcels are capitalized as deferred land costs. No labor and benefits were capitalized for the years ended December 31, 2017 and 2016.

### ***Deferred Charges and Other Assets***

Deferred charges include certain regulatory assets and other assets. Regulatory assets are amortized over the periods they are recovered through NHPUC-authorized water rates. The Company's utility subsidiaries have recorded certain regulatory assets in cases where the NHPUC has permitted, or is expected to permit, recovery of these costs over future periods. Currently, the regulatory assets are being amortized over periods ranging from 2 to 25 years.

### ***Unamortized Debt Issuance Costs***

Unamortized debt issuance costs are amortized over the term of the related bonds and notes. The Company's utility subsidiaries have recorded unamortized debt issuance costs in cases where the NHPUC has permitted or is expected to permit recovery of these costs over future periods. The debt issuance costs are being amortized over the lives of the associated debt.

### ***Contributions in Aid of Construction***

Under construction contracts with real estate developers and others, the Company's utility subsidiaries may receive non-refundable advances for the cost of installing new water mains. These advances are recorded as Contributions in Aid of Construction ("CIAC"). The utility subsidiaries also record to plant and CIAC the fair market value of developer installed mains and any excess of fair market value over the cost of community water systems purchased from developers. CIAC are amortized over the life of the related properties.

### ***Revenues***

Standard charges for water utility services to customers are recorded as revenue, based upon meter readings and contract service, as services are provided. The majority of the Company's water revenues are based on rates approved by the NHPUC. Estimates of unbilled service revenues are recorded in the period the services are provided. Provision is made in the consolidated financial statements for estimated uncollectible accounts.

Non-regulated water management services include contract operations and maintenance, and water testing and billing services to municipalities and small, privately owned community water systems. Contract revenues are billed and recognized on a monthly recurring basis in accordance with agreed-upon contract rates. Revenues from unplanned additional work are based upon time and materials incurred in connection with activities not specifically identified in the contract, or for which work levels exceed contracted amounts.

Revenues from real estate operations, other than undistributed earnings or losses from equity method joint ventures, are recorded upon completion of a sale of real property. The Company's real estate holdings outside of our regulated utilities are comprised primarily of undeveloped land.

### ***Investment in Joint Venture***

Southwood uses the equity method of accounting for its investment in a joint venture in which it does not have a controlling interest. Under this method, Southwood records its proportionate share of losses under “Other, net” in the accompanying Consolidated Statements of Income (Loss) with a corresponding decrease in the carrying value of the investment.

### ***Income Taxes***

Income taxes are recorded using the accrual method and the provision for federal and state income taxes is based on income reported in the consolidated financial statements, adjusted for items not recognized for income tax purposes. Provisions for deferred income taxes are recognized for accelerated depreciation and other temporary differences. A valuation allowance is provided to offset any net deferred tax assets if, based upon available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Investment tax credits previously realized for income tax purposes are amortized for financial statement purposes over the life of the property, giving rise to the credit.

### ***Change in Accounting Principles***

Effective January 1, 2017, the Company adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. Under the amendments in this ASU, investments for which fair value is measured at net asset value per share (or its equivalent) using the practical expedient are not categorized in the fair value hierarchy. The amendments are to be applied retrospectively. The changes are reflected in the fair value leveling tables in Note 5.

Effective January 1, 2017, the Company adopted FASB ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, which simplifies the subsequent measurement of inventory by replacing the lower of cost or market test with a lower of cost or net realizable value test. Net realizable value is defined as estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Prior to 2017, the Company reported inventory at the lower of cost or market. This guidance is applied prospectively as determined by the standard. There is no prior year or current year effect to the financial statements as a result of this change.

### ***New Accounting Standards to be Adopted in the Future***

#### ***Revenue from Contracts with Customers***

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. This standard will

be effective for the Company for the year ending December 31, 2019. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

### Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the income statement. This ASU will be effective for the Company for the year ending December 31, 2020. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

### Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The ASU requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASU will be effective for the Company for the year ending December 31, 2021. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

## **Note 2 – Property, Plant and Equipment**

The components of property, plant and equipment as of December 31, 2017 and 2016 were as follows:

(in thousands)	<u>2017</u>	<u>2016</u>	<u>Useful Lives (in years)</u>
Utility Property:			
Land and land rights	\$ 3,305	\$ 3,079	-
Source of supply	65,608	61,450	3 - 70
Pumping and purification	31,075	30,851	7 - 64
Transmission and distribution, including services, meters and hydrants	161,193	145,202	15 - 91
General and other equipment	16,541	15,000	7 - 75
Intangible plant	790	790	20
Construction work in progress	<u>1,978</u>	<u>10,022</u>	
Total utility property	280,490	266,394	
Total non-utility property	<u>5</u>	<u>5</u>	5 - 10
Total property, plant and equipment	280,495	266,399	
Less accumulated depreciation	<u>(69,997)</u>	<u>(64,701)</u>	
Property, plant and equipment, net	<u>\$ 210,498</u>	<u>\$ 201,698</u>	

The provision for depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from 3 to 91 years. The weighted average composite depreciation rate was 2.56% and 2.54% in 2017 and 2016, respectively.

### Note 3 – Accounts Receivable

Accounts receivable consisted of the following at December 31, 2017 and 2016:

(in thousands)	<u>2017</u>	<u>2016</u>
Accounts receivable - billed	\$ 3,457	\$ 4,188
Less allowance for doubtful accounts	<u>(37)</u>	<u>(51)</u>
Accounts Receivable - billed, net	<u>\$ 3,420</u>	<u>\$ 4,137</u>
Accounts receivable - unbilled	\$ 2,265	\$ 1,921
Less allowance for doubtful accounts	<u>-</u>	<u>-</u>
Accounts Receivable - unbilled, net	<u>\$ 2,265</u>	<u>\$ 1,921</u>

### Note 4 – Deferred Charges and Other Assets

Deferred charges and other assets as of December 31, 2017 and 2016 consisted of the following:

(in thousands)	<u>2017</u>	<u>2016</u>	<u>Recovery Period (in years)</u>
Regulatory assets:			
Source development charges	\$ 952	\$ 1,041	5 - 25
Miscellaneous studies	980	854	2 - 25
Unrecovered pension and post-retirement benefits expense	<u>8,244</u>	<u>7,457</u>	(1)
Total regulatory assets	10,176	9,352	
Supplemental executive retirement plan asset	<u>735</u>	<u>706</u>	
Total deferred charges and other assets	<u>\$ 10,911</u>	<u>\$ 10,058</u>	

(1) We expect to recover these amounts consistent with the anticipated expense recognition of these assets.

## Note 5 – Post-retirement Benefit Plans

### Pension Plan and Other Post-retirement Benefits

The Company has a non-contributory, defined benefit pension plan (the “DB Plan”) that covers substantially all employees. The benefits are based on years of service and participant compensation levels. The Company’s funding policy is to contribute annual amounts that meet the requirements for funding under the U.S. Department of Labor’s Pension Protection Act. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

Post-retirement medical benefits are provided for eligible retired employees through one of two plans (collectively referred to as our “OPEB Plans”). For employees who retire on or after the normal retirement age of 65, benefits are provided through a post-retirement plan (the “Post-65 Plan”). For eligible non-union employees who retire prior to their normal retirement age and who have met certain age and service requirements, benefits are provided through a post-employment medical plan (the “Post-employment Plan”). Future benefits under the Post-65 Plan increase annually based on the actual percentage of wage and salary increases earned from the plan inception date to the normal retirement date. The benefits under the Post-employment Plan allow for the continuity of medical benefits coverage at group rates from the employee’s retirement date until the employee becomes eligible for Medicare, which are fully funded by the retiree. The liability related to the Post-65 Plan will be funded from the general assets of our Company.

Upon retirement, if a qualifying employee elects to receive medical benefits under our Post-65 Plan, we pay up to a maximum monthly benefit of \$341 based on years of service.

The following table sets forth information regarding our DB Plan and our OPEB Plans as of December 31, 2017 and for the year then ended:

(in thousands)	DB Plan	OPEB Plans
Projected benefit obligations	\$ 27,558	\$ 3,660
Employer contribution	1,111	11
Benefits paid, excluding expenses	(643)	(52)
Fair value of plan assets	17,766	612
Accumulated benefit obligation	24,760	-
Funded status	(9,792)	(3,047)
Net periodic benefit cost	1,368	218
Amount of the funded status recognized in the Consolidated Balance Sheet consisted of:		
Current liability	-	-
Non-current liability	(9,792)	(3,047)
Total	<u>\$ (9,792)</u>	<u>\$ (3,047)</u>

The following table sets forth information regarding our DB Plan and our OPEB Plans as of December 31, 2016 and for the year then ended:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Projected benefit obligations	\$ 23,899	\$ 3,165
Employer contribution	970	10
Benefits paid, excluding expenses	(1,056)	(47)
Fair value of plan assets	14,889	586
Accumulated benefit obligation	21,547	-
Funded status	(9,010)	(2,578)
Net periodic benefit cost	1,284	194
Amount of the funded status recognized in the Consolidated Balance Sheet consisted of:		
Current liability	-	-
Non-current liability	<u>(9,010)</u>	<u>(2,578)</u>
Total	<u>\$ (9,010)</u>	<u>\$ (2,578)</u>

Changes in plan assets and benefit obligations recognized in regulatory assets, for the year ended December 31, 2017, were as follows:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Regulatory asset balance, beginning of period	\$ 7,067	\$ 390
Net actuarial loss incurred during the period	871	259
Prior service cost incurred during the period	-	16
Recognized net actuarial (gain)/loss	<u>(345)</u>	<u>(14)</u>
Regulatory asset balance, end of period	<u>\$ 7,593</u>	<u>\$ 651</u>

Changes in plan assets and benefit obligations recognized in regulatory assets, for the year ended December 31, 2016, were as follows:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Regulatory asset balance, beginning of period	\$ 6,658	\$ 237
Net actuarial gain incurred during the period	737	145
Prior service cost incurred during the period	-	17
Recognized net actuarial (gain)/loss	<u>(328)</u>	<u>(9)</u>
Regulatory asset balance, end of period	<u>\$ 7,067</u>	<u>\$ 390</u>



Amounts recognized in regulatory assets for the DB and OPEB Plans that have not yet been recognized as components of net periodic benefit cost of the following as of December 31, 2017:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Net actuarial loss	\$ 7,593	\$ 815
Prior service cost	<u>-</u>	<u>(164)</u>
Regulatory asset	<u>\$ 7,593</u>	<u>\$ 651</u>

Amounts recognized in regulatory assets for the DB and OPEB Plans that have not yet been recognized as components of net periodic benefit cost of the following as of December 31, 2016:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Net actuarial loss	\$ 7,067	\$ 570
Prior service cost	<u>-</u>	<u>(180)</u>
Regulatory asset	<u>\$ 7,067</u>	<u>\$ 390</u>

The key assumptions used to value benefit obligations and calculate net periodic benefit cost for our DB and OPEB Plans include the following:

	<u>2017</u>	<u>2016</u>
Discount rate for net periodic benefit cost, beginning of year	4.02%	4.21%
Discount rate for benefit obligations, end of year <sup>(a)</sup>	3.50%	4.02%
Expected return on plan assets for the period (net of investment expenses)	7.00%	7.00%
Rate of compensation increase, beginning of year	3.00%	3.00%
Healthcare cost trend rate (applicable only to OPEB Plans)	7.50%	8.00%

<sup>(a)</sup> An increase or decrease in the discount rate of 0.5% would result in a change in the funded status as of December 31, 2017, for the DB Plan and the OPEB Plans of approximately \$2.1 million and \$324 thousand, respectively.

The estimated net actuarial loss for our DB Plan that will be amortized in 2018 from the regulatory assets into net periodic benefit costs is \$361,000. The estimated net actuarial gain and prior service cost for our OPEB Plans that will be amortized in 2018 from the regulatory assets into net periodic benefit costs is \$13,000.

In establishing its investment policy, the Company has considered the fact that the DB Plan is a major retirement vehicle for its employees and the basic goal underlying the establishment of the policy is to provide that the assets of the DB Plan are invested in accordance with the asset allocation range targets to achieve our expected return on DB Plan assets. The Company's investment strategy applies to its OPEB Plans as well as the DB Plan. The expected long-term rate of return on DB Plan and OPEB Plan assets is based on the Plans' expected asset allocation, expected returns on various classes of Plan assets, as well as historical returns.

The assets of our Post-65 Plan are held in two separate Voluntary Employee Beneficiary Association (“VEBA”) trusts. The VEBA plan assets are maintained in directed trust accounts at a commercial bank.

The investment strategy for the Company’s DB Plan and OPEB Plans utilizes several different asset classes with varying risk/return characteristics. The following table indicates the asset allocation percentages of the fair value of the DB Plan and OPEB Plans’ assets for each major type of plan asset as of December 31, 2017, as well as the targeted allocation range:

	<u>DB Plan</u>		<u>OPEB Plans</u>	
		<u>Asset Allocation Range</u>		<u>Asset Allocation Range</u>
Equities	63%	30% - 100%	69%	30% - 100%
Fixed income	37%	20% - 70%	29%	0% - 50%
Cash and cash equivalents	<u>0%</u>	0% - 15%	<u>2%</u>	0% - 15%
Total	<u>100%</u>		<u>100%</u>	

The following table indicates the asset allocation percentages of the fair value of the DB Plan and OPEB Plans’ assets for each major type of plan asset as of December 31, 2016, as well as the targeted allocation range:

	<u>DB Plan</u>		<u>OPEB Plans</u>	
		<u>Asset Allocation Range</u>		<u>Asset Allocation Range</u>
Equities	64%	30% - 100%	68%	30% - 100%
Fixed income	36%	20% - 70%	30%	0% - 50%
Cash and cash equivalents	<u>0%</u>	0% - 15%	<u>2%</u>	0% - 15%
Total	<u>100%</u>		<u>100%</u>	

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts that we could realize in a sales transaction for these instruments. The estimated fair value amounts have been measured as of year-end and have not been reevaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates.

Investments in common stock and mutual funds are stated at fair value by reference to quoted market prices. Money market funds are valued utilizing the net asset value per unit based on the fair value of the underlying assets as determined by the directed trustee.

The DB Plan also holds assets under an immediate participation guarantee group annuity contract with a life insurance company. The assets under the contract are invested in pooled separate accounts and in a general investment account. The pooled separate accounts are valued based on net asset value (NAV) per unit of participation in the fund. The NAV is used as a practical expedient to estimate fair values. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than that reported at NAV. These accounts have no unfunded commitments or significant redemption restrictions at year-end. The value of these units is determined by the trustee based on the current market values of the underlying assets of the pooled separate accounts. Therefore, the value of the pooled separate accounts is deemed to be at estimated fair value.

The general investment account is not actively traded, and significant other observable inputs are not available. The fair value of the general investment account is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

A fair value hierarchy which prioritizes the inputs to valuation methods is used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value of DB Plan and OPEB Plan assets by levels within the fair value hierarchy used as of December 31, 2017 was as follows:

(in thousands)	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>DB Plan:</b>				
Guaranteed Interest Accounts	\$ 3,215	\$ -	\$ -	\$ 3,215
Total Assets in the Fair Value Hierarchy	3,215	-	-	3,215
Investments measured at net asset value <sup>(a)</sup>	14,551	-	-	-
DB Plan Investments, at Fair Value	17,766	-	-	3,215

(continued)

(continued)

(in thousands)	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>OPEB Plans:</b>				
Common stocks	310	310	-	-
Mutual funds	111	111	-	-
Fixed income funds	180	180	-	-
Money market funds	11	-	11	-
Total Assets in the Fair Value Hierarchy	612	601	11	-
Investments measured at net asset value <sup>(a)</sup>	-	-	-	-
OPEB Plans Investments, at Fair Value	612	601	11	-
Totals	<u>\$ 18,378</u>	<u>\$ 601</u>	<u>\$ 11</u>	<u>\$ 3,215</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of assets available for benefits of the Plans.

The fair value of DB Plan and OPEB Plan assets by levels within the fair value hierarchy used as of December 31, 2016 was as follows:

(in thousands)	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>DB Plan:</b>				
Guaranteed Interest Accounts	<u>\$ 2,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,264</u>
Total Assets in the Fair Value Hierarchy	2,264	-	-	2,264
Investments measured at net asset value <sup>(a)</sup>	12,625	-	-	-
DB Plan Investments, at Fair Value	<u>14,889</u>	<u>-</u>	<u>-</u>	<u>2,264</u>

(continued)

(continued)

(in thousands)	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>OPEB Plans:</b>				
Common stocks	268	268	-	-
Mutual funds	131	131	-	-
Fixed income funds	173	173	-	-
Money market funds	13	-	13	-
Total Assets in the Fair Value Hierarchy	<u>585</u>	<u>572</u>	<u>13</u>	<u>-</u>
Investments measured at net asset value <sup>(a)</sup>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB Plans Investments, at Fair Value	<u>585</u>	<u>572</u>	<u>13</u>	<u>-</u>
Totals	<u>\$ 15,474</u>	<u>\$ 572</u>	<u>\$ 13</u>	<u>\$ 2,264</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of assets available for benefits of the Plans.

Level 1: Based on quoted prices in active markets for identical assets.

Level 2: Based on significant observable inputs.

Level 3: Based on significant unobservable inputs.

The following table summarizes investments at fair value based on NAV per share as of December 31, 2017 and 2016, respectively:

(in thousands)	<u>Fair Value</u>
December 31, 2017	
Pooled Separate Accounts:	
Equities	\$ 11,117
Fixed Income	<u>3,434</u>
Total Pooled Separate Accounts	<u>\$ 14,551</u>
December 31, 2016	
Pooled Separate Accounts:	
Equities	\$ 9,561
Fixed Income	<u>3,064</u>
Total Pooled Separate Accounts	<u>\$ 12,625</u>

The following table presents a period-end reconciliation of DB Plan assets measured and recorded at fair value on a recurring basis, using significant unobservable inputs (Level 3):

(in thousands)	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 2,264	\$ 2,581
Plan transfers	1,314	493
Contributions	222	196
Benefits paid	(651)	(1,068)
Return on plan assets (net of investment expenses)	<u>66</u>	<u>62</u>
Balance, end of year	<u>\$ 3,215</u>	<u>\$ 2,264</u>

In order to satisfy the minimum funding requirements of the Employee Retirement Income Security Act of 1974, applicable to defined benefit pension plans, the Company anticipates it will contribute approximately \$1.1 million to the DB Plan in 2018.

The following maximum benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
2018	\$ 818	\$ 70
2019	974	87
2020	980	90
2021	1,115	108
2022	1,248	123
2023 - 2027	<u>7,663</u>	<u>745</u>
Total	<u>\$ 12,798</u>	<u>\$ 1,223</u>

Because the Company is subject to regulation in the state in which it operates, we are required to maintain our accounts in accordance with the regulatory authority's rules and regulations. In those instances, we follow the guidance of ASC 980 ("Regulated Operations"). Based on prior regulatory practice, we recorded underfunded DB Plan and OPEB Plan obligations as a regulatory asset, and we expect to recover those costs in rates charged to customers.

#### **Defined Contribution Plan**

In addition to the defined benefit plan, the Company provides and maintains a defined contribution plan covering substantially all employees. Under this plan, the Company matches 100% of the first 3% of each participating employee's salary contributed to the plan. The matching employer's contributions, recorded as operating expenses, were approximately \$239,000 and \$215,000 for the years ended December 31, 2017 and 2016, respectively.

## Note 6 - Commitments and Contingencies

### Operating Leases

The Company's corporate office space, as well as certain office equipment, is leased under operating lease agreements. Total rent expense was approximately \$309,800 and \$344,800 for the years ended December 31, 2017 and 2016, respectively.

The remaining non-cancelable lease commitments for the corporate office space and leased equipment as of December 31, 2017 were as follows:

(in thousands)	<u>Amount</u>
2018	\$ 348
2019	343
2020	333
2021	338
2022	<u>199</u>
Total	<u>\$ 1,561</u>

## Note 7 – Financial Measurement and Fair Value of Financial Instruments

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts that we could realize in a sales transaction for these instruments. The estimated fair value amounts have been measured as of the period end and have not been reevaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates.

A fair value hierarchy is used, which prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1: Based on quoted prices in active markets for identical assets.

Level 2: Based on significant observable inputs.

Level 3: Based on significant unobservable inputs.

An asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

For assets and liabilities measured at fair value on a recurring basis, the fair value measurement by levels within the fair value hierarchy used as of December 31, 2017 and 2016 were as follows:

(in thousands)	<u>December 31, 2017</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Liabilities:				
Interest rate swap	\$ <u>(374)</u>	\$ <u>-</u>	\$ <u>(374)</u>	\$ <u>-</u>

(in thousands)	<u>December 31, 2016</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Liabilities:				
Interest rate swap	\$ <u>(453)</u>	\$ <u>-</u>	\$ <u>(453)</u>	\$ <u>-</u>

The carrying value of certain financial instruments included in the accompanying Consolidated Balance Sheets, along with the related fair value, as of December 31, 2017 and 2016 was as follows:

(in thousands)	<u>2017</u>		<u>2016</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Liabilities:				
Long-term debt	\$ (207,709)	\$ (234,509)	\$ (210,443)	\$ (264,700)
Interest rate swap liability	\$ (374)	\$ (374)	\$ (453)	\$ (453)

The fair value of long-term debt has been determined by discounting the future cash flows using current market interest rates for similar financial instruments of the same duration. The fair value for long-term debt shown above does not purport to represent the amounts at which those debt obligations would be settled. The fair market value of the interest rate swap represents the estimated cost to terminate this agreement as of December 31, 2017 and 2016 based upon the then-current interest rates and the related credit risk.

The carrying values of our Cash and Cash Equivalents, Accounts Receivable and Accounts Payable approximate their fair values because of their short maturity dates. The carrying value of our CIAC approximates its fair value because it is expected that this is the amount that will be recovered in future rates.

#### **Note 8 – Income Taxes**

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the TCJA). The TCJA makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) elimination of the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; (3) changing rules related to usage and limitation of net operating loss carryforwards created in tax years



beginning after December 31, 2017; and (4) changing rules related to limitation of interest expense deductions. Certain of TCJA's provisions require interpretation, which may be clarified through issuances of guidance by the U.S. Treasury Department, regulations, or future technical corrections.

FASB ASC 740 requires companies to recognize the effects of tax law changes in the period of enactment, which for the Company is for the year ended December 31, 2017, even though the effective date of most provisions of TCJA is January 1, 2018.

The Company's revaluation of federal deferred tax balances to reflect the 21% corporate income tax rate resulted in a one-time, non-cash expense of approximately \$2,500,000, included in the Company's provision for income taxes, offset by an increase in deferred income tax liabilities.

The components of the federal and state income tax provision (benefit) as of December 31, 2017 and 2016 were as follows:

(in thousands)	<u>2017</u>	<u>2016</u>
Federal	\$ 1,057	\$ 284
State	84	(116)
Amortization of investment tax credits	<u>(33)</u>	<u>(33)</u>
Total	<u>\$ 1,108</u>	<u>\$ 135</u>
Current	\$ -	\$ -
Deferred	<u>1,108</u>	<u>135</u>
Total	<u>\$ 1,108</u>	<u>\$ 135</u>

The following is a reconciliation between the statutory federal income tax rate and the effective income tax rate for 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Statutory federal rate	34.0%	34.0%
State tax rate, net of federal benefits	6.2%	5.4%
Permanent differences	-15.8%	-54.8%
Tax rate change	-45.8%	0.0%
Amortization of investment tax credits	<u>0.6%</u>	<u>3.0%</u>
Effective tax rate	<u>-20.8%</u>	<u>-12.4%</u>

The temporary items that give rise to the net deferred tax liability as of December 31, 2017 and 2016 were as follows:

(in thousands)	<u>2017</u>	<u>2016</u>
Liabilities:		
Property-related, net	\$ 19,967	\$ 27,599
Other	<u>373</u>	<u>563</u>
Total liabilities	<u>20,340</u>	<u>28,162</u>
Assets:		
Pension accrued liability	1,186	1,555
Net operating loss carryforward	5,042	4,480
Alternative minimum tax credit	476	476
NH Business Enterprise Tax credits	853	727
Other	<u>789</u>	<u>782</u>
	8,346	8,020
Less valuation allowance	<u>(853)</u>	<u>(727)</u>
Total assets	<u>7,493</u>	<u>7,293</u>
Net non-current deferred income tax liability	<u>\$ 12,847</u>	<u>\$ 20,869</u>

The Company had a federal net operating loss in 2017 and 2016 in the amounts of approximately \$6.7 million and \$1.6 million, respectively. The federal tax benefit of the cumulative net operating loss is approximately \$3.8 million which begins to expire in 2032, and is included in deferred income taxes in the Consolidated Balance Sheet as of December 31, 2017.

The Company also had a New Hampshire net operating loss in 2017 and 2016 in the amounts of approximately \$7.3 million and \$2.5 million, respectively. The New Hampshire tax benefit of the cumulative net operating loss is approximately \$1.2 million which begins to expire in 2022, and is included in deferred income taxes in the Consolidated Balance Sheet as of December 31, 2017.

As of December 31, 2017 and 2016, it is estimated that approximately \$476,000 and \$476,000, respectively, of cumulative federal alternative minimum tax credits may be carried forward indefinitely as a credit against our regular tax liability.

As of December 31, 2017 and 2016, the Company had New Hampshire Business Enterprise Tax ("NHBET") credits of approximately \$853,000 and \$727,000, respectively. NHBET credits begin to expire in 2018. It is anticipated that these NHBET credits will not be fully utilized before they expire; therefore, a valuation allowance has been recorded related to these credits. The valuation allowance increased by \$126,000 and \$358,000 in the years ended December 31, 2017 and 2016, respectively.

Investment tax credits resulting from utility plant additions are deferred and amortized. The unamortized investment tax credits are being amortized through the year 2033.

The Company had a regulatory liability related to income taxes of approximately \$9,955,000 and \$760,000 as of December 31, 2017 and 2016, respectively. This represents the estimated future reduction in revenues associated with deferred taxes which were collected at rates higher than the currently enacted rates and the amortization of deferred investment tax credits.

A review of the portfolio of uncertain tax positions was performed. In this regard, an uncertain tax position represents the expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. As a result of this review, it was determined that the Company had no material uncertain tax positions, and tax planning strategies will be used, if required and when possible, to avoid the expiration of any future net operating loss and/or tax credits.

The Company's practice is to recognize interest and/or penalties related to income tax matters in "Other, Net" in the Consolidated Statements of Income. We incurred no interest in 2017 and 2016. We incurred \$0 and \$0 of penalties during the years ended December 31, 2017 and 2016, respectively.

## Note 9 – Debt

Long-term debt as of December 31, 2017 and 2016 consisted of the following:

(in thousands)	2017	
	Principal	Unamortized Debt Issuance Costs
Unsecured note payable to City of Nashua, 5.75%, due 12/25/2041	\$ 108,960	\$ -
Unsecured senior note payable due to an insurance company 7.40%, due March 1, 2021	3,600	27
Unsecured Business Finance Authority:		
Revenue Bonds (Series 2015A), interest rates from 4.00% to 5.00%, due January 1, 2046	20,035	1,527
Revenue Bonds (Series 2015B), 5.00%, due January 1, 2046	1,940	251
Revenue Bonds (Series 2014A), interest rates from 3.00% to 4.125%, due January 1, 2045	39,935	1,949
Revenue Bonds (Series 2014B), 4.50%, due January 1, 2045	5,125	118
Unsecured notes payable to bank, floating-rate, due March 1, 2030	3,134	16
Unsecured notes payable to bank, 3.62%, due June 20, 2023	1,438	9
Unsecured notes payable to bank, 4.20%, due December 20, 2041	1,221	7
Unsecured notes payable to bank, 4.83%, due December 20, 2041	930	5
Unsecured notes payable to bank, 4.25%, due June 20, 2033	780	7
Unsecured notes payable to bank, 4.90%, due March 6, 2040	588	36
Unsecured New Hampshire State Revolving Fund ("SRF") notes (1)	20,023	182
Unamortized debt issuance costs for defeased obligations, allowed by regulation	-	95
<b>Total</b>	<b>207,709</b>	<b>\$ 4,229</b>
Less current portion	(5,575)	
Less unamortized debt issuance costs	(4,229)	
<b>Total long-term debt, less current portion and unamortized debt issuance costs</b>	<b>\$ 197,905</b>	

(1) SRF notes are due through 2048 at interest rates ranging from 1% to 3.8%. These notes are payable in 120 to 240 consecutive monthly installments of principal and interest. The 1% rate applies to construction projects still in process until the earlier of (i) the date of substantial completion of the improvements, or (ii) various dates specified in the note (such earlier date being the interest rate change date). Commencing on the interest rate change date, the interest rate changes to the lower of (i) the rate as stated in the note or (ii) 80% of the established 11 General Obligations Bond Index published during the specified time period before the interest rate change date.

(in thousands)	2016	
	Principal	Unamortized Debt Issuance Costs
Unsecured note payable to City of Nashua, 5.75%, due 12/25/2041	\$ 110,970	\$ -
Unsecured senior note payable due to an insurance company 7.40%, due March 1, 2021	4,000	36
Unsecured Business Finance Authority:		
Revenue Bonds (Series 2015A), interest rates from 4.00% to 5.00%, due January 1, 2046	20,555	1,614
Revenue Bonds (Series 2015B), 5.00%, due January 1, 2046	2,035	272
Revenue Bonds (Series 2014A), interest rates from 3.00% to 4.125%, due January 1, 2045	40,930	2,114
Revenue Bonds (Series 2014B), 4.50%, due January 1, 2045	5,215	123
Unsecured notes payable to bank, floating-rate, due March 1, 2030	3,332	17
Unsecured notes payable to bank, 3.62%, due June 20, 2023	1,505	11
Unsecured notes payable to bank, 4.20%, due December 20, 2041	1,250	7
Unsecured notes payable to bank, 4.83%, due December 20, 2041	950	5
Unsecured notes payable to bank, 4.25%, due June 20, 2033	815	7
Unsecured notes payable to bank, 4.90%, due March 6, 2040	602	38
Unsecured New Hampshire State Revolving Fund ("SRF") notes (1)	18,284	168
Unamortized debt issuance costs for defeased obligations, allowed by regulation	-	111
Total	210,443	\$ 4,523
Less current portion	(5,162)	
Less unamortized debt issuance costs	(4,523)	
Total long-term debt, less current portion and unamortized debt issuance costs	<u>\$ 200,758</u>	

(1) SRF notes are due through 2035 at interest rates ranging from 1% to 4.488%. These notes are payable in 120 to 240 consecutive monthly installments of principal and interest. The 1% rate applies to construction projects still in process until the earlier of (i) the date of substantial completion of the improvements, or (ii) various dates specified in the note (such earlier date being the interest rate change date). Commencing on the interest rate change date, the interest rate changes to the lower of (i) the rate as stated in the note or (ii) 80% of the established 11 General Obligations Bond Index published during the specified time period before the interest rate change date.

The aggregate principal payment requirements subsequent to December 31, 2017 are as follows:

(in thousands)	<u>Amount</u>
2018	\$ 5,576
2019	5,911
2020	6,169
2021	8,450
2022	6,343
2023 and thereafter	<u>175,260</u>
Total	<u>\$ 207,709</u>

Several of Pennichuck Water's loan agreements contain a covenant that prevents Pennichuck Water from declaring dividends if Pennichuck Water does not maintain a minimum net worth of \$4.5 million. As of December 31, 2017 and 2016, Pennichuck Water's net worth was \$118.0 million and \$122.1 million, respectively.

The 2014A, 2014B, 2015A and 2015B bonds were issued under a new bond indenture and loan and trust agreement, established with the issuance of the 2014 Series Bonds, which contains certain covenant obligations upon Pennichuck Water, which are as follows:

**Debt to Capital Covenant** - Pennichuck Water cannot create, issue, incur, assume or guarantee any short-term debt if (1) the sum of the short-term debt plus its funded debt ("Debt") shall exceed 85% of the sum of its short-term debt, funded debt and capital stock plus surplus accounts ("Capital"), unless the short-term debt issued in excess of the 85% is subordinated to the Series 2014 bonds. Thereby, the ratio of Debt to Capital must be equal to or less than 1.0. As of December 31, 2017 and 2016, Pennichuck Water Works has a Debt to Capital Coverage ratio of 0.5 and 0.5, respectively.

**All Bonds Test** - Additionally, Pennichuck Water cannot create, issue, incur, assume or guarantee any new funded debt, if the total outstanding funded debt ("Total Funded Debt") will exceed the sum of MARA (as defined in Note 11 of these consolidated financial statements) and 85% of its Net Capital Properties ("MARA and Capital Properties"), and unless net revenues or EBITDA (earnings before interest, taxes, depreciation and amortization) shall equal or exceed for at least 12 consecutive months out of the 15 months preceding the issuance of the new funded debt by 1.1 times the maximum amount for which Pennichuck Water will be obligated to pay in any future year ("Max Amount Due"), as a result of the new funded debt being incurred. Thereby, the ratio of Total Funded Debt to MARA and Capital Properties must be equal to or less than 1.0; as of December 31, 2017 and 2016, this coverage ratio was 0.4 and 0.4, respectively. Also, the ratio of EBITDA to the Max Amount Due must be equal to or greater than 1.1; as of December 31, 2017 and 2016, this ratio was 1.5 and 1.8, respectively.

**Rate Covenant Test** - If during any fiscal year, the EBITDA of Pennichuck Water shall not equal at least 1.1 times all amounts paid or required to be paid during that year

("Amounts Paid"), then the Company shall undertake reasonable efforts to initiate a rate-making proceeding with the NH Public Utilities Commission, to rectify this coverage requirement in the succeeding fiscal years. Thereby, the ratio of EBITDA to Amounts Paid must be equal to or greater than 1.1; as of December 31, 2017 and 2016, the Rate Covenant coverage ratio was 1.41 and 1.93, respectively.

Pennichuck East's loan agreement for its unsecured notes payable to a bank of \$8.1 million and \$8.5 million at December 31, 2017 and 2016, respectively, contains a minimum debt service coverage ratio requirement of 1.25. At December 31, 2017 and 2016, this ratio was 0.92 and 1.29, respectively. This covenant has not been met, and the Bank has waived such noncompliance. Also, Pennichuck East is required to maintain a maximum ratio of total debt to total capitalization of 65%; at December 31, 2017 and 2016, this ratio was 59% and 56%, respectively.

The Company's revolving credit loan facility with TD Bank contains a covenant that requires the Company to maintain a minimum fixed charge coverage ratio of at least 1.0; at December 31 2017 and 2016, the fixed charge coverage ratio was 0.81 and 1.05, respectively. The Company is also required to maintain an equity capitalization ratio of not less than 35%; at December 31, 2017 and 2016, the equity capitalization ratio was 34% and 36%, respectively. These covenants have not been met, and TD Bank has waived such noncompliance.

Under this agreement, the Company is also precluded from declaring or paying dividends, or making any other payment or distribution of its equity without the bank's prior written consent, except for: (1) its obligations under Rate Order No. 25,292 as it pertains to the Company's specific obligations under the City Bond Fixed Revenue Requirement ("CBFRR") which provides for payments of approximately \$707,000 per month of the note payable to the City of Nashua (the "City"), and quarterly dividends to the City for the remainder of this annual obligation, as defined by the order; and (2) a specific allowance, under Rate Order No. 25,292, whereby the Company is allowed to make distributions to the City from current earnings and profits in excess of the CBFRR, to provide funds to allow the City to reimburse itself for the costs incurred by the City relating to its efforts in pursuing the eminent domain proceedings from January 2002 through August 2009; provided, however, that such amount shall not exceed \$500,000 in any fiscal year, or \$5,000,000 in the aggregate, of all such distributions. No special dividend was declared or paid in 2017 or 2016.

Short-term borrowing activity under this revolving credit loan facility for the years ended December 31, 2017 and 2016 was:

(in thousands)	<u>2017</u>	<u>2016</u>
Established line as of December 31,	\$ 6,000	\$ 10,000
Maximum amount outstanding during period	5,574	1,118
Average amount outstanding during period	228	73
Amount outstanding as of December 31,	5,574	-
Weighted average interest rate during period	3.01%	2.22%
Interest rate as of December 31,	3.10%	2.251%

As of December 31, 2017 and 2016, the Company had a \$3.1 million and \$3.3 million, respectively, interest rate swap which qualifies as a derivative. This financial derivative is designated as a cash flow hedge. This financial instrument is used to mitigate interest rate risk associated with our outstanding \$3.1 million loan which has a floating interest rate based on the three-month London Interbank Offered Rate (“LIBOR”) plus 1.75% as of December 31, 2017. The combined effect of the LIBOR-based borrowing formula and the swap produces an “all-in fixed borrowing cost” equal to 5.95%. The fair value of the financial derivative, as of December 31, 2017 and 2016, included in our Consolidated Balance Sheets under “Other Liabilities and Deferred Credits” as “Derivative instrument” was \$374,000 and \$453,000, respectively. Changes in the fair value of this derivative were deferred in accumulated other comprehensive income (loss).

Swap settlements are recorded in the statement of income (loss) with the hedged item as interest expense. During the years ended December 31, 2017 and 2016, \$76,000 and \$123,000, respectively, was reclassified pre-tax from accumulated other comprehensive income (loss) to interest expense as a result of swap settlements. The Company expects to reclassify approximately \$109,000, pre-tax, from accumulated other comprehensive income (loss) to interest expense as a result of swap settlements, over the next twelve months.

#### **Note 10 – Accumulated Other Comprehensive Income**

The following table presents changes in accumulated other comprehensive income by component for the years ended December 31, 2017 and 2016:

(in thousands)	<u>Interest Rate Contract</u>	
	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 258	\$ 201
Other comprehensive income (loss) before reclassifications	1	(17)
Amounts reclassified from accumulated other comprehensive income	46	74
Net current period other comprehensive income	47	57
Ending balance	<u>\$ 305</u>	<u>\$ 258</u>



The following table presents reclassifications out of accumulated other comprehensive income for the years ended December 31, 2017 and 2016:

<u>Details about Accumulated Other Comprehensive Income Components</u>	<u>Amounts Reclassified from Accumulated Other Comprehensive Income</u>		<u>Affected Line Item in the Statement Where Net Income is Presented</u>
	<u>2017</u>	<u>2016</u>	
(in thousands)			
Gain (loss) on cash flow hedges			
Interest rate contracts	\$ 77	\$ 123	Interest expense
	<u>(31)</u>	<u>(49)</u>	Tax expense
Amounts reclassified from accumulated other comprehensive income	\$ 46	\$ 74	Net of tax

#### **Note 11 – Transaction with the City of Nashua**

On January 25, 2012, in full settlement of an ongoing Eminent Domain lawsuit filed by the City of Nashua (“City”) and with the approval of the New Hampshire Public Utilities Commission (“NHPUC”), the City acquired all of the outstanding shares of Pennichuck Corporation (“Pennichuck”) and, thereby, indirect acquisition of its regulated subsidiaries. The total amount of the acquisition was \$150.6 million (“Acquisition Price”) of which \$138.4 million was for the purchase of the outstanding shares, \$5.0 million for the establishment of a Rate Stabilization Fund, \$2.6 million for legal and due diligence costs, \$2.3 million for severance costs, \$1.3 million for underwriting fees, and \$1.0 million for bond discount and issue costs. The entire purchase of \$150.6 million was funded by General Obligation Bonds (“Bonds”) issued by the City of Nashua. Pennichuck is not a party to the Bonds and has not guaranteed nor is obligated in any manner for the repayment of the Bonds. Pennichuck remains an independent corporation with an independent Board of Directors, with the City of Nashua as its sole shareholder.

Pennichuck Water Works, Inc. (“PWW”), Pennichuck East Utility, Inc. (“PEU”), Pittsfield Aqueduct Company, Inc. (“PAC”), Pennichuck Water Service Corporation, and The Southwood Corporation will continue as subsidiaries of Pennichuck Corporation and PWW, PEU and PAC will continue as regulated companies under the jurisdiction of the New Hampshire Public Utilities Commission. The terms of the merger and the requisite accounting and rate-setting mechanisms were agreed to in the NHPUC Order 25,292 (“PUC Order”) dated November 23, 2011.

#### ***Transactions with Related Party – City of Nashua***

Pennichuck issued a promissory note to the City of Nashua in the amount of approximately \$120 million to be repaid over a thirty (30) year period with monthly payments of approximately \$707,000, including interest at 5.75%. Pennichuck recorded an additional amount of approximately \$30.6 million as contributed capital. The remaining outstanding balance of the note payable to the City at December 31, 2017 and 2016 was approximately \$109 million and \$111 million, respectively, as disclosed in Note 9 to these consolidated financial statements. During 2017 and 2016, dividends of approximately \$279,000 and

\$280,000, respectively, were declared and paid to the City. The dividends paid to the City during 2017 comprised approximately \$279,000 of regular quarterly dividends declared and paid; and no special dividend was declared or paid in 2017. The dividends paid to the City during 2016 comprised approximately \$280,000 of regular quarterly dividends declared and paid; and no special dividend was declared or paid in 2016.

Additional ongoing transactions occur in the normal course of business, between the Company and the City, related to municipal water usage, fire protection and sewer billing support services, and property taxes related to real property owned by the Company within the City of Nashua. For the years ended December 31, 2017 and 2016, respectively, approximately \$3.2 million and \$3.1 million were paid to the Company by the City for municipal water consumption, fire protection charges, and sewer billing support services. Conversely, the Company paid property taxes to the City of Nashua of approximately \$2.9 million for the year ended December 31, 2017, and approximately \$2.8 million for the year ended December 31, 2016.

#### ***Rate Stabilization Fund – Restricted Cash***

As a part of the acquisition, Pennichuck agreed to contribute \$5,000,000 of the proceeds from the settlement transaction to PWW, which was used to establish a Rate Stabilization Fund (“RSF”), allowing for the maintenance of stable water utility rates and providing a mechanism to ensure the Company’s continued ability to meet its obligations under the promissory note to the City, in the event of adverse revenue developments. Restricted cash consists of amounts set aside in the RSF account and is adjusted monthly as required in the PUC Order, as discussed in Note 1 of these financial statements.

#### ***Municipal Acquisition Regulatory Asset (“MARA”)***

Pursuant to the PUC Order, Pennichuck established a new Regulatory asset (MARA) which represents the amount that the Acquisition Price exceeded the net book assets of Pennichuck’s regulated subsidiaries (PWV, PEU, and PAC) at December 31, 2011. The initial amount of the MARA was approximately \$89 million for the regulated companies, offset by a non-regulated amount of approximately \$4.8 million. The MARA is to be amortized over a thirty (30) year period in the same manner as the repayment of debt service for the City’s acquisition bonds. The balance in the MARA at December 31, 2017 was approximately \$77.5 million, reduced by the non-regulated credit of approximately \$4.3 million.

Aggregate amortization expense for the years ended December 31, 2017 and 2016 totaled approximately \$1,917,000 and \$1,884,000, respectively.

The following table represents the total estimated amortization of MARA:

(in thousands)	<u>Estimated Amortization Expense</u>
2018	\$ 1,958
2019	2,006
2020	2,061
2021	2,119
2022	2,183
2023 and thereafter	<u>62,900</u>
Total	<u>\$ 73,227</u>

#### Note 12 – Rate Cases

##### *Pennichuck Water Works, Inc.*

On September 23, 2016, Pennichuck Water Works, Inc. (“PWW”) filed a request with the New Hampshire Public Utilities Commission (“NHPUC”) for a rate increase of 17.21% over its current rates for the test year 2015, for which 7.86% was related to a permanent rate increase, and 9.35% was related to a prospective step increase (associated with capital investments and other allowable expenditures in the twelve months following the test year). The overall rate increase is subject to the normal regulatory filing process with the NHPUC, as followed for all prior rate case filings, and as such, the final permanent rate increase granted will be effective retroactive back to the filing date, once approved by the NHPUC. The step increase, once approved and granted, would be earned on a forward-looking basis, as of the date of the order granting such increase. In addition, PWW requested that a temporary rate increase of 6.21% be granted as a subset of the final permanent rate increase, with the intention that this temporary rate increase would be approved very early in 2017. The Company, NHPUC Staff and the Office of Consumer Advocate agreed to a temporary rate increase at “current rates,” and as such, there was no impact on ratepayers for any temporary rate increases.

The request for the overall permanent rate increase was based upon increases in PWW’s operating costs since the last allowed rate increase in 2010/2011 (for the 2009 test year), as well as revenues needed to pay the debt service on over \$40 million of infrastructure replacements made since the last rate case, with those dollars being invested in its real property assets, distribution and treatment systems, and other necessary capital items, to ensure continued compliance with the Safe Drinking Water Act and prudent ongoing replacement of aging infrastructure to properly maintain the company’s operating systems.

On November 7, 2017, the PUC issued Order No. 26,070 approving a permanent rate increase of 3.12% and a 7.69% step increase for its customers. The permanent rate increase was effective on a bills-rendered basis on and after December 7, 2016. The step increase is effective the date of the order, November 7, 2017.

***Pennichuck East Utility, Inc.***

On October 18, 2017, Pennichuck East Utility, Inc. (“PEU”) filed a request with the New Hampshire Public Utilities Commission (“NHPUC”) for a rate increase of 21.24% over its current rates for the test year 2016, for which 20.08% of this increase is related to a permanent rate increase and 1.16% is related to a prospective step increase (associated with capital investments and other allowable expenditures in the twelve months following the test year). The overall rate increase is subject to the normal regulatory filing process with the NHPUC, as followed for all prior rate case filings, and as such, the final permanent rate increase granted will be effective retroactive back to the filing date, once approved by the NHPUC. The step increase, once approved and granted, would be earned on a forward-looking basis, as of the date of the order granting such increase. In addition, PEU requested that a temporary rate increase of 13.70% be granted as a subset of the final permanent rate increase, with the intention that this temporary rate increase would be approved in early 2018, and with permanent rates being set in the summer or fall of 2018.

The last general rate increase for PEU was in 2014, based upon 2012 as a test year. Since then, PEU’s operating expenses have increased ratably, and for some items like local property taxes, well above the rate of inflation. Additionally, since the beginning of 2013, the Company has borrowed and invested over \$7.5 million in new capital assets to serve its customers through ongoing investments in infrastructure replacements and system improvements. The rate increase being requested will allow PEU to pay the debt service attributable to these new capital investments; pay its necessary operating costs, and continue to meet the needs of its customers now and into the future.

A hearing was held on the Temporary Rate request on February 26, 2018, where the Commissioners were asked to opine on a temporary rate increase of 12.24%, pursuant to a Settlement Agreement entered into between the Company, the PUC Staff and the Office of Consumer Advocate and other intervenors to the case. Upon receiving an order authorizing a temporary rate increase, the new rates resulting from that will begin to be billed to customers in 2018.

**Note 13 – Subsequent Events**

The Company has evaluated the events and transactions that have occurred through March 21, 2018, the date that these consolidated financial statements were available for issuance, for which no reportable events were discovered.

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**Nashua Airport Authority**  
Notes to Financial Statements

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**NASHUA AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

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

The accounting policies of the Nashua Airport Authority ("the Authority") conform to accounting principles 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 Authority was established on August 27, 1961 by legislative act, as a separate legal entity. The Authority is located at Boire Field in Nashua, New Hampshire and provides general airport operations as well as airplane tie-down rentals. The Authority meets the criteria as a component unit of the City of Nashua, New Hampshire ("the City"). Such criteria includes appointment of the board of directors by the Mayor of the City, debt service guarantees by the City, inclusion of the Authority's employees in the City's retirement system (New Hampshire Retirement System) and budgetary appropriations from the City.

***Basis of Accounting***

The financial statements are presented on the accrual basis of accounting, wherein revenues are recognized when earned and expenses are recognized when incurred.

***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.

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position***

***Cash and Cash Equivalents*** - For purposes of the Statement of Cash Flows, cash and cash equivalents are comprised of demand deposits and cash on hand.

***Investments*** - Investments are recorded at their fair value. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

***Accounts Receivable*** - At June 30, 2018 accounts receivable includes unpaid tie-down fees and land lease rental fees. An allowance for estimated uncollected receivables is not deemed necessary as of June 30, 2018.

***Capital Assets*** - Capital assets are recorded at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date



received. Improvements are capitalized; 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. Interest incurred during the construction phase of capital assets is also capitalized. All reported capital assets except for land and construction in progress are depreciated. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives are as follows:

	<u>Years</u>
Land improvements	5-25
Buildings and improvements	10-39
Equipment	3-30

Compensated Absences - Employees earn vacation and sick leave as they provide services. Employees earn 1.25 sick days per month. Employees hired before July 1, 2014 may accumulate an unlimited number of sick days and upon retirement will be paid out 20% of unused sick time at current rates of pay. Employees hired after July 1, 2014 may accumulate up to 24 sick days and upon retirement will be paid out 50% of unused sick time at the current rate. Vacation amounts accrue according to length of employment. Employees may carry forward vacation days into the next year up to two times their annual accrual rate.

Other Post-Employment Benefits - 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, deferred outflows of resources, liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of bonds, notes or other 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 enabling legislation adopted by the Authority 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 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 Authority'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.

***Revenues and Expenses***

Operating Revenues and Expenses - Operating revenues for the Authority are those that result from providing services and producing and delivering goods in connection with its principal ongoing operations. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the services that are the primary activities of the Authority. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital Contributions - Funds received from other governments for the purpose of constructing assets are recorded as capital contributions.

**NOTE 2—DEPOSITS AND INVESTMENTS**

Deposits and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 368,050
Investments	<u>226,542</u>
Total deposits and investments	<u>\$ 594,592</u>

Deposits and investments at June 30, 2018 consist of the following:

Cash on hand	\$ 200
Deposits with financial institutions	<u>594,392</u>
Total deposits and investments	<u>\$ 594,592</u>

The Authority's investment policy 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 Authority limits its investments to demand deposits, money market accounts, and certificates of deposit.

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a formal investment policy for assurance against custodial credit risk.

Of the Authority's deposits with financial institutions at year end, \$3,344 was uninsured and uncollateralized.

**NOTE 3—DUE FROM OTHER GOVERNMENTS**

Receivables due from other governments consist of balances due from federal and state funding for the various airport improvement projects. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables as of June 30, 2018 is as follows:

State and Federal share of Federal Aviation Grants -	
AIP Project SBC#-12-16-2016	\$ 80,515
AIP Project SBC#-12-18-2017	174,340
AIP Project SBC#-12-19-2018	<u>296</u>
	<u>\$ 255,151</u>

**NOTE 4—CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended June 30, 2018:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018
Capital assets not being depreciated:				
Land	\$ 4,026,795			\$ 4,026,795
Construction in progress	1,589,381	\$ 487,242		2,076,623
Total capital assets not being depreciated	<u>5,616,176</u>	<u>487,242</u>	<u>\$ -</u>	<u>6,103,418</u>
Other capital assets:				
Land improvements	28,676,399			28,676,399
Buildings and improvements	1,525,306			1,525,306
Equipment	1,993,454	122,209		2,115,663
Total other capital assets at historical cost	<u>32,195,159</u>	<u>122,209</u>	<u>-</u>	<u>32,317,368</u>
Less accumulated depreciation for:				
Land improvements	(9,275,385)	(1,196,323)		(10,471,708)
Buildings and improvements	(974,065)	(40,010)		(1,014,075)
Equipment	(925,049)	(98,619)		(1,023,668)
Total accumulated depreciation	<u>(11,174,499)</u>	<u>(1,334,952)</u>	<u>-</u>	<u>(12,509,451)</u>
Total other capital assets, net	<u>21,020,660</u>	<u>(1,212,743)</u>	<u>-</u>	<u>19,807,917</u>
Total capital assets, net	<u>\$ 26,636,836</u>	<u>\$ (725,501)</u>	<u>\$ -</u>	<u>\$ 25,911,335</u>

**NOTE 5—OTHER POST EMPLOYMENT BENEFITS**

*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. Political subdivision employees, teachers and State employees belong to Group I. Police officers and firefighters belong to Group II. 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.

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 Authority's contribution rates for the covered payroll of employees was 0.30% for the year ended June 30, 2018. Contributions to the OPEB plan for the Authority were \$713 for the year ended June 30, 2018. 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, 2018, the Authority reported a liability of \$5,007 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, 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, 2016. The Authority's proportion of the net OPEB liability was based on actual contributions by the Authority 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, 2017, the Authority's proportion was approximately 0.0011 percent, which was an increase of 0.0003 percentage points from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$1,451. At June 30, 2018, the Authority 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>
Net difference between projected and actual earnings on OPEB plan investments		\$ 16
Changes in proportion and differences between Authority contributions and proportionate share of contributions	\$ 463	
Authority contributions subsequent to the measurement date	<u>713</u>	
Totals	<u>\$ 1,176</u>	<u>\$ 16</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 \$1,160. The Authority reported \$713 as deferred outflows of resources related to OPEB resulting from Authority 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, 2018. 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>	
2018	\$ 459
2019	(4)
2020	(4)
2021	<u>(4)</u>
	<u>\$ 447</u>

### ***Actuarial Assumptions***

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Wage inflation	3.25 percent
Salary increases	5.6 percent, average, including inflation
Investment rate of return	7.25 percent, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of weighted average long-term expected real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed income	25%	(0.25)-2.11%
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.25%
Real estate	10%	3.25%
Private equity	5%	6.25%
Private debt	5%	4.75%
Opportunistic	5%	2.84%
Total	<u>100%</u>	

The discount rate used to measure the collective total OPEB liability as of June 30, 2017 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. 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 Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the Authority'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:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Net OPEB Liability	\$ 5,449	\$ 5,007	\$ 4,624

## **NOTE 6—DEFINED BENEFIT PENSION PLAN**

### ***Plan Description***

The Authority 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 or from their website at [www.nhrs.org](http://www.nhrs.org).

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. All assets are held in a single trust and are available to pay retirement benefits to all members.

### ***Benefits Provided***

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members vested by January 1, 2012, who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have not attained status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by 1/4 of 1%. For Group II members who commenced service prior to July 1,

2011, who have not attained vested status prior to January 1, 2012, benefits are calculated 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 3 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%

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

### ***Funding Policy***

Plan members are required to contribute 7.0% of their covered salary and the Authority is required to contribute at an actuarially determined rate. The Authority's contribution rates for the covered payroll of general employees was 11.08% for the year ended June 30, 2018. The Authority contributes 100% of the employer cost.

Per RSA-100:16, 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. Contributions to the pension plan for the Authority were \$26,358 for the year ended June 30, 2018.

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

At June 30, 2018, the Authority reported a liability of \$305,006 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016. The Authority's proportion of the net pension liability was based on actual contributions by the Authority 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, 2017, the Authority's proportion was approximately 0.0062 percent, which was an increase of 0.0018 percentage points from its proportion measured as of June 30, 2016.



For the year ended June 30, 2018, the Authority recognized pension income of \$777. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 692	\$ 3,882
Changes of assumptions	30,627	
Net difference between projected and actual earnings on pension plan investments		3,884
Changes in proportion and differences between Authority contributions and proportionate share of contributions	71,811	123,835
Authority contributions subsequent to the measurement date	<u>26,358</u>	
Totals	<u>\$ 129,488</u>	<u>\$ 131,601</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as a decrease to unrestricted net position in the amount of \$2,113. The Authority reported \$26,358 as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense in the measurement periods as follows:

<u>June 30,</u>	
2018	\$ (27,516)
2019	(9,871)
2020	401
2021	<u>8,515</u>
	<u>\$ (28,471)</u>

### ***Actuarial Assumptions***

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2016, using the following actuarial assumptions:

Inflation	2.5 percent
Wage inflation	3.25 percent
Salary increases	5.6 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study. Retirement rates were based on a table of rates that are specific to the type of eligibility condition, last updated in 2015 pursuant to an experience study of the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of weighted average long-term expected real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed Income	25%	(0.25)-2.11%
Domestic equity	30%	4.25-4.50%
International equity	20%	4.50-6.25%
Real estate	10%	3.25%
Private equity	5%	6.25%
Private debt	5%	4.75%
Opportunistic	5%	2.84%
Total	<u>100%</u>	

#### ***Discount Rate***

The discount rate used to measure the collective pension liability was 7.25%. 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 only. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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 Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share

of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Authority's proportionate share of the net pension liability	\$ 401,830	\$ 305,006	\$ 225,662

## NOTE 7—LONG-TERM OBLIGATIONS

### *Changes in Long-Term Obligations*

The changes in the Authority's long-term obligations for the year ended June 30, 2018 are as follows:

Type	Balance <u>7/1/2017</u>	Additions	Reductions	Balance <u>6/30/2018</u>	Amounts Due Within <u>One Year</u>
Compensated absences	\$ <u>8,854</u>	\$ <u>2,394</u>	\$ <u>(2,048)</u>	\$ <u>9,200</u>	\$ <u>-</u>

## NOTE 8—OPERATING LEASES

The Authority leases land from the City of Nashua, New Hampshire under a master lease commencing October 8, 1974. The lease expires December 31, 2115. The rent for the term of the lease is \$1.

The Authority subleases a portion of this land pursuant to twenty-year operating leases. The base rent is adjusted biannually by the consumer price index. For the year ended June 30, 2018, lease income was \$333,024.

The Authority also leases the control tower under terms of a lease, which expires August 13, 2020. The rent for the term of the lease is \$1.

## NOTE 9—CONTINGENCIES

### *Litigation*

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

### *Federal Grants*

The Authority 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 expenses which may be disallowed by the granting agency cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

**NOTE 10—RESTATEMENT OF NET POSITION**

During the year ended June 30, 2018, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The impact of the restatement on beginning net position is as follows:

Net Position - July 1, 2017 (as previously reported)	\$ 26,748,955
Amount of restatement due to:	
Deferred outflows of resources related to OPEB	649
OPEB liability	<u>(3,757)</u>
Net Position - July 1, 2017, as restated	<u>\$ 26,745,847</u>

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**Required Supplementary Information**

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CITY OF NASHUA, NEW HAMPSHIRE  
**SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (GASB 68)**

JUNE 30, 2018  
(Unaudited)

New Hampshire Retirement System						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2018	June 30, 2017	4.96618324%	\$ 244,236,535	\$ 128,054,908	190.73%	62.66%
June 30, 2017	June 30, 2016	5.02485895%	\$ 267,201,666	\$ 130,717,303	204.41%	58.30%
June 30, 2016	June 30, 2015	5.01030399%	\$ 198,484,550	\$ 129,016,891	153.84%	65.47%
June 30, 2015	June 30, 2014	4.92539987%	\$ 184,879,108	\$ 102,555,267	180.27%	66.32%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.



**CITY OF NASHUA, NEW HAMPSHIRE**  
**SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)**

**JUNE 30, 2018**  
**(Unaudited)**

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2018	June 30, 2017	\$ 23,924,823	\$ (23,924,823)	\$ -	\$139,528,277	17.15%
June 30, 2017	June 30, 2016	\$ 21,281,680	\$ (21,281,680)	\$ -	\$128,054,908	16.62%
June 30, 2016	June 30, 2015	\$ 21,048,967	\$ (21,048,967)	\$ -	\$130,717,303	16.10%
June 30, 2015	June 30, 2014	\$ 19,432,673	\$ (19,432,673)	\$ -	\$129,016,789	15.06%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

**CITY OF NASHUA, NEW HAMPSHIRE  
BOARD OF PUBLIC WORKS' RETIREMENT SYSTEM  
Schedule of Changes in the Net Pension Liability (GASB 67)**

(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>				
Service cost	\$ 1,125,936	\$ 1,102,415	\$ 1,070,306	\$ 833,083
Interest on unfunded liability - time value of \$	3,302,509	3,317,923	3,201,701	3,165,454
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(262,266)	-	84,012
Changes of assumptions	-	24,291	-	(1,231,934)
Benefit payments, including refunds of member contributions	<u>(2,830,049)</u>	<u>(2,752,954)</u>	<u>(2,650,932)</u>	<u>(2,526,991)</u>
Net change in total pension liability	1,598,396	1,429,409	1,621,075	323,624
Total pension liability - beginning	<u>47,443,844</u>	<u>46,014,435</u>	<u>44,393,360</u>	<u>44,069,736</u>
<b>Total pension liability - ending (a)</b>	49,042,240	47,443,844	46,014,435	44,393,360
<b>Plan fiduciary net position*</b>				
Contributions - employer	823,768	795,263	794,440	772,343
Contributions - member	823,768	795,263	794,440	772,343
Net investment income	3,290,484	3,956,902	115,127	1,104,870
Benefit payments, including refunds of member contributions	<u>(2,830,049)</u>	<u>(2,752,954)</u>	<u>(2,650,932)</u>	<u>(2,526,991)</u>
Administrative expense	<u>(2,569)</u>	<u>(2,904)</u>	<u>(2,903)</u>	<u>(2,359)</u>
Net change in plan fiduciary net position	2,105,402	2,791,570	(949,828)	120,206
Plan fiduciary net position - beginning	<u>39,353,884</u>	<u>36,562,314</u>	<u>37,512,143</u>	<u>37,391,937</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>41,459,286</u>	<u>39,353,884</u>	<u>36,562,315</u>	<u>37,512,143</u>
<b>Net pension liability (asset) - ending (a-b)</b>	<u>\$ 7,582,954</u>	<u>\$ 8,089,960</u>	<u>\$ 9,452,120</u>	<u>\$ 6,881,217</u>

\*May reflect certain rounding and immaterial classification differences from the Statement of Changes in Fiduciary Net Position.

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**CITY OF NASHUA, NEW HAMPSHIRE  
BOARD OF PUBLIC WORKS' RETIREMENT SYSTEM**

**Schedules of Net Pension Liability, Contributions, and Investment Returns (GASB 67)**

(Unaudited)

<b>Schedule of Net Pension Liability</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 49,042,240	\$ 47,443,844	\$ 46,014,435	\$ 44,393,360
Plan fiduciary net position	<u>41,459,286</u>	<u>39,353,884</u>	<u>36,562,315</u>	<u>37,512,143</u>
Net pension liability (asset)	<u>\$ 7,582,954</u>	<u>\$ 8,089,960</u>	<u>\$ 9,452,120</u>	<u>\$ 6,881,217</u>
Plan fiduciary net position as a percentage of the total pension liability	84.54%	82.95%	79.46%	84.50%
Covered payroll	\$ 9,033,764	\$ 8,770,645	\$ 8,701,590	\$ 8,448,146
Participating employer net pension liability (asset) as a percentage of covered payroll	83.94%	92.24%	108.63%	81.45%
 <b>Schedule of Contributions</b>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Actuarially determined contribution	\$ 823,768	\$ 795,263	\$ 794,440	\$ 772,343
Contributions in relation to the actuarially determined contribution	<u>(823,768)</u>	<u>(795,263)</u>	<u>(794,440)</u>	<u>(772,343)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,033,764	\$ 8,770,645	\$ 8,701,590	\$ 8,448,146
Contributions as a percentage of covered payroll	9.12%	9.07%	9.13%	9.14%
 <b>Schedule of Investment Returns</b>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Year Ended June 30				
Annual money weighted rate of return, net of investment expense	8.47%	10.97%	0.31%	2.99%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

CITY OF NASHUA, NEW HAMPSHIRE  
 SCHEDULE OF PROPORTIONATE SHARE  
 OF THE NET OPEB LIABILITY (GASB 75)

JUNE 30, 2018  
 (Unaudited)

New Hampshire Retirement System Medical Subsidy

Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Net OPEB Liability
June 30, 2018	June 30, 2017	5.21812674%	\$23,859,048	\$ 129,898,379	18.37%	7.91%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

**CITY OF NASHUA, NEW HAMPSHIRE  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Schedules of Changes in the Total OPEB Liability and Contributions (GASB 75)**

(Unaudited)

**City of Nashua OPEB Plan\***

**Changes in Total OPEB Liability**

	<u>2018</u>
<b>Total OPEB liability</b>	
Service cost	\$ 2,526,279
Interest on unfunded liability - time value of \$	1,645,880
Changes of benefit terms	-
Differences between expected and actual experience	(3,613,115)
Changes of assumptions	1,309,808
Benefit payments, including refunds of member contributions	<u>(1,978,182)</u>
Net change in total OPEB liability	(109,330)
Total OPEB liability - beginning	<u>44,428,414</u>
<b>Total OPEB liability - ending (a)</b>	<b><u>\$ 44,319,084</u></b>
Covered employee payroll	\$ 133,162,456
Total OPEB Liability as a percentage of covered employee payroll	33.28%

Does not include New Hampshire Retirement System Medical Subsidy.

**Schedule of Contributions**

	<u>2018</u>
Actuarially determined contribution	\$ 3,843,115
Contributions in relation to the actuarially determined contribution	<u>1,978,182</u>
Contribution deficiency (excess)	<b><u>\$ 1,864,933</u></b>
Covered employee payroll	\$ 133,162,456
Contributions as a percentage of covered employee payroll	1.49%

\*Does not include New Hampshire Retirement System Medical Subsidy

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

## **Combining Financial Statements**

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Police Grants: to account for federal and State grants for the Police Department.
- Fire Grants: to account for federal and State grants for the Fire Department.
- Community Health and Services Grants: to account for federal and State health and human services grants.
- Parks and Recreation Grants: to account for federal and State parks and recreation grants.
- Transit Grants: to account for federal and State transportation grants.
- CDBG/Home Grants: to account for the Community Development Block and HOME grants.
- Community Development Division Grants: to account for the federal and State grants for the Community Development Department.
- Other Public Safety Grants: to account for federal and state public safety grants.
- Other City Grants: to account for all other City grants.
- Food Services: to account for the School Department's Food Service Program.
- School Grants: to account for the School Department's federal, State and local grants.
- City Revolving Funds: to account for the City's revolving funds.
- School Revolving Funds: to account for the School Department's revolving funds, other than Food Service.
- Other Trust Funds: to account for other City's Trust Funds.

## CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment other than those employed in the delivery of services accounted for in Enterprise Funds.

The current funds were established for the following purposes:

- Fire Projects: to account for Fire Department Capital Projects.
- Public Works Projects: to account for Public Works Department Capital Projects.
- Community Development Projects: to account for Community Development Department Capital Projects.
- School Department Projects: to account for School Department Capital Projects.
- Technology Projects: to account for Technology projects.
- City Building Projects: to account for capital projects related to City facilities.
- City-wide Communication Projects: to account for capital projects related to city-wide communication issues.
- Hydroelectric Projects: to account for the acquisition of the Mine Falls Dam.

## PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the City in a fiduciary capacity as trustee. The following is a description of City Permanent Funds:

- Cemetery Permanent Funds: to account for the City's Cemetery Funds.
- Library Permanent Funds: to account for the City's Library Funds.
- Other Permanent Funds: to account for Other Nonexpendable Funds.



CITY OF NASHUA, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2018

	Special Revenue Funds			
	Police Grants	Fire Grants	Community Health & Services Grants	Parks & Recreation Grants
<b>Assets</b>				
Cash and short term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other	-	-	6,059	-
Intergovernmental	110,340	27,449	185,971	-
Loans	-	-	-	-
Due from other funds	-	31,641	-	12,994
Total Assets	<u>\$ 110,340</u>	<u>\$ 59,090</u>	<u>\$ 192,030</u>	<u>\$ 12,994</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	79,269	-	160,715	-
Total Liabilities	79,269	-	160,715	-
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	31,071	59,090	31,315	12,994
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>31,071</u>	<u>59,090</u>	<u>31,315</u>	<u>12,994</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 110,340</u>	<u>\$ 59,090</u>	<u>\$ 192,030</u>	<u>\$ 12,994</u>

Special Revenue Funds

<u>Transit Grants</u>	<u>CDBG/Home Grants</u>	<u>Community Development Division Grants</u>	<u>Other Public Safety Grants</u>	<u>Other City Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
93,418	25,000	-	-	-
237,905	333,695	1,020	73,092	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>336,829</u>	<u>-</u>	<u>6,054</u>
<u>\$ 331,323</u>	<u>\$ 358,695</u>	<u>\$ 337,849</u>	<u>\$ 73,092</u>	<u>\$ 6,054</u>
\$ 50	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	4,380	3,000
<u>75,153</u>	<u>333,697</u>	<u>-</u>	<u>68,712</u>	<u>-</u>
75,203	333,697	-	73,092	3,000
-	-	-	-	-
-	-	-	-	-
256,120	24,998	337,849	-	3,054
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>256,120</u>	<u>24,998</u>	<u>337,849</u>	<u>-</u>	<u>3,054</u>
<u>\$ 331,323</u>	<u>\$ 358,695</u>	<u>\$ 337,849</u>	<u>\$ 73,092</u>	<u>\$ 6,054</u>

(continued)

(continued)

	Special Revenue Funds			
	Food Services	School Grants	City Revolving Funds	School Revolving Funds
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other	-	-	60,322	-
Intergovernmental	224,085	3,753,901	-	2,844
Loans	-	-	458,133	-
Due from other funds	<u>430,794</u>	<u>-</u>	<u>7,429,398</u>	<u>1,127,796</u>
Total Assets	<u>\$ 654,879</u>	<u>\$ 3,753,901</u>	<u>\$ 7,947,853</u>	<u>\$ 1,130,640</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	8,485	285,237	38,618	3,744
Unearned revenue	312	485	800	4,100
Due to other funds	<u>-</u>	<u>3,419,270</u>	<u>-</u>	<u>-</u>
Total Liabilities	8,797	3,704,992	39,418	7,844
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	24,640	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	646,082	48,909	-	-
Committed	-	-	7,883,795	1,122,796
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>646,082</u>	<u>48,909</u>	<u>7,883,795</u>	<u>1,122,796</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 654,879</u>	<u>\$ 3,753,901</u>	<u>\$ 7,947,853</u>	<u>\$ 1,130,640</u>

Special Revenue Funds		Capital Project Funds			
Other Trust Funds	Subtotal	Fire Projects	Public Works Projects	Community Development Projects	School Department Projects
\$ 2,330,355	\$ 2,330,355	\$ -	\$ -	\$ -	\$ -
2,033,785	2,033,785	-	-	-	-
-	184,799	-	-	-	-
-	4,950,302	-	151,459	-	-
-	458,133	-	-	-	-
-	9,375,506	174,755	1,148,994	-	-
<u>\$ 4,364,140</u>	<u>\$ 19,332,880</u>	<u>\$ 174,755</u>	<u>\$ 1,300,453</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -
-	336,084	-	-	-	-
-	13,077	-	-	-	-
248,712	4,385,528	-	-	1,859,484	76,925
248,712	4,734,739	-	-	1,859,484	76,925
-	24,640	-	-	-	-
-	-	-	-	-	-
-	1,451,482	174,755	5,572,243	115,000	228,235
4,115,428	13,122,019	-	-	-	-
-	-	-	(4,271,790)	(1,974,484)	(305,160)
<u>4,115,428</u>	<u>14,573,501</u>	<u>174,755</u>	<u>1,300,453</u>	<u>(1,859,484)</u>	<u>(76,925)</u>
<u>\$ 4,364,140</u>	<u>\$ 19,332,880</u>	<u>\$ 174,755</u>	<u>\$ 1,300,453</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

(continued)

	Capital Project Funds				
	Technology Projects	City Building Projects	City-wide Communications Projects	Hydroelectric Projects	Subtotal
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Departmental and other	-	-	-	-	-
Intergovernmental	-	-	-	-	151,459
Loans	-	-	-	-	-
Due from other funds	<u>382,043</u>	<u>23,833</u>	<u>467,028</u>	<u>12,277</u>	<u>2,208,930</u>
Total Assets	<u>\$ 382,043</u>	<u>\$ 23,833</u>	<u>\$ 467,028</u>	<u>\$ 12,277</u>	<u>\$ 2,360,389</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	1,936,409
Total Liabilities	-	-	-	-	1,936,409
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	-	-	-	-
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	382,043	-	467,028	12,277	6,951,581
Committed	-	23,833	-	-	23,833
Unassigned	-	-	-	-	(6,551,434)
Total Fund Balance	<u>382,043</u>	<u>23,833</u>	<u>467,028</u>	<u>12,277</u>	<u>423,980</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 382,043</u>	<u>\$ 23,833</u>	<u>\$ 467,028</u>	<u>\$ 12,277</u>	<u>\$ 2,360,389</u>

Permanent Funds				Total Nonmajor Governmental Funds
Cemetery Permanent Funds	Library Permanent Funds	Other Permanent Funds	Subtotal	
\$ 477,753	\$ 255,368	\$ 105,104	\$ 838,225	\$ 3,168,580
18,764,362	5,219,832	92,023	24,076,217	26,110,002
-	-	-	-	184,799
-	-	-	-	5,101,761
-	-	-	-	458,133
-	-	-	-	11,584,436
<u>\$ 19,242,115</u>	<u>\$ 5,475,200</u>	<u>\$ 197,127</u>	<u>\$ 24,914,442</u>	<u>\$ 46,607,711</u>
\$ -	\$ -	\$ -	\$ -	\$ 50
-	-	-	-	336,084
-	-	-	-	13,077
<u>284,809</u>	<u>13,329</u>	<u>2,575</u>	<u>300,713</u>	<u>6,622,650</u>
284,809	13,329	2,575	300,713	6,971,861
-	-	-	-	24,640
18,096,629	4,727,295	183,359	23,007,283	23,007,283
860,677	734,576	11,193	1,606,446	10,009,509
-	-	-	-	13,145,852
-	-	-	-	(6,551,434)
<u>18,957,306</u>	<u>5,461,871</u>	<u>194,552</u>	<u>24,613,729</u>	<u>39,611,210</u>
<u>\$ 19,242,115</u>	<u>\$ 5,475,200</u>	<u>\$ 197,127</u>	<u>\$ 24,914,442</u>	<u>\$ 46,607,711</u>

CITY OF NASHUA, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2018

	Special Revenue Funds			
	Police Grants	Fire Grants	Community Health & Services Grants	Parks & Recreation Grants
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Auto permits	-	-	-	-
Penalties, interest and other taxes	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	402,700	105,469	943,323	-
Investment income	-	-	-	-
Contributions	63,448	-	51,990	29,755
Cable TV franchise fees	-	-	-	-
Miscellaneous	-	-	385	-
<b>Total Revenues</b>	<b>466,148</b>	<b>105,469</b>	<b>995,698</b>	<b>29,755</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police	545,307	-	-	-
Fire	-	113,296	-	-
Education	-	-	-	-
Public works	-	-	-	-
Health and human services	-	-	972,137	-
Culture and recreation	-	-	-	16,892
Community development	-	-	-	-
Communications	-	-	-	-
Hydroelectric	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>545,307</b>	<b>113,296</b>	<b>972,137</b>	<b>16,892</b>
Excess (Deficiency) of Revenues Over Expenditures	(79,159)	(7,827)	23,561	12,863
<b>Other Financing Sources (Uses)</b>				
Transfers in	69,318	66,917	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>69,318</b>	<b>66,917</b>	<b>-</b>	<b>-</b>
Change in Fund Balance	(9,841)	59,090	23,561	12,863
Fund Balance at Beginning of Year	40,912	-	7,754	131
<b>Fund Balance at End of Year</b>	<b>\$ 31,071</b>	<b>\$ 59,090</b>	<b>\$ 31,315</b>	<b>\$ 12,994</b>

Special Revenue Funds

<u>Transit Grants</u>	<u>CDBG/Home Grants</u>	<u>Community Development Division Grants</u>	<u>Other Public Safety Grants</u>	<u>Other City Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
564,122	-	16,667	-	-
5,451,719	1,621,714	1,602,195	89,694	-
-	-	-	-	-
-	-	-	2,884	2,784
-	-	-	-	-
<u>162,324</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>-</u>
6,178,165	1,621,714	1,619,612	92,578	2,784
-	-	-	-	-
-	-	-	62,085	-
-	-	-	30,493	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	205
6,931,913	1,596,716	1,683,938	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,931,913</u>	<u>1,596,716</u>	<u>1,683,938</u>	<u>92,578</u>	<u>205</u>
(753,748)	24,998	(64,326)	-	2,579
490,255	-	271,572	-	-
-	-	(10,370)	-	-
<u>490,255</u>	<u>-</u>	<u>261,202</u>	<u>-</u>	<u>-</u>
(263,493)	24,998	196,876	-	2,579
<u>519,613</u>	<u>-</u>	<u>140,973</u>	<u>-</u>	<u>475</u>
<u>\$ 256,120</u>	<u>\$ 24,998</u>	<u>\$ 337,849</u>	<u>\$ -</u>	<u>\$ 3,054</u>

(continued)



(continued)

	Special Revenue Funds			
	Food Services	School Grants	City Revolving Funds	School Revolving Funds
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 106,972	\$ -
Auto permits	-	-	700,000	-
Penalties, interest and other taxes	-	-	382,036	-
Charges for services	1,936,127	-	1,418,208	1,155,646
Intergovernmental	2,995,429	8,798,370	1,962,022	42,600
Investment income	4,696	-	34,204	-
Contributions	-	-	51,756	-
Cable TV franchise fees	-	-	465,031	-
Miscellaneous	-	-	46,670	1,959
<b>Total Revenues</b>	<b>4,936,252</b>	<b>8,798,370</b>	<b>5,166,899</b>	<b>1,200,205</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	414,880	-
Police	-	-	1,584,906	-
Fire	-	-	20,195	-
Education	4,830,234	8,798,370	-	1,215,936
Public works	-	-	2,379,738	-
Health and human services	-	-	7,825	-
Culture and recreation	-	-	260,371	-
Community development	-	-	79,030	-
Communications	-	-	-	-
Hydroelectric	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	60,000	-
Interest	-	-	18,320	-
<b>Total Expenditures</b>	<b>4,830,234</b>	<b>8,798,370</b>	<b>4,825,265</b>	<b>1,215,936</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>106,018</b>	<b>-</b>	<b>341,634</b>	<b>(15,731)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	48,909	-	-
Transfers out	-	-	(72,601)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>48,909</b>	<b>(72,601)</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>106,018</b>	<b>48,909</b>	<b>269,033</b>	<b>(15,731)</b>
<b>Fund Balance at Beginning of Year</b>	<b>540,064</b>	<b>-</b>	<b>7,614,762</b>	<b>1,138,527</b>
<b>Fund Balance at End of Year</b>	<b>\$ 646,082</b>	<b>\$ 48,909</b>	<b>\$ 7,883,795</b>	<b>\$ 1,122,796</b>

Special Revenue Funds		Capital Project Funds			
Other Trust Funds	Subtotal	Fire Projects	Public Works Projects	Community Development Projects	School Department Projects
\$ -	\$ 106,972	\$ -	\$ -	\$ -	\$ -
-	700,000	-	-	-	-
-	382,036	-	-	-	-
41,025	5,131,795	-	-	-	-
-	24,015,235	-	1,386,948	-	-
332,834	371,734	-	-	-	-
631,487	834,104	-	-	-	-
-	465,031	-	-	-	-
-	212,088	-	173,000	-	27,690
<u>1,005,346</u>	<u>32,218,995</u>	-	<u>1,559,948</u>	-	<u>27,690</u>
181,668	596,548	-	-	-	-
25,133	2,217,431	-	-	-	-
2,754	166,738	1,439,864	-	-	-
143,266	14,987,806	-	-	-	326,401
406,821	2,786,559	-	3,842,993	-	-
-	979,962	-	-	-	-
44,511	321,979	-	-	-	-
-	10,291,597	-	-	2,024,484	-
-	-	-	-	-	-
-	-	-	-	-	-
-	60,000	-	-	-	-
-	18,320	-	-	-	-
<u>804,153</u>	<u>32,426,940</u>	<u>1,439,864</u>	<u>3,842,993</u>	<u>2,024,484</u>	<u>326,401</u>
201,193	(207,945)	(1,439,864)	(2,283,045)	(2,024,484)	(298,711)
96,043	1,043,014	-	-	165,000	-
(101,999)	(184,970)	-	(98,436)	-	-
<u>(5,956)</u>	<u>858,044</u>	-	<u>(98,436)</u>	<u>165,000</u>	-
195,237	650,099	(1,439,864)	(2,381,481)	(1,859,484)	(298,711)
<u>3,920,191</u>	<u>13,923,402</u>	<u>1,614,619</u>	<u>3,681,934</u>	<u>-</u>	<u>221,786</u>
<u>\$ 4,115,428</u>	<u>\$ 14,573,501</u>	<u>\$ 174,755</u>	<u>\$ 1,300,453</u>	<u>\$ (1,859,484)</u>	<u>\$ (76,925)</u>

(continued)

(continued)

	Capital Project Funds				
	Technology Projects	City Building Projects	City-wide Communications Projects	Hydroelectric Projects	Subtotal
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Auto permits	-	-	-	-	-
Penalties, interest and other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	1,386,948
Investment income	-	-	-	-	-
Contributions	-	-	-	-	-
Cable TV franchise fees	-	-	-	-	-
Miscellaneous	-	-	-	-	200,690
Total Revenues	-	-	-	-	1,587,638
<b>Expenditures</b>					
Current:					
General government	1,011,815	-	-	-	1,011,815
Police	-	-	-	-	-
Fire	-	-	-	-	1,439,864
Education	-	-	-	-	326,401
Public works	-	-	-	-	3,842,993
Health and human services	-	-	-	-	-
Culture and recreation	-	13,269	-	-	13,269
Community development	-	-	-	-	2,024,484
Communications	-	-	124,354	-	124,354
Hydroelectric	-	-	-	410,371	410,371
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	1,011,815	13,269	124,354	410,371	9,193,551
Excess (Deficiency) of Revenues Over Expenditures	(1,011,815)	(13,269)	(124,354)	(410,371)	(7,605,913)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	1,999	-	-	166,999
Transfers out	-	-	-	-	(98,436)
Total Other Financing Sources (Uses)	-	1,999	-	-	68,563
Change in Fund Balance	(1,011,815)	(11,270)	(124,354)	(410,371)	(7,537,350)
Fund Balance at Beginning of Year	1,393,858	35,103	591,382	422,648	7,961,330
Fund Balance at End of Year	\$ 382,043	\$ 23,833	\$ 467,028	\$ 12,277	\$ 423,980

Permanent Funds					
Cemetery Permanent Funds	Library Permanent Funds	Other Permanent Funds	Subtotal	Interfund Activity	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,972
-	-	-	-	-	700,000
-	-	-	-	-	382,036
-	-	-	-	-	5,131,795
-	-	-	-	-	25,402,183
1,674,645	491,076	12,526	2,178,247	-	2,549,981
92,362	-	-	92,362	-	926,466
-	-	-	-	-	465,031
-	-	-	-	-	412,778
<u>1,767,007</u>	<u>491,076</u>	<u>12,526</u>	<u>2,270,609</u>	-	<u>36,077,242</u>
86,712	-	791	87,503	-	1,695,866
-	-	-	-	-	2,217,431
-	-	-	-	-	1,606,602
-	-	-	-	-	15,314,207
-	-	-	-	-	6,629,552
-	-	243	243	-	980,205
-	78,657	-	78,657	-	413,905
-	-	-	-	-	12,316,081
-	-	-	-	-	124,354
-	-	-	-	-	410,371
-	-	-	-	-	60,000
-	-	-	-	-	18,320
<u>86,712</u>	<u>78,657</u>	<u>1,034</u>	<u>166,403</u>	-	<u>41,786,894</u>
1,680,295	412,419	11,492	2,104,206	-	(5,709,652)
9,679	-	-	9,679	(204,293)	1,015,399
<u>(480,209)</u>	<u>-</u>	<u>(2,574)</u>	<u>(482,783)</u>	<u>204,293</u>	<u>(561,896)</u>
<u>(470,530)</u>	<u>-</u>	<u>(2,574)</u>	<u>(473,104)</u>	<u>-</u>	<u>453,503</u>
1,209,765	412,419	8,918	1,631,102	-	(5,256,149)
<u>17,747,541</u>	<u>5,049,452</u>	<u>185,634</u>	<u>22,982,627</u>	<u>-</u>	<u>44,867,359</u>
<u>\$ 18,957,306</u>	<u>\$ 5,461,871</u>	<u>\$ 194,552</u>	<u>\$ 24,613,729</u>	<u>\$ -</u>	<u>\$ 39,611,210</u>

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**Detail and Combining Budget  
and Actual Schedules**

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CITY OF NASHUA, NEW HAMPSHIRE

Detail Schedule of Revenues and Other Financing Sources -  
Budget and Actual - General Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Adjusted Actual	Variance With Final Budget
Property Tax	\$ 205,967,665	\$ 205,967,665	\$ 206,338,909	\$ 371,244
Auto permits	9,920,000	9,920,000	14,555,808	4,635,808
Penalties, interest and other taxes:				
Interest and cost on redemption	375,000	375,000	713,508	338,508
Payments in lieu of taxes	371,000	371,000	368,657	(2,343)
Interest on taxes	225,000	225,000	334,049	109,049
Other	-	-	93	93
Total Penalties, interest and other taxes	971,000	971,000	1,416,307	445,307
Charges for services:				
Income from departments	982,710	982,710	986,057	3,347
Total Charges for services	982,710	982,710	986,057	3,347
Intergovernmental:				
State Catastrophic Aid	349,007	349,007	305,237	(43,770)
State adequacy grant	35,257,382	35,257,382	35,270,869	13,487
State aid - buildings	2,281,549	2,281,549	2,281,549	-
State aid - Charter schools	-	-	39,639	39,639
Vocational Education	150,000	150,000	196,859	46,859
Medicaid	1,700,000	1,700,000	1,800,199	100,199
Meals and room tax	4,515,027	4,515,027	4,515,027	-
Other	32,806	32,806	145,363	112,557
Total Intergovernmental	44,285,771	44,285,771	44,554,742	268,971
Licenses and permits:				
Building permits	471,000	471,000	567,877	96,877
Business licenses and permits	149,400	149,400	174,780	25,380
Other licenses and permits	611,150	611,150	636,397	25,247
Total Licenses and permits	1,231,550	1,231,550	1,379,054	147,504
Interest and dividends	450,000	450,000	909,151	459,151
Miscellaneous:				
Hydroelectric power generation	1,382,000	1,382,000	1,250,101	(131,899)
Cable TV franchise	885,000	885,000	965,834	80,834
Fines and forfeits	27,300	27,300	22,239	(5,061)
Contributions	500,000	500,000	505,000	5,000
Sale of property	313,200	313,200	310,534	(2,666)
Rental of property	547,116	547,116	698,734	151,618
Reimbursements and other	36,116	36,116	156,896	120,780
Total Miscellaneous	3,690,732	3,690,732	3,909,338	218,606
Transfers In:				
Transfers from other funds	497,653	1,361,604	1,425,849	64,245
Total Transfers In	497,653	1,361,604	1,425,849	64,245
Other Financing Sources:				
Use of fund balance	7,100,000	7,100,000	7,100,000	-
Total Other Financing Sources	7,100,000	7,100,000	7,100,000	-
Total	\$ 275,097,081	\$ 275,961,032	\$ 282,575,215	\$ 6,614,183



CITY OF NASHUA, NEW HAMPSHIRE

Detail Schedule of Expenditures and Other Financing Uses  
Budget and Actual - General Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Adjusted Actual	Variance With Final Budget
<b>General Government:</b>				
Mayor	\$ 430,672	\$ 429,455	\$ 429,338	\$ 117
Board of Aldermen	229,648	223,637	223,432	205
Legal	587,092	570,027	569,854	173
City Clerk	521,612	531,764	531,563	201
Civic and Community activities	865,261	981,561	981,458	103
Human resources	753,837	706,045	705,536	509
Insurance - Benefits	160,000	22,500	22,010	490
Pensions	1,000	1,034	600	434
Telecommunications	143,420	133,420	132,951	469
Information technology	2,620,200	2,535,665	2,535,172	493
Financial services	2,042,210	1,982,967	1,982,783	184
Risk Management	3,342,035	3,342,035	3,342,035	-
Building maintenance	513,343	534,294	534,050	244
Purchasing	301,388	301,342	301,051	291
Hunt building	26,178	26,135	26,126	9
Assessors	723,197	711,677	711,494	183
GIS	204,405	201,544	201,377	167
Cemeteries	737,715	686,558	685,611	947
Contingencies	444,179	262,169	261,835	334
Capital	1,023,250	1,358,250	1,358,250	-
<b>Total General Government</b>	<b>15,670,642</b>	<b>15,542,079</b>	<b>15,536,526</b>	<b>5,553</b>
Police	29,859,056	30,080,047	30,079,321	726
Fire	23,951,890	24,215,376	24,214,158	1,218
Water fire protection	3,100,000	2,870,000	2,869,869	131
Education	143,288,882	143,375,272	143,375,026	246
<b>Public Works:</b>				
PW Division and Engineering	1,511,368	1,424,425	1,423,984	441
Street department	7,048,804	6,603,841	6,603,628	213
Street lighting	604,800	460,800	460,306	494
Parking operations	332,206	295,454	295,120	334
Solid waste	3,982,315	3,982,315	3,982,315	-
<b>Total Public Works</b>	<b>13,479,493</b>	<b>12,766,835</b>	<b>12,765,353</b>	<b>1,482</b>
<b>Health and Human Services:</b>				
Community services	329,952	289,254	288,766	488
Community health	526,409	465,609	465,236	373
Environmental health	479,662	475,754	475,448	306
Welfare administration	450,101	432,068	431,693	375
Welfare costs	596,350	418,350	417,812	538
<b>Total Health and Human Services</b>	<b>2,382,474</b>	<b>2,081,035</b>	<b>2,078,955</b>	<b>2,080</b>
<b>Culture and Recreation:</b>				
Parks and recreation	3,226,935	3,270,947	3,270,822	125
Public libraries	3,201,829	3,128,618	3,128,458	160
<b>Total Culture and Recreation</b>	<b>6,428,764</b>	<b>6,399,565</b>	<b>6,399,280</b>	<b>285</b>
Community Development	2,855,595	2,802,745	2,802,042	703
Communications	321,656	304,149	303,660	489
Hydroelectric	456,070	416,570	416,109	461
<b>Debt Service:</b>				
Principal	11,500,000	11,500,000	11,500,000	-
Interest and cost	4,999,387	4,829,187	4,828,818	369
<b>Total Debt Service</b>	<b>16,499,387</b>	<b>16,329,187</b>	<b>16,328,818</b>	<b>369</b>
Intergovernmental	11,820,795	11,820,795	11,820,795	-
Transfers out	4,982,377	6,957,377	6,957,377	-
<b>Total</b>	<b>\$ 275,097,081</b>	<b>\$ 275,961,032</b>	<b>\$ 275,947,289</b>	<b>\$ 13,743</b>

## **Proprietary Fund Types**

### **Internal Service Funds**

Internal Service Funds are proprietary fund types established for the City's self-insurance programs.

The City of Nashua has the following Internal Service Funds:

**Employee Benefits Fund**: To account for the operation of the City's self-insurance program for employees' healthcare.

**Property and Casualty Fund**: To account for the operation of the City's self-insurance program for general property and casualty insurance.

CITY OF NASHUA, NEW HAMPSHIRE  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018

	Governmental Activities Internal Service Fund		
	Employee Benefits Fund	Property & Casualty Fund	Total
<b>Assets</b>			
Current:			
Due from other funds	\$ 10,316,856	\$ 4,762,487	\$ 15,079,343
Other assets	<u>1,700,152</u>	<u>-</u>	<u>1,700,152</u>
<b>Total Assets</b>	12,017,008	4,762,487	16,779,495
<b>Liabilities</b>			
Current:			
Accrued liabilities	3,544,431	3,596,688	7,141,119
Other liabilities	<u>860,276</u>	<u>-</u>	<u>860,276</u>
<b>Total Liabilities</b>	4,404,707	3,596,688	8,001,395
<b>Net Position</b>			
Unrestricted	<u>7,612,301</u>	<u>1,165,799</u>	<u>8,778,100</u>
<b>Total Net Position</b>	<u>\$ 7,612,301</u>	<u>\$ 1,165,799</u>	<u>\$ 8,778,100</u>

See notes to financial statements.

CITY OF NASHUA, NEW HAMPSHIRE

INTERNAL SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities Internal Service Fund		
	Employee Benefits Fund	Property & Casualty Fund	Total
<b>Operating Revenues</b>			
Employer contributions	\$ 29,358,606	\$ 3,342,035	\$ 32,700,641
Employee and retiree contributions	11,680,613	-	11,680,613
Other	967,064	208,747	1,175,811
Total Operating Revenues	42,006,283	3,550,782	45,557,065
<b>Operating Expenses</b>			
Salaries and benefits	325,366	498,773	824,139
Other operating expenses	34,669	169,906	204,575
Claims and policy costs	43,865,579	2,599,477	46,465,056
Total Operating Expenses	44,225,614	3,268,156	47,493,770
Operating Income (Loss)	(2,219,331)	282,626	(1,936,705)
<b>Nonoperating Revenues</b>			
Investment income	200,665	84,120	284,785
Total Nonoperating Revenues, Net	200,665	84,120	284,785
Income (Loss) Before Transfers	(2,018,666)	366,746	(1,651,920)
Transfers in	-	105,000	105,000
Change in Net Position	(2,018,666)	471,746	(1,546,920)
Net Position at Beginning of Year	9,630,967	694,053	10,325,020
Net Position at End of Year	\$ 7,612,301	\$ 1,165,799	\$ 8,778,100

See notes to financial statements.

CITY OF NASHUA, NEW HAMPSHIRE  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities Internal Service Fund		
	Employee Benefits Fund	Property & Casualty Fund	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 12,647,677	\$ 208,747	\$ 12,856,424
Receipts from interfund services provided	29,358,606	3,342,035	32,700,641
Payments to vendors	(44,158,917)	(3,409,447)	(47,568,364)
Payments to employees	<u>(324,839)</u>	<u>(497,424)</u>	<u>(822,263)</u>
Net Cash (Used for) Operating Activities	(2,477,473)	(356,089)	(2,833,562)
<b>Cash Flows From Noncapital Financing Activities</b>			
Proceeds from interfund loan agreements	2,276,808	166,969	2,443,777
Transfers	<u>-</u>	<u>105,000</u>	<u>105,000</u>
Net Cash Provided By Noncapital Financing Activities	2,276,808	271,969	2,548,777
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>200,665</u>	<u>84,120</u>	<u>284,785</u>
Net Change in Cash and Short-Term Investments	-	-	-
Cash and Short-Term Investments, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Short-Term Investments, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash (Used For) Operating Activities</b>			
Operating income (loss)	\$ (2,219,331)	\$ 282,626	\$ (1,936,705)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Other assets	(257,427)	-	(257,427)
Accrued liabilities	-	(640,064)	(640,064)
Other liabilities	<u>(715)</u>	<u>1,349</u>	<u>634</u>
Net Cash (Used for) Operating Activities	<u>\$ (2,477,473)</u>	<u>\$ (356,089)</u>	<u>\$ (2,833,562)</u>

See notes to financial statements.

## **Fiduciary Funds**

### **Agency Fund**

Agency Funds are established to account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others.

Agency Funds represent monies held in escrow from developers in the City.

CITY OF NASHUA, NEW HAMPSHIRE

Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended June 30, 2018

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2018</u>
<u>Developer Escrows</u>				
Assets - cash and short-term investments	\$ 228,522	\$ 57,904	\$ (396)	\$ 286,030
Assets - due from external parties	<u>40</u>	<u>87,081</u>	<u>(87,121)</u>	<u>-</u>
Total Assets	<u>\$ 228,562</u>	<u>\$ 144,985</u>	<u>\$ (87,517)</u>	<u>\$ 286,030</u>
Liabilities - escrow deposits	\$ 228,562	\$ 92,223	\$ (56,439)	\$ 264,346
Liabilities - due to external parties	<u>-</u>	<u>21,684</u>	<u>-</u>	<u>21,684</u>
Total Liabilities	<u>\$ 228,562</u>	<u>\$ 113,907</u>	<u>\$ (56,439)</u>	<u>\$ 286,030</u>

# CITY OF NASHUA, NEW HAMPSHIRE

## STATISTICAL SECTION

The City of Nashua comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	174
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	180
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	186
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	189
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	191



City of Nashua, New Hampshire

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017	2018 <sup>(2)</sup>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 91,043,817	\$ 103,436,163	\$ 111,077,357	\$ 119,796,245	\$ 133,385,506	\$ 139,619,179	\$ 158,392,742	\$ 180,254,617	\$ 189,557,227	\$ 204,799,330
Restricted	21,686,588	21,611,710	24,687,379	24,925,380	32,456,683	43,985,208	35,756,406	29,482,972	32,793,067	33,289,682
Unrestricted	48,672,885	43,639,686	35,368,271	41,041,536	30,724,278	28,043,671	(154,754,432)	(156,261,032)	(172,627,360)	(221,732,030)
Total governmental activities net position	161,403,290	168,687,559	171,133,007	185,763,161	196,566,467	211,648,058	39,394,716	53,476,557	49,722,934	16,356,982
<b>Business-type activities</b>										
Net investment in capital assets	115,532,890	99,864,775	102,157,830	105,608,828	105,525,905	93,304,028	94,936,719	95,928,488	101,398,038	97,329,930
Restricted	3,612,918	3,773,376	3,972,974	3,863,829	4,270,548	4,472,662	4,473,789	4,953,019	5,216,670	6,223,823
Unrestricted	(21,136,265)	(5,306,300)	(6,555,882)	(8,272,538)	(6,549,015)	6,653,484	2,348,049	1,257,219	(3,430,629)	1,952,490
Total business-type activities net position	98,009,543	98,331,851	99,574,922	101,200,119	103,247,438	104,430,174	101,758,557	102,138,726	103,184,079	105,506,243
<b>Primary government</b>										
Net investment in capital assets	206,576,707	203,300,938	213,235,187	225,405,073	238,911,411	232,923,207	253,329,461	276,183,105	290,955,265	302,129,260
Restricted	25,299,506	25,385,086	28,660,353	28,789,209	36,727,231	48,457,870	40,230,195	34,435,991	38,009,737	39,513,505
Unrestricted	27,536,620	38,333,386	28,812,389	32,768,998	24,175,263	34,697,155	(152,406,383)	(155,003,813)	(176,057,989)	(219,779,540)
Total primary government net position	\$ 259,412,833	\$ 267,019,410	\$ 270,707,929	\$ 286,963,280	\$ 299,813,905	\$ 316,078,232	\$ 141,153,273	\$ 155,615,283	\$ 152,907,013	\$ 121,863,225

Data Source:  
Audited Financial Statements

Notes:

<sup>(1)</sup> In FY2015, the City's beginning net position as of July 1, 2014 was restated for the implementation of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*.

<sup>(2)</sup> In FY2018, the City's beginning net position as of July 1, 2017 was restated for the implementation of Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Other Post Employment Benefits*.

City of Nashua, New Hampshire

Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 20,301,156	\$ 20,288,378	\$ 22,129,077	\$ 22,497,654	\$ 22,777,079	\$ 24,632,593	\$ 25,054,260	\$ 25,209,128	\$ 27,416,812	\$ 29,087,312
Police	26,257,722	27,426,675	28,223,669	27,363,038	27,321,535	28,778,248	30,448,888	30,929,494	35,836,974	33,258,730
Fire	21,093,701	21,026,095	22,111,191	21,696,948	21,094,654	21,098,266	22,657,301	23,741,032	27,710,416	26,374,113
Water/Fire Protection Services	2,234,921	2,152,983	2,471,096	2,611,535	2,591,814	2,576,767	2,607,342	2,646,887	2,681,492	2,869,869
Education	140,999,742	143,489,872	150,017,895	146,755,919	149,765,273	153,294,183	153,499,901	156,246,648	169,485,517	169,231,339
Public Works	11,542,212	10,030,585	10,792,781	11,378,882	10,644,976	11,330,904	11,816,177	12,264,049	13,190,525	12,299,394
Health and Human Services	4,340,447	4,065,289	3,964,857	3,217,342	3,137,470	3,235,196	3,271,988	3,190,484	3,336,193	3,207,058
Culture and Recreation	7,918,634	7,929,703	8,156,558	7,593,302	7,181,489	7,166,496	7,123,288	7,231,779	7,899,430	7,538,581
Community Development	7,287,986	9,156,255	7,375,291	7,165,410	9,266,113	10,179,583	7,580,687	8,620,194	8,356,340	8,279,260
Communications	-	1,114,063	1,152,961	1,170,742	515,783	630,134	526,204	540,143	828,663	1,379,479
Hydroelectric	-	-	-	-	-	-	-	164,023	346,390	597,861
Interest, costs and amortization <sup>(1)</sup>	6,096,780	5,612,006	5,220,526	5,279,022	13,927,637	13,232,729	13,650,683	13,739,466	11,915,120	12,836,345
<b>Total governmental activities expenses</b>	<b>248,973,303</b>	<b>252,291,904</b>	<b>261,615,902</b>	<b>256,929,814</b>	<b>268,223,823</b>	<b>276,153,099</b>	<b>278,236,719</b>	<b>284,523,311</b>	<b>309,553,872</b>	<b>308,959,341</b>
<b>Business-type activities</b>										
Wastewater services	10,396,778	10,770,142	11,082,780	10,840,594	10,897,541	11,548,040	12,031,195	13,460,701	13,158,556	14,276,433
Solid waste services	5,950,822	6,177,791	5,277,700	5,554,950	6,730,422	6,023,797	6,756,342	6,533,084	6,690,214	7,098,224
<b>Total business-type activities expenses</b>	<b>16,347,600</b>	<b>16,947,933</b>	<b>16,360,480</b>	<b>16,395,544</b>	<b>17,627,963</b>	<b>17,571,837</b>	<b>18,787,537</b>	<b>19,993,785</b>	<b>19,848,770</b>	<b>21,374,657</b>
<b>Total primary government expenses</b>	<b>\$ 264,420,903</b>	<b>\$ 269,239,837</b>	<b>\$ 277,976,382</b>	<b>\$ 273,325,358</b>	<b>\$ 285,851,786</b>	<b>\$ 293,724,936</b>	<b>\$ 297,024,256</b>	<b>\$ 304,517,116</b>	<b>\$ 329,402,642</b>	<b>\$ 330,334,198</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
General government <sup>(1)</sup>	\$ (6,297)	\$ 3,151,819	\$ 5,545,985	\$ 1,822,436	\$ 2,478,975	\$ 3,112,192	\$ 685,849	\$ 538,460	\$ 2,177,399	\$ 4,023,809
Police	824,514	1,096,769	1,399,425	931,703	747,150	1,050,173	1,026,770	972,912	1,254,913	1,149,458
Fire	94,589	85,145	98,383	95,041	131,744	114,823	105,110	101,673	121,971	97,189
Education	4,151,332	3,962,169	4,277,635	3,860,116	3,529,902	3,206,524	3,180,186	3,309,792	3,234,910	3,246,307
Public Works	763,471	797,022	732,071	841,118	527,491	499,116	480,655	529,297	517,712	895,996
Health and Human Services	211,484	189,391	186,295	188,493	165,273	170,721	161,729	167,592	172,563	173,166
Culture and Recreation <sup>(2)</sup>	80,052	632,545	904,781	580,426	685,656	783,194	486,871	937,096	937,266	815,812
Community Development	1,155,276	1,068,159	1,118,703	1,189,901	1,467,693	1,705,084	1,525,076	1,580,857	1,647,744	1,501,584
Hydroelectric	-	-	-	-	-	-	-	210,793	436,813	1,250,101
Total charges for services	7,234,421	10,985,019	14,303,288	9,709,234	9,733,884	10,641,827	7,651,246	7,758,472	10,501,291	13,153,426
Operating grants and contributions	48,769,370	65,019,056	63,121,867	61,098,263	63,830,475	63,496,397	64,217,133	64,494,438	63,241,241	63,751,085
Capital grants and contributions	4,775,411	5,823,681	4,278,212	8,473,140	9,255,920	15,561,488	19,443,198	13,007,038	8,655,967	11,724,485
<b>Total governmental activities program revenues</b>	<b>60,819,202</b>	<b>81,847,776</b>	<b>81,703,367</b>	<b>79,280,637</b>	<b>82,820,279</b>	<b>89,699,712</b>	<b>91,312,577</b>	<b>83,299,948</b>	<b>82,398,499</b>	<b>88,628,996</b>
<b>Business-type activities</b>										
Wastewater services	8,251,735	8,969,303	8,762,187	10,182,311	10,208,509	10,849,984	11,804,073	11,631,724	12,377,696	13,594,083
Solid Waste services	2,782,627	2,588,522	2,640,001	2,393,655	2,744,245	2,382,259	2,800,729	3,115,207	3,530,241	4,767,621
Total charges for services	11,034,362	11,557,825	11,402,188	12,575,966	12,952,754	13,482,243	14,604,802	15,046,931	15,907,937	18,161,704
Capital grants and contributions	814,289	1,458,288	776,358	1,255,104	696,256	526,173	460,422	413,223	782,890	855,412
<b>Total business-type activities program revenues</b>	<b>11,848,651</b>	<b>13,016,113</b>	<b>12,178,546</b>	<b>13,831,070</b>	<b>13,649,010</b>	<b>14,008,416</b>	<b>15,065,224</b>	<b>15,460,154</b>	<b>16,670,827</b>	<b>19,017,116</b>
<b>Total primary government revenue</b>	<b>\$ 72,667,853</b>	<b>\$ 94,863,889</b>	<b>\$ 93,881,913</b>	<b>\$ 93,111,687</b>	<b>\$ 96,469,289</b>	<b>\$ 103,704,128</b>	<b>\$ 106,377,801</b>	<b>\$ 98,760,102</b>	<b>\$ 99,069,326</b>	<b>\$ 107,646,112</b>
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (184,381,457)	\$ (170,444,128)	\$ (179,912,535)	\$ (177,649,177)	\$ (185,403,544)	\$ (186,455,387)	\$ (186,924,142)	\$ (201,223,343)	\$ (227,155,373)	\$ (220,330,545)
Business-type activities	(4,498,049)	(3,931,820)	(4,181,934)	(2,564,484)	(3,978,953)	(3,563,421)	(4,632,313)	(4,533,631)	(3,177,943)	(2,357,541)
<b>Total primary government net expense</b>	<b>\$ (188,879,506)</b>	<b>\$ (174,375,948)</b>	<b>\$ (184,094,469)</b>	<b>\$ (180,213,661)</b>	<b>\$ (189,382,497)</b>	<b>\$ (190,018,808)</b>	<b>\$ (191,556,455)</b>	<b>\$ (205,757,014)</b>	<b>\$ (230,333,316)</b>	<b>\$ (222,688,086)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities</b>										
Property tax	\$ 161,979,648	\$ 163,353,082	\$ 169,333,116	\$ 174,911,173	\$ 179,660,929	\$ 183,226,901	\$ 189,294,796	\$ 194,040,451	\$ 200,936,953	\$ 207,031,735
Auto Permits	10,836,895	10,427,551	10,347,555	11,077,345	11,422,224	12,352,468	13,157,966	14,310,889	14,816,739	15,255,808
Penalties, interest and other taxes	1,418,455	1,512,934	1,535,805	1,425,762	1,660,906	1,555,955	1,466,734	1,907,231	1,688,167	1,798,343
Grants and contributions not restricted to specific programs	6,237,452	3,971,032	4,720,761	5,599,971	5,453,477	4,890,823	5,957,113	5,038,876	5,590,537	5,720,113
Investment income	2,935,434	1,267,208	422,349	1,297,950	1,042,839	1,356,432	177,712	1,164,879	1,094,638	1,494,164
Miscellaneous	1,232,553	1,067,955	1,023,290	1,410,241	2,273,681	2,233,187	3,098,340	3,002,462	2,782,994	1,037,463
Permanent fund contributions	109,227	109,227	152,443	100,140	78,349	70,555	68,545	93,972	93,265	92,362
Transfers, net	(2,690,322)	(3,975,592)	(5,177,336)	(5,345,251)	(5,385,555)	(4,149,363)	(4,300,133)	(4,253,586)	(3,601,543)	(3,877,315)
<b>Total governmental activities</b>	<b>182,059,342</b>	<b>177,728,397</b>	<b>182,357,993</b>	<b>192,279,331</b>	<b>196,206,850</b>	<b>201,536,978</b>	<b>208,921,113</b>	<b>215,305,224</b>	<b>223,401,750</b>	<b>228,552,673</b>
<b>Business-type activities</b>										
Grants and contributions not restricted to specific programs	826,769	230,507	214,895	610,336	618,567	581,824	540,023	621,536	525,105	1,308,208
Investment income	7,814	48,029	32,774	36,104	22,150	14,970	5,349	38,728	96,648	254,088
Transfers, net	2,690,322	3,975,592	5,177,336	5,345,251	5,385,555	4,149,363	4,300,133	4,253,586	3,601,543	3,877,315
<b>Total business-type activities</b>	<b>3,524,905</b>	<b>4,254,128</b>	<b>5,425,005</b>	<b>4,189,691</b>	<b>6,026,272</b>	<b>4,746,157</b>	<b>4,845,505</b>	<b>4,913,800</b>	<b>4,223,296</b>	<b>5,439,611</b>
<b>Total primary government</b>	<b>\$ 185,584,247</b>	<b>\$ 181,982,525</b>	<b>\$ 187,782,998</b>	<b>\$ 196,469,022</b>	<b>\$ 202,233,122</b>	<b>\$ 206,283,135</b>	<b>\$ 213,766,618</b>	<b>\$ 220,219,024</b>	<b>\$ 227,625,046</b>	<b>\$ 233,992,284</b>
<b>Change in Net Position</b>										
Governmental activities	\$ (6,322,075)	\$ 7,244,269	\$ 2,445,448	\$ 14,630,154	\$ 10,903,306	\$ 15,081,591	\$ 21,996,971	\$ 14,081,841	\$ (3,753,623)	\$ 8,222,128
Business-type activities	(974,044)	325,308	1,243,071	1,625,197	2,047,319	1,182,736	213,192	380,169	(1,045,353)	3,682,070
<b>Total primary government</b>	<b>\$ (7,296,119)</b>	<b>\$ 7,606,577</b>	<b>\$ 3,688,519</b>	<b>\$ 16,255,351</b>	<b>\$ 12,950,625</b>	<b>\$ 16,264,327</b>	<b>\$ 22,210,163</b>	<b>\$ 14,402,010</b>	<b>\$ (4,798,973)</b>	<b>\$ 11,904,198</b>

Data Source:  
Audited Financial Statements

Notes

- (1) Negative charges for services in FY09 is due to the loss in the market value of investments of the cemetery permanent funds
- (2) Decrease in charges for services in FY09 is due to the loss in the market value of investments of the library permanent funds
- (3) Beginning in FY13, interest, costs and amortization includes the amortization of the investment in Pennacuck Corporation.

City of Nashua, New Hampshire

**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2009	2010 <sup>(1)</sup>	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 5,163,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	33,249,976	-	-	-	-	-	-	-	-	-
Nonspendable	-	184,062	225,671	226,123	214,361	214,361	191,877	173,710	173,710	488,116
Committed	-	16,685,057	13,851,725	13,352,749	11,834,058	12,342,869	9,051,500	9,326,543	8,754,406	13,044,794
Assigned	-	6,550,000	5,950,000	9,738,926	8,907,711	11,009,824	9,677,264	10,523,462	13,444,947	12,157,462
Unassigned	-	26,560,824	25,540,287	25,940,691	26,570,103	27,350,130	27,729,910	28,021,501	28,338,600	29,110,930
<b>Total General Fund</b>	<b>\$ 38,413,110</b>	<b>\$ 49,979,943</b>	<b>\$ 45,567,683</b>	<b>\$ 49,258,489</b>	<b>\$ 47,526,233</b>	<b>\$ 50,917,184</b>	<b>\$ 46,650,551</b>	<b>\$ 48,045,216</b>	<b>\$ 50,711,663</b>	<b>\$ 54,801,302</b>
<b>Other Governmental Funds</b>										
Reserved	\$ 15,639,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	19,994,384	-	-	-	-	-	-	-	-	-
Capital Project Funds	2,558,311	-	-	-	-	-	-	-	-	-
Permanent Funds	960,742	-	-	-	-	-	-	-	-	-
Nonspendable	-	14,429,616	17,497,014	16,380,114	16,751,522	18,477,710	20,304,610	19,974,564	21,522,571	23,007,283
Restricted	-	3,899,609	5,106,464	11,785,274	12,327,951	20,633,754	26,041,685	13,510,027	16,651,715	14,322,842
Committed	-	8,733,406	7,740,332	9,063,280	10,160,993	10,193,612	12,915,004	12,225,319	12,708,583	13,145,852
Unassigned	-	(1,728,518)	(491,584)	(947,259)	(224)	(851,798)	(1,304,664)	(1,700,000)	(1,702,414)	(6,551,434)
<b>Total Other Governmental Funds</b>	<b>\$ 39,152,938</b>	<b>\$ 25,334,113</b>	<b>\$ 29,852,226</b>	<b>\$ 36,281,409</b>	<b>\$ 39,240,242</b>	<b>\$ 48,453,278</b>	<b>\$ 57,956,635</b>	<b>\$ 44,009,910</b>	<b>\$ 49,180,455</b>	<b>\$ 43,924,543</b>

Data Source:  
Audited Financial Statements

Notes:

<sup>(1)</sup> FY2010 - Fund balance classifications reflect implementation of GASB 54

City of Nashua, New Hampshire

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Property taxes	\$ 160,881,410	\$ 162,964,723	\$ 169,105,924	\$ 174,375,557	\$ 179,815,669	\$ 183,788,788	\$ 189,370,011	\$ 194,047,755	\$ 199,050,957	\$ 206,445,881
Licenses and Permits <sup>(1)</sup>	11,558,473	11,311,752	11,200,038	11,805,705	12,794,538	13,867,699	14,538,140	15,757,256	16,354,790	16,634,864
Penalties, interest and other taxes	1,418,455	1,447,191	1,471,786	1,425,762	1,660,906	1,555,955	1,466,734	1,907,231	1,688,167	1,798,343
Charges for services	7,289,468	7,324,028	7,888,220	7,813,660	5,973,297	6,022,688	5,872,118	6,258,235	6,768,517	6,537,798
Intergovernmental	66,192,430	74,194,941	71,166,117	66,239,007	67,730,460	73,373,088	78,695,688	69,787,963	66,429,861	69,956,923
Investment income	(303,680)	2,833,498	4,168,180	1,812,632	2,769,585	4,192,046	254,684	922,649	2,988,313	3,579,260
Contributions	334,065	510,942	460,903	7,068,853	9,323,019	9,364,136	9,471,751	10,247,890	9,583,563	10,197,512
Hydroelectric power generation	-	-	-	-	-	-	-	-	436,813	1,250,101
Cable TV franchise fees	1,035,896	1,041,465	1,108,954	1,145,886	1,202,354	1,216,960	1,302,789	1,555,757	1,486,376	1,430,865
Miscellaneous	847,013	459,315	490,415	990,630	1,240,986	1,282,603	2,067,816	1,687,683	1,124,623	1,181,237
<b>Total revenues</b>	<b>249,273,530</b>	<b>262,087,855</b>	<b>267,060,537</b>	<b>272,677,692</b>	<b>282,510,814</b>	<b>294,663,963</b>	<b>303,039,731</b>	<b>302,172,421</b>	<b>305,912,180</b>	<b>319,012,784</b>
<b>Expenditures by Function</b>										
General government <sup>(2)</sup>	53,859,718	55,969,477	60,784,069	63,115,094	62,840,355	14,444,055	14,325,858	14,428,240	16,361,566	15,981,751
Public safety	35,887,184	35,144,492	37,093,411	34,474,733	34,242,016	48,920,203	55,413,117	53,494,202	54,789,614	58,552,665
Water supply/hydrants	2,234,921	2,152,983	2,471,096	2,611,535	2,591,814	2,576,767	2,607,342	2,646,887	2,681,492	2,869,869
Education	110,099,584	110,680,934	113,933,265	118,234,670	114,855,962	150,005,656	155,393,270	162,136,297	156,632,041	159,132,186
Public Works	10,452,441	11,766,925	10,100,177	11,822,833	15,807,393	24,212,322	32,002,905	33,627,376	15,182,696	15,659,968
Health and human services	3,693,028	3,328,537	3,141,990	2,595,897	2,601,117	3,191,206	3,300,614	3,102,629	3,192,830	3,082,118
Culture and recreation	5,923,548	5,357,914	5,725,091	5,581,693	5,400,579	6,753,340	6,965,269	7,584,864	8,094,970	7,386,324
Community development	6,004,281	9,493,558	7,942,209	6,607,068	7,610,838	11,429,576	6,976,564	8,549,603	7,649,824	14,761,235
Communications	280,361	285,390	289,648	364,299	1,980,823	1,454,151	3,680,775	1,672,699	1,030,784	638,803
Hydroelectric	-	-	-	-	-	-	-	164,023	4,032,866	1,138,081
Debt service										
Principal	12,300,467	12,221,828	11,924,348	12,259,833	16,364,611	16,496,389	16,365,778	16,553,750	15,535,000	14,990,000
Interest	6,243,971	5,892,249	5,455,421	5,796,412	10,308,650	10,209,365	10,450,189	10,393,660	10,211,172	10,182,947
Intergovernmental	9,546,322	9,367,968	9,416,623	9,569,306	9,420,187	9,763,895	10,383,051	11,020,217	11,477,790	11,820,795
<b>Total expenditures</b>	<b>256,525,826</b>	<b>261,664,255</b>	<b>264,277,348</b>	<b>273,033,373</b>	<b>284,024,545</b>	<b>299,456,925</b>	<b>317,864,732</b>	<b>325,674,447</b>	<b>306,872,645</b>	<b>316,196,742</b>
<b>Excess of revenues</b>										
Over (under) expenditures	(7,252,296)	423,600	(1,216,811)	(355,681)	(1,513,731)	(4,792,962)	(14,825,001)	(23,502,026)	(960,465)	2,816,042
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds	-	-	6,000,000	164,030,000	7,136,000	19,480,000	21,888,749	14,010,500	12,308,000	-
Issuance of refunding bonds	-	-	-	-	-	-	4,760,000	27,164,500	-	-
Pennichuck acquisition	-	-	-	(150,011,079)	-	-	-	-	-	-
Bond premiums	-	-	-	-	1,054,848	2,068,011	2,488,519	1,369,723	196,000	-
Bond premiums on refunding bonds	-	-	-	-	-	-	610,993	1,943,902	-	-
Payment to refunded escrow agent	-	-	-	-	-	-	(5,386,403)	(29,180,123)	-	-
Transfers in	10,584,784	6,045,974	3,907,733	2,649,793	4,087,955	1,041,003	2,256,555	2,087,353	3,165,805	1,577,295
Transfers out	(11,275,106)	(8,721,566)	(8,585,069)	(6,193,044)	(9,538,495)	(5,192,065)	(6,556,688)	(6,445,889)	(6,872,318)	(5,559,610)
<b>Total other financing sources (uses)</b>	<b>(690,322)</b>	<b>(2,675,592)</b>	<b>1,322,664</b>	<b>10,475,670</b>	<b>2,740,308</b>	<b>17,396,949</b>	<b>20,061,725</b>	<b>10,949,966</b>	<b>8,797,457</b>	<b>(3,982,313)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (7,942,618)</b>	<b>\$ (2,251,992)</b>	<b>\$ 105,853</b>	<b>\$ 10,119,989</b>	<b>\$ 1,226,577</b>	<b>\$ 12,603,947</b>	<b>\$ 5,236,724</b>	<b>\$ (12,552,060)</b>	<b>\$ 7,836,992</b>	<b>\$ (1,166,273)</b>
<b>Debt Service as a percentage of non-capital outlay expenditures</b>	<b>7.45%</b>	<b>7.24%</b>	<b>6.80%</b>	<b>7.12%</b>	<b>10.07%</b>	<b>9.83%</b>	<b>9.65%</b>	<b>9.50%</b>	<b>9.07%</b>	<b>8.58%</b>
<b>Data Source:</b>										
Audited Financial Statements										
<b>Notes:</b>										
<sup>(1)</sup> Includes Auto Permits.										
<sup>(2)</sup> Includes City-wide employee health and pension benefits through FY13. Beginning in FY14 employee health and pension benefits are allocated from General Government to applicable departments/divisions.										



# THE CITY OF NASHUA

*Division of Public Health and Community Services*

"The Gate City"

## 2019 City of Nashua Board of Aldermen

Name	Title	Email
<u><a href="#">Caron, June M.</a></u>	Alderman - Ward 7	<u><a href="mailto:junecaronward7@yahoo.com">junecaronward7@yahoo.com</a></u>
<u><a href="#">Clemons, Ben</a></u>	Alderman-At-Large	<u><a href="mailto:CLEMONSB@NASHUANH.GOV">CLEMONSB@NASHUANH.GOV</a></u>
<u><a href="#">Dowd, Richard A.</a></u>	Alderman - Ward 2	<u><a href="mailto:DowdR@NashuaNH.gov">DowdR@NashuaNH.gov</a></u>
<u><a href="#">Gidge, Ken</a></u>	Alderman - Ward 6	<u><a href="mailto:GidgeK@NashuaNH.gov">GidgeK@NashuaNH.gov</a></u>
<u><a href="#">Harriott-Gathright, Linda</a></u>	Alderman - Ward 9	<u><a href="mailto:GathrightL@NashuaNH.gov">GathrightL@NashuaNH.gov</a></u>
<u><a href="#">Jette, Ernest A.</a></u>	Alderman - Ward 5	<u><a href="mailto:JetteE@NashuaNH.gov">JetteE@NashuaNH.gov</a></u>
<u><a href="#">Kelly, Shoshanna</a></u>	Alderwoman-At-Large	<u><a href="mailto:KellyS@NashuaNH.gov">KellyS@NashuaNH.gov</a></u>
<u><a href="#">Klee, Patricia</a></u>	Alderman - Ward 3	<u><a href="mailto:KleeP@NashuaNH.gov">KleeP@NashuaNH.gov</a></u>
<u><a href="#">Laws, Brandon Michael</a></u>	Alderman-At-Large	<u><a href="mailto:LawsB@NashuaNH.gov">LawsB@NashuaNH.gov</a></u>
<u><a href="#">Lopez, Thomas</a></u>	Alderman - Ward 4	<u><a href="mailto:LopezT@NashuaNH.gov">LopezT@NashuaNH.gov</a></u>
<u><a href="#">Loving, Susan</a></u>	Legislative Affairs Manager	<u><a href="mailto:LovingS@NashuaNH.gov">LovingS@NashuaNH.gov</a></u>
<u><a href="#">Melizzi-Golja, Mary Ann</a></u>	Alderwoman - Ward 8	<u><a href="mailto:MelizziGoljaM@nashuanh.gov">MelizziGoljaM@nashuanh.gov</a></u>
<u><a href="#">O'Brien, Sr., Michael B.</a></u>	Alderman-At-Large Vice President	<u><a href="mailto:ObrienM@NashuaNH.gov">ObrienM@NashuaNH.gov</a></u>
<u><a href="#">Schmidt, Jan</a></u>	Alderman - Ward 1	<u><a href="mailto:SchmidtJ@NashuaNH.gov">SchmidtJ@NashuaNH.gov</a></u>
<u><a href="#">Tencza, David C.</a></u>	Alderman-At-Large	<u><a href="mailto:TenczaD@nashuanh.gov">TenczaD@nashuanh.gov</a></u>
<u><a href="#">Wilshire, Lori</a></u>	Alderman-At-Large President	<u><a href="mailto:WilshireL@NashuaNH.gov">WilshireL@NashuaNH.gov</a></u>



## CHelsea ST. GEORGE

### EDUCATION

MCPHS University, Boston, MA

**Master of Public Health**

2016

Capstone: "Municipal Voluntary Organizations Active in Disaster (VOAD): Building Local Disaster Resiliency through Public-Private Partnerships"

National Honor Society, Phi Kappa Phi

MCPHS University, Boston, MA

**B.S. Pre-Medical and Health Studies**

2014

Minors: Biology and Public Health

Cum Laude

### TEACHING EXPERIENCE

Nashua Community Emergency Response Team (CERT)

**Lead Instructor**

2017- Present

- Develop an effective course structure that maximizes learning
- Deliver appropriate course content consistent with national curriculum
- Identify and support learning needs of adults and adolescents

Rivier University

**Guest Lecturer**

2017-2018

- Develop course content consistent with the educational objectives and goals outlined in course syllabuses. Topics include: Community Health Assessments and Community Health Improvement Planning, Rapid Needs Assessments, including Community Assessment for Public Health Emergency Response (CASPER), Responder Safety and Health, and Community Preparedness and Response

### RELATED EXPERIENCE

City of Nashua, Division of Public Health and Community Services

**Public Health Emergency Preparedness Coordinator**

August 2016 – Present

- Coordinate, integrate, and implement public health emergency preparedness and response plans and programs consistent with citywide policies
- Facilitate collaboration and partnerships to ensure participation of key stakeholders in whole-community public health preparedness and response
- Develop and defend programmatic budgets that support public health preparedness
- Assess, define, measure, evaluate, and report public health preparedness program goals and objectives

City of Nashua, Office of Emergency Management

**Emergency Management Coordinator**

January – August 2016

- Develop and complete emergency operations plans, continuity of operations plans, and standard operating procedures

- Organize and assist with Community Emergency Response Team basic training, exercises, and continuing education
- Serve as liaison for regional emergency preparedness conferences and meetings to the Office of Emergency Management

**Intern**

**Aug - Dec 2015**

- Develop and enhance public-private partnerships and engage non-traditional responders to become part of whole-community emergency planning and response
- Research, develop, and implement a sustainable local Voluntary Organizations Active in Disaster (VOAD) program

MCPHS University, Mathematics Center

**Mathematics and Physics Peer Tutor**

**2012-2014**

- Provide assistance to peers through instruction, competency completion assistance, and support of academic goals in biostatistics, epidemiology, calculus, and physics
- Deliver basic instruction for proper use of statistical software, including SPSS

**PRESENTATIONS**

*“A Regional Approach to Meeting the CMS Final Preparedness Rule Requirements: Nashua Regional Healthcare Preparedness Tabletop Exercise”*

Speaker at the National Association of County and City Health Officials (NACCHO) Preparedness Summit - Atlanta, GA

**2018**

*“Translating National and State Recovery Assets in Local Emergency Preparedness, Response, and Recovery Frameworks: Nashua Voluntary Organizations Active in Disaster”*

Poster presented at the National Association of County and City Health Officials (NACCHO) Preparedness Summit- Atlanta, GA

**2018**

*“Leveraging the CASPER Emergency Response Protocols to Identify Opportunities for Community-Based Preparedness Interventions that Enhance Disaster Resilience”*

Poster presented at the National Association of County and City Health Officials (NACCHO) Preparedness Summit- Atlanta, GA

**2018**

*“Municipal Voluntary Organizations Active in Disaster (VOAD): Building Local Disaster Resiliency through Public-Private Partnerships”*

Poster presented at the MCPHS University Graduate Poster Session – Boston, MA

**2016**

**MEMBERSHIPS**

Phi Kappa Phi National Honor Society

New Hampshire Public Health Association

International Association of Emergency Managers (IAEM) – Region 1

# Lisa Vásquez

## Objectives

Committed to consult and advise local and state agencies on public health issues.

## Education

Borough of Manhattan Community College – New York, NY

*May 2002* – A.A. Business Administration

Southern New Hampshire University – Manchester, NH

*May 2011* – Bachelors of Arts in Psychology

- Psy Chi Honor Society
- Alpha Chi Honor Society
- Alpha Sigma Lambda Honor Society

Southern New Hampshire University – Manchester, NH

*January 2015* – Masters of Science in Community Mental Health Counseling

## Experience

City of Nashua Division of Public Health/ Community Services | 18 Mulberry St. Nashua, NH 03060

Substance Misuse Prevention Coordinator *December 2013 – Present*

- Responsible for leading the Greater Nashua Public Health Region in carrying out the implementation of the Greater Nashua regional Network Community-Based, Data Driven Response to Substance Misuse & Disorders, a Strategic Plan for Prevention.
- Serve as a resource and technical assistance provider for local substance misuse coalitions; work with federally funded Drug Free Community grant recipient coalitions; and collaborate with the NH Bureau of Drug and Alcohol Services and other funders to implement and promote substance misuse prevention initiatives in accordance with evidence based prevention models, including the Substance Abuse Prevention Framework; comply with program reporting requirements; facilitate meetings/trainings for regional and state level stakeholders; and other duties as assigned.

Greater Nashua Mental Health Center | 7 Prospect St. Nashua, NH 03060

Psychiatric Rehabilitation Specialist *August 2012 – December 2013*

- Provide case management to client's living with severe /persistent mental illness
- Devise and implement individualized service plans
- Provide functional support services in the community
- Implement Illness Management and Recovery model with clients

The Youth Council | 112 W. Pearl St. Nashua, NH 03060

Intern *Spring 2012 –Spring 2013*

- Facilitate *Active Parenting* classes
- Conduct intakes and check-ins for Youth Court Diversion Program
- Translate and Interpret for Spanish speaking clients as needed



Lisa Vásquez

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## Skills

- Trained Medical Interpreter (Spanish) - 2005
- Trained on Connect suicide prevention through NAMI NH - 2014
- Operational Management certificate obtained from New England Institute of Addiction Studies – 2014
- Certified Prevention Specialist - 2016

## BOBBIE DENISE BAGLEY

### SPECIALTY AREAS OF FOCUS

- ❖ Public Health Leadership
- ❖ Systems Thinking
- ❖ Performance Management & Quality Improvement
- ❖ Public & Community Health Practice Improvement
- ❖ Health Equity & Policy Setting Advocacy
- ❖ Reducing Socio-Cultural Barriers to Health
- ❖ Enhancing Population-Based Health Promotion and Disease Prevention
- ❖ Diversifying the Public Health Work Force
- ❖ Competent Public Health Workforce Development
- ❖ Diversity and Cultural Competency Master Training
- ❖ Nursing Leadership

### PROFESSIONAL SUMMARY

**Public Health:** Twenty-two years of experience in the field of public health services. Executive strengths include: strong leadership skills, systems thinking, effective verbal and written communications, critical thinking, evidence-based decision making, community mobilization, creative visionary and a keen ability to motivate others. Easily cultivates collaborative partnerships with service providers. Experience in developing and implementing programs to promote, protect and preserve health and safety through assessment, policy and delivery of services. Nineteen years of proven skills in multi-disciplinary program management, cultural competency, conflict resolution and team building. Success demonstrated in grant writing, budgeting, and fiscal governance of programs and services.

**Academia:** Twelve years of experience in the academic setting. Expertise demonstrated in curriculum development, course evaluation, scholarship, community service and academic leadership. Instruction provided in both the on-ground classroom and online settings. Lead faculty and advisor of the public health and nursing program. Provides course instruction and course development as well as provides supervision of public health faculty. Work experience with community agencies to provide exceptional service learning experiences, experiential learning activities in public health and opportunities to engage in political action to transform hearts and minds.

### WORK HISTORY

- ❖ 2016 – Present: Director, City of Nashua, NH Division of Public Health and Community Services. Provide supervision and fiscal oversight over city health department staff and programming. Directs and manages resources to accomplish objectives for all programs. Provide both policy and operational direction and leadership to the Mayor, Board of Alderman and the Board of Health on public health issues. Serve as liaison to community partners, local and state officials. Serve on community boards and local and state committees to advance public health initiatives, policy and workforce development. Serves as direct supervisor to senior managers of three departments and director supervision to staff under the Community Services Department.
- ❖ 2014 – 2016: Director of BS and MPH Public Health Programs, Rivier University, Division of Nursing and Health Professions. Develop program curriculum, program requirements, and courses. Responsible for faculty selection, mentoring, training, supervision and evaluation of faculty. Serve as student advisor and mentor. Provide course instruction in the online and face to face learning environments for undergraduate and graduate students. Participate in other administrative duties and community services.

Faculty Advisor to Rivier University Student Public Health Association and Co-Advisor to Rivier University Student Nurses Association. Serves on several university committees: Faculty Development, Workload and Compensation Committee, Nursing Admissions Committee and the University Diversity Council.

❖ 2011- Present: Instructor of Nursing, Rivier University, Division of Nursing. Provide instruction in online and face to face learning environments. Participant on several university committees including: faculty development, admissions, research, curricula development and the president's diversity committee. Faculty Advisor to the Rivier University Student Nurses Association.

Course Instruction: Community/Public Health Nursing, Policy, Politics in the Nursing Profession, Family Health Nursing in a Multicultural Society and Nursing Capstone and Public Health Courses.

❖ 2012-2014: Programs Director, NH Minority Health Coalition. Provided consultation, management and oversight of subcontractors and consultants on programs focused on community transformation, chronic disease self-management, HIV/HCV testing and home visiting.

❖ 2007 – 2011: Adjunct Instructor of Nursing, Rivier College, Division of Nursing. Courses include: Family Health Nursing in a Multicultural Society and Policy, Politics in the Nursing profession. Currently teaching online courses.

❖ 2006 - 2011: Chief Public Health Nurse and Manager of the City of Nashua Community Health Department, provided oversight to community health department staff, clinic and programs. Drove strategic collaboration with Department of Health & Human Services, healthcare professionals and community service agencies, to develop and implement programs to promote, protect and preserve the health of the community through assessment, policy development and assurance of services. Provide fiscal governance of community health department budget of over \$708,000.00. Managed a team of Public Health Nurses, outreach workers, a licensed Alcohol and Drug counselor and an Administrative Assistant.

- ❖ 2004 – 2012: Public Health Consultant, BDB Health Promotions. As the Principal, maintained contracts for several Sections in the Department of Health and Human Services. Including: HIV/STD Section and Alcohol, Drug and Tobacco program and Office of Minority Health. Responsible for development and revisions to the NH HIV Community Planning Group Comprehensive plan for HIV Care and Prevention Services in the State of NH, helped set statewide strategic health direction by Conducting a Racial and Ethnic Minorities Needs Assessment for HIV Care and Prevention Services and delivered results to key state agencies. Procure grants to provide Cultural Competency training and technical assistance to DHHS Alcohol, Tobacco and Other Drugs, Strategic Prevention Framework Program. Provide consultation to state and local agencies to create awareness of health equity and disparities in minority populations.
- ❖ 2000 – 2004: Program Manager for the New Hampshire Minority Health Coalition, procured grants, developed and managed several programs and collaborated with community-based organizations, health care professionals, state and local government officials, health departments and the Department of Health and Human Services to insure equitable access of health care services for diverse, ethnic and racial communities. Provided oversight to a diverse staff of bilingual/bicultural home visitors and outreach workers. Provided fiscal oversight to prevention program budget of approximately \$300,000.00.
- ❖ 1997 – 2000: Public Health Nurse for the City of Nashua responsible for coordinating several prevention programs as program coordinator. Responsibilities encompassed a variety of activities, which included collaborating with Department of Health & Human Services, healthcare professionals and community service agencies, to develop and implement programs to protect and promote the health of the community through assessment, policy development and assurance of services. Coordinated the following programs over work history: Tuberculosis, HIV Prevention, Maternal and Child Health and Lead Poisoning Prevention Program.

Management experience included providing leadership support to Department Manager and acting as Interim Department Manager for three months. Other experience included providing leadership support to STD Coordinator and supervising outreach team.

#### **SIGNIFICANT ACCOMPLISHMENTS**

- ❖ Received Kresge Foundation Emerging Leaders in Public Health Transformative Initiative Awarded.
  - ❖ Collaborated with essential staff of the City of Nashua Division of Public Health and Community Services to successfully achieved National Public Health Accreditation status
  - ❖ Presented at National American Public Health Association Conference
- Development of the Rivier University Public Health BS and MPH Public Health Programs
- ❖ Writer and Collaborator on Health Administration and Services Resource Nursing Workforce Diversity Grant awarded to Rivier University.
  - ❖ Instrumental in acquiring an award from Harvard Pilgrim's Cultural Insight Program to conduct a cultural assessment of Rivier University
  - ❖ Awarded Nursing Diversity Mini-Grant for Rivier Nursing Pipeline Project for high school students
  - ❖ Awarded Faculty Development Teaching Squares Grant
  - ❖ Awarded Socio-Cultural Barriers Grant
  - ❖ Developed the Gate City Health and Wellness Immigrant Integration Initiative
  - ❖ Mobilized community service agencies to collaborate on a refugee and immigrant health and wellness integration initiative project
  - ❖ Presented at local and regional conferences on refugee and immigrant integration initiative Provided Technical Assistance on Merged Comprehensive HIV Prevention and Care Planning to Kentucky, Arizona, Connecticut and Vermont.
  - ❖ Presented at local, regional and national conferences on HIV Comprehensive Planning, Racial and Ethnic Minority Needs Assessment and Cultural Competency.
  - ❖ Participated on planning committee for first Minority Health Conference for Women

- ❖ As Board Chair for the New Hampshire Minority Health Coalition, led Board of Directors and Management team through search process to hire new executive director for the organization.
- ❖ Participates with state and local agencies on health related strategic planning processes.

## PROFESSIONAL AND COMMUNITY AFFILIATIONS

- ❖ NH Charitable Foundation Regional Advisory Board Member, 2018-present
- ❖ NH Children's Health Foundation (HNH) Foundation Board Member, 201-present
- ❖ NH Public Health Association, 2014-present
  - ❖ Board Member 2011-2017
- ❖ Investing in Communities Initiatives, 2014-2016
  - ❖ Steering Committee
- ❖ Rivier University Committees
  - ❖ Faculty Development, Workload & Compensation Committee, 2014 - present
  - ❖ Presidents Diversity Council, 2014-present
  - ❖ Co-Chair, Faculty Development Committee, 2011 - 2014
  - ❖ Division of Nursing Curriculum Review Committee, 2013 – present
  - ❖ Division of Nursing Admission Committee, 2012 - present
  - ❖ Division of Nursing Co-Chair, Wellness Connection, 2012 - present
  - ❖ Division of Nursing Co-Chair, Research Ad-Hoc Committee, 2012 - present
- ❖ NH Nurses Association, 2012-present
  - ❖ President, 2016 -2018
  - ❖ President Elect, 2014 – 2016
  - ❖ Commission of Government Affairs Chair, 2013-2014
  - ❖ Multistate Collaborative Representative for NH 2016-2018
- ❖ Association of Public Health Nurses (Formerly ASTDN), 2012 – 2015
  - ❖ Director-at-Large
  - ❖ Chair, Education and Professional Development Committee, 2012 -2014
- ❖ Sustaining Voices for Minority Health Advocacy, 2011- 2013
  - ❖ Steering Committee member, 2011-2013
- ❖ NH Health and Equity Partnership, 2010 - present
  - ❖ Steering Committee member, 2010 - present
  - ❖ Diversity Workforce Workgroup Chair, 2016-present
- ❖ Advisory Board Rivier School of Nursing 2010-2011
- ❖ Advisory Board of Nashua Community College Nursing Program, 2010-2011 & 2016-present
- ❖ Office of Minority Health State Plan Advisory Member, 2009-2010
- ❖ Public Health Services Improvement Council Member, 2008-2010 & 2016-present
- ❖ Disproportionate Minority Contact Member, 2008-2010
- ❖ Co-Chair of the Gate City Health & Wellness Immigrant Integration Initiative, 2008
- ❖ Association of State And Territorial Directors of Nursing, 2006-2012
  - ❖ Director-at-Large
  - ❖ Chair of Membership Committee, 2011-2012
- ❖ MA Public Health Association, 2006 - 2011
- ❖ Advisory Board of Nashua Area Health Agency, 2008-2010
- ❖ Stay'N Healthy Community Connection, 2007-2009
- ❖ Child Welfare Committee, 2007-2009
- ❖ Advisory Board of Nashua Community Technical College, 2007-2011
- ❖ American Nurses Association, 2007-present
- ❖ New Hampshire Minority Health Coalition Board of Directors, November 2005-2010
  - ❖ Board Chair: April 2006-2008
  - ❖ Vice Chair: April 2005- 2006

- ❖ NH Public Health Association Member, April 2005-2010
- ❖ Youth Services Advisory Board, 2003-2004
- ❖ UHN Cooperative Extension Council Member, 2003-2004
- ❖ NH HIV Community Planning Group, 2001-2010
  - ❖ Community Prevention Co-Chair, 2008-2010
  - ❖ Advisory, 2007-2008
  - ❖ Membership, Charter and Mission Chair: 2002-2006
  - ❖ Serve on Prevention and Care Committees: 2003 – 2006
- ❖ Child Health Services Board of Directors, 2001 - 2005

#### **CERTIFICATIONS/SPECIAL RECOGNITIONS**

- ❖ Awarded Excellence in Nursing for Public Health Nursing, 2019
- ❖ Induction to the Rivier Athletic Hall of Fame, 2015
- ❖ Sigma Theta Tau International Epsilon Nursing Honor Society, 2014
- ❖ Unsung Hero's Award, 2014
- ❖ Influential and Prominent Women, April 2014
- ❖ Presidents' Good Steward Award, April 2013
- ❖ New Futures Group Advocacy in Action Award, October 2012
- ❖ Certification in Public Health, The National Board of Public Health Examiners (NBPHE), August 2008
- ❖ Charter Class of Certified in Public Health, December 2008
- ❖ Northeast Regional Public Health Leadership Institute Scholars Program, Graduate July 2008

#### **EDUCATION**

- ❖ DrPH, Leadership Program University of Illinois at Chicago Graduate College School of Public Health 2015 DrPH Cohort
- ❖ Master of Science, Nursing Education Track, Rivier University, December 2013
- ❖ Master of Public Health - Social and Behavioral Health, Disease and Health Promotion Concentration Boston University School of Public Health, May 2002
- ❖ Bachelor of Science, Nursing Rivier-St Joseph School of Nursing, May 1997 Summa Cum Laude
- ❖ Associate of Science, Nursing Rivier-St. Joseph School of Nursing, May 1996
- ❖ Bachelor of Science, Biology (Minor: Chemistry) Montclair University, January 1986

## ALEXANDER B. GRANOK, MD, FACP

August 7, 2017

### Personal

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Manchester, NH 03104  
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Merrimack, NH 03054  
Phone (603) 429-1611  
Fax (603) 429-1285  
e-mail: alexander.granok@snhhs.org

### Current Clinical Appointments

Infectious Disease Associates, Merrimack, New Hampshire, August 2001  
Foundation Medical Partners, Nashua, New Hampshire, August 2001  
Southern New Hampshire Medical Center, Nashua, New Hampshire, August 2001  
Department of Internal Medicine  
Active Medical Staff  
St. Joseph Hospital, Nashua, New Hampshire, August 2001  
Department of Internal Medicine  
Active Medical Staff  
Elliot Hospital, Manchester, New Hampshire, August 2001  
Department of Internal Medicine  
Active Medical Staff  
Catholic Medical Center, Manchester, New Hampshire, August 2001  
Department of Internal Medicine  
Active Medical Staff  
Associate Medical Director, Southern New Hampshire Integrated Care (Ryan White Title III Clinic), Nashua,  
New Hampshire, October 2002  
Medical Director, Nashua Department of Health and Community Services, July 2012-present

### Current Teaching Appointments

Preceptor, American Society of Health Pharmacists, PGY1 Pharmacy Residency-Infectious Disease Rotation,  
Elliot Hospital, Manchester, NH, March 2010-present  
Clinical Professor, Massachusetts College of Pharmacy and Health Sciences, Manchester, NH, 2009, 2012-  
present  
Preceptor, University of New England College of Osteopathic Medicine, 2017-present

### Current Research Protocols

Primary Investigator, Treatment of Chagas disease using benznidazole. IND Protocol, Southern New  
Hampshire Medical Center, Nashua, NH, 2009-present.  
Primary Investigator, Clofazimine for the long-term treatment of atypical mycobacterial infections. IND  
Protocol, Southern New Hampshire Medical Center, Nashua, NH, 2013-present.

## Alexander B. Granok, MD, FACP

### Education

#### Undergraduate

University of Denver, Denver, Colorado, 80210, 1984-1988. B.S., Summa cum Laude. Senior Honors Thesis-Electron Paramagnetic Resonance Spectroscopy of Two Metalloproteins. Gareth Eaton, Ph.D., advisor

#### Honors

Phi Beta Kappa, elected junior year  
Honors Scholarship, 1984-1988  
CRC Freshman Chemistry Award, 1985  
Reuben G. Gustavson Memorial Scholarship in Chemistry, 1985-1986  
William McConnell Memorial Scholarship in Chemistry, 1986-1987  
Michael Sherwood King Recognition Award in Chemistry, 1987  
Undergraduate Award in Analytical Chemistry, 1987  
American Institute of Chemists Award, 1987-1988  
Duncan Scholar, 1987-1988  
Distinguished Senior Man Award, 1988

#### Other Academic activities

Peer Tutor, Organic Chemistry, 1986-1987  
Undergraduate Teaching Assistant, Organic Chemistry, 1986-1987

#### Medical School

University of New Mexico School of Medicine, Albuquerque, New Mexico, 87131, 1988-1992.  
Doctor of Medicine, 1992

#### Honors

Alpha Omega Alpha, elected junior year

#### Activities

Health of the Public Program, 1990-1991  
Bernalillo County Health Department-Well Child Clinic; Milagro clinic for Children of Substance-Addicted Mothers, 1990-1991

#### Research

Medical Student Research Grant Recipient, 1989. Intracellular calcium responses of rat basophilic leukemia cells. Janet Oliver, Ph.D., advisor  
Medical Student Research Grant Recipient, 1990. Reverse transcriptase of duck hepatitis B virus. Jesse Summers, Ph.D., advisor

#### Internship

Barnes Hospital, St. Louis, Missouri, 1992-1993, Internal Medicine

#### Residency

Barnes Hospital, St. Louis, Missouri, 1993-1995, Internal Medicine  
First Prize, American College of Physicians Associates Poster Competition, 1994

#### Fellowship

Clinical Fellow in Infectious Diseases, Washington University, St. Louis, Missouri, 1996-1999.  
William G. Powderly, M.D., Chairman

#### Faculty Research Advisors

Michael Caparon, Ph.D. Virulence factors of Group A streptococci  
Linda Mundy, M.D. Epidemiology of Vancomycin-Resistant enterococci  
Special Citation, Infectious Disease Society of America Annual Meeting, Denver, Colorado.  
November, 1998



## **Alexander B. Granok, MD, FACP**

### **Certifications**

Board Certified, Infectious Disease, November, 1998; number 162461; recertified December 2008, December 2018  
Diplomate, American Board of Internal Medicine, August 1995, number 162461; recertified December 2005, December 2015  
Diplomate, National Board of Medical Examiners, July 1993, number 411709

### **Licensure**

State of New Hampshire, License number 11273, June 6, 2001-present  
State of Maine, 1999-2002  
State of Missouri, 1995-1999

### **Previous Clinical Appointments**

Staff Physician, Attending Service Medicine, Barnes Hospital, St. Louis, Missouri, 1995- 1996  
Attending Physician, Barnes-Jewish Hospital Emergency Medicine Department, St. Louis, Missouri, 1998-1999  
(temporary privileges)  
Norumbega Medical Specialists, Ltd., Bangor, Maine, August 1999-July 2001  
Eastern Maine Medical Center, Bangor, Maine, 1999-2001  
Active Staff  
Department of Internal Medicine  
Division of Infectious Diseases  
St. Joseph Hospital, Bangor, Maine, 2000-2001  
Courtesy Staff  
Department of Internal Medicine  
Division of Infectious Diseases  
Ross Manor, Bangor, Maine, 2000-2001  
Medical Staff  
Inland Hospital, Waterville, Maine, 2001  
Consulting Staff  
Department of Internal Medicine  
Clinical Consultant, City of Nashua Health Department, Nashua, New Hampshire, May 2003-January 2004;  
March 2006-October, 2006; October 2007-January 2009  
Medical Director (shared position), Home Medical Equipment Infusion Services, Manchester, New Hampshire,  
April 2007-June 2009

### **Previous Teaching Appointments**

Clinical Instructor of Medicine, Wohl Clinic, Washington University School of Medicine, St. Louis, Missouri,  
1995-1996  
Attending Physician, Medical Teaching Service, St. Louis Veterans Affairs Medical Center, St. Louis,  
Missouri, 1997-1999  
Adjunct Faculty, Massachusetts College of Pharmacy Physician Assistant Program (Manchester, NH Campus),  
2004-2006.

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### Previous Research Protocols

Primary Investigator, Use of clofazimine for the treatment of progressive *Mycobacterium avium* complex (MAC) lung disease in a patient with limited therapeutic options. IND Protocol, Southern New Hampshire Medical Center, Nashua, NH, 2005.

Primary Investigator, Use of pentostam (sodium stibogluconate) for the treatment of leishmaniasis (visceral, mucosal, and cutaneous). IND Protocol, Elliot Hospital, Manchester, NH, 2006.

### Hospital Committees-Current Position

Infection Prevention Committee, Catholic Medical Center, 2001-present

Chair, October 2007-present

Infection Control Committee, Elliot Hospital, 2001-present

Infection Control Committee, Southern New Hampshire Medical Center, 2001-present

Infection Control Committee, St. Joseph Hospital, 2001-present

Pharmacy and Therapeutics Committee, Southern New Hampshire Medical Center, 2001-present

Chair, September 2002-September 2005

Pharmacy and Therapeutics Committee, St. Joseph Hospital, 2001-present

Pharmacy and Therapeutics Committee, Elliot Hospital, 2001-present

Pharmacy and Therapeutics Committee, Catholic Medical Center, 2001-present

### Hospital Committees-Previous Positions

Infection Control Committee, Barnes-Jewish Hospital, 1998-1999

Infection Control Committee, Eastern Maine Medical Center, 1999-2001

Physician Compensation Committee, Norumbega Medical Specialists, Ltd., 2000

Peer Review/Quality Improvement Committee, Department of Internal Medicine, Eastern Maine Medical Center, 2000-2001

### Presentations

1. Characterization of the intracellular calcium response of rat basophilic leukemia cells using Quin-2. Medical Student Research Day, University of New Mexico School of Medicine, Albuquerque, NM. January, 1990.
2. Characterization of the intracellular calcium response of rat basophilic leukemia cells using Quin-2. Western Regional Meetings, Carmel, CA. February 1990.
3. Construction of a plasmid vector for large-scale expression of duck hepatitis B virus reverse transcriptase. Medical Student Research Day, University of New Mexico School of Medicine, Albuquerque, NM. January, 1991.
4. Metastatic lung cancer presenting with adrenal insufficiency. American College of Physicians, Missouri Chapter Meeting, Lake of the Ozarks, MO. October, 1994.
5. Regulation of the *Streptococcus pyogenes* virulence gene prtF by specific binding of the transcriptional activator RofA. Midwest Microbial Pathogenesis Meeting, Clayton, MO. September, 1998.
6. Regulation of the *Streptococcus pyogenes* virulence gene prtF by specific binding of the transcriptional

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- activator RofA. IDSA Annual Meeting, Denver, CO. November, 1998.
7. Blood-borne pathogens. STD Training Project, Washington University School of Medicine, St. Louis, MO. 1999.
  8. Invasive Streptococcal disease. Third Annual Roche Laboratories Ski CME Program. Sugarloaf/USA, ME. March 2000.
  9. Community-acquired pneumonia. Family Practice Residency Program, Eastern Maine Medical Center, Bangor, ME. September 2000.
  10. Bacteremia. Fourth Annual Roche Laboratories Ski CME Program. Sugarloaf/USA, ME. March 2001.
  11. Bloodborne Pathogens. Husson College Nurse Practitioner Program, Bangor, ME. June 2001.
  12. Bioterrorism, Questions and Answers. Southern New Hampshire Medical Center Grand Rounds, Nashua, NH. October 2001.
  13. Bioterrorism, Diseases of Concern. Community Medical School, Nashua, NH. December 2001.
  14. Intestinal *M. bovis* Infection. State of New Hampshire Tuberculosis Advisory Committee, Concord, NH, April 30, 2002.
  15. Intestinal *M. bovis* Infection. Northern New England Infectious Disease Society Meeting, Waterville Valley, NH, May 4, 2002.
  16. A Real Shot in the Arm: The Role of Immunizations in Today's World. Community Medical School, Nashua, NH, May 6, 2002.
  17. Update on Travel Medicine. Catholic Medical Center Grand Rounds. Manchester, NH, June 19, 2002.
  18. What's New in Immunizations. Foundation Medical Partners Clinical Liaison Team. Nashua, NH, July 10, 2002.
  19. Travel Tips for Those Over 50. 55Plus Group (sponsored by Southern New Hampshire Medical Center). Nashua, NH July 17, 2002.
  20. Community-Acquired Pneumonia: An Infectious Disease Physician's Viewpoint. Monadnock Community Hospital Grand Rounds. Peterborough, NH, November 27, 2002.
  21. Community-Acquired Pneumonia. Round Table Discussion. Bedford, NH, December 11, 2002.
  22. Cutaneous Mycobacterial Infections. Dartmouth-Hitchcock Interesting Case Conference. Nashua, NH, January 8, 2003.
  23. Community-Acquired Pneumonia: An Infectious Disease Physician's Viewpoint. St. Joseph Hospital Grand Rounds. Nashua, NH, January 15, 2003.
  24. Unusual Pathogens (lecture to Southern New Hampshire Medical Center microbiology laboratory and infection control staff). Nashua, NH, January 22, 2003.

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25. Community-Acquired Pneumonia: Focus on Inpatient Care (lecture to Elliot Hospital hospitalist group). Manchester, NH, March 18, 2003.
26. Vectorborne and Zoonotic Diseases of New England. Eastern Maine Medical Center Grand Rounds. Bangor, ME, May 22, 2003.
27. Update on Lyme Disease and West Nile Virus Infection. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, June 3, 2003.
28. Community-Acquired Pneumonia: Patient Evaluation. Catholic Medical Center Department of Medicine Meeting. Manchester, NH, June 20, 2003.
29. HIV and Dentistry. Greater Nashua Dental Society Meeting. Nashua, NH, November 3, 2003.
30. Community-Acquired Pneumonia: Initial Evaluation and Treatment. Presentation to Catholic Medical Center Emergency Department Staff. Manchester, NH, November 19, 2003.
31. Neurocysticercosis. Dartmouth-Hitchcock Interesting Case Conference. Nashua, NH, December 10, 2003.
32. Cryptococcosis. (lecture to St. Joseph Hospital microbiology laboratory staff). St. Joseph Hospital, Nashua, NH, December 31, 2003.
33. Lower Respiratory Tract Infections. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 30, 2004.
34. Upper Respiratory Tract Infections. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 30, 2004.
35. Vectorborne Diseases. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, August 3, 2004.
36. ABC's of Bioterrorism. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, August 4, 2004.
37. Vaccinations. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, August 4, 2004.
38. Basics of Antiretroviral Therapy. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, September 9, 2004.
39. HIV Prevention 2004. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, September 9, 2004.
40. Pertussis: Clinical Features, Epidemiology, Diagnosis, Treatment and Prevention. Nashua Immunization Coalition. Nashua, NH, September 22, 2004.
41. HIV Update 2004. Catholic Medical Center Grand Rounds. Manchester, NH, October 20, 2004.
42. Introduction to "A Closer Walk." World AIDS Day. Nashua, NH, December 1, 2004.
43. The West Nile Virus Epidemic, 2004. Southern New Hampshire Medical Center Grand Rounds. Nashua,

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NH, March 10, 2005.

44. Lyme Disease: Conundrums and Controversies. Southern New Hampshire Medical Center Continuing Medical Education. Nashua, NH, March 10, 2005.
45. Antiretroviral Therapy 2005. New Hampshire Pharmacist Program. Concord, NH, April 10, 2005.
46. Antiretroviral Therapy and the Consequences of Nonadherence. American Health Resources Program. Nashua, NH May 24, 2005.
47. Ludwig's Angina. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, May 26, 2005.
48. Upper Respiratory Tract Infections. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 18, 2005.
49. Lower Respiratory Tract Infections. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 18, 2005.
50. Vectorborne Diseases of New England. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 20, 2005.
51. ABC's of Bioterrorism. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 20, 2005.
52. Life-threatening Communicable Diseases: Meningitis and Encephalitis. Catholic Medical Center Nursing Grand Rounds. Manchester, NH, March 15, 2006.
53. Aseptic Meningitis and Encephalitis. Southern New Hampshire Medical Center Continuing Medical Education. Nashua, NH, May 25, 2006.
54. Lower Respiratory Tract Infections. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 27, 2006.
55. Upper Respiratory Tract Infections. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 27, 2006.
56. Vectorborne Diseases of New England. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, July 28, 2006.
57. ABC's of Bioterrorism. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, August 3, 2006.
58. Immunizations and Related Topics. Massachusetts College of Pharmacy, Physician's Assistant Program. Manchester, NH, August 3, 2006.
59. Update on HIV Infection and Antiretroviral Therapy, 2006. Catholic Medical Center Nursing Grand Rounds. Manchester, NH, November 28, 2006.
60. New Vaccinations, New Indications. Southern New Hampshire Medical Center Continuing Medical Education. Nashua, NH, December 7, 2006.

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61. Infections from the Persian Gulf. Dartmouth-Hitchcock Interesting Case Conference. Nashua, NH, January 10, 2007.
62. Backyard Threats. Health Partners TV. Nashua, NH, April 2007.
63. Update on HIV Infection, 2007. St. Joseph Hospital Grand Rounds. Nashua, NH, June 6, 2007.
64. Adult Immunizations. Health Partners TV. Nashua, NH, January 2008.
65. Appropriate Use of Prophylactic Antibiotics in Dentistry: Focus on New Guidelines and Complications. Greater Nashua Dental Society Meeting. Nashua, NH, November 3, 2008.
66. Life-Threatening Infections. FSCC Course. Elliot Hospital. Manchester, NH, June 12, 2009.
67. Tickborne Diseases of New Hampshire. Catholic Medical Center Grand Rounds. Manchester, NH, June 17, 2009.
68. Staphylococcal Bacteremia. Presentation to Elliot Hospital Medical Staff. Manchester, NH, September 15, 2009.
69. Lyme Disease: Symptoms, Treatment, Controversy? Presentation at Foundation Medical Partners Quarterly Meeting. Nashua, NH, September 24, 2009.
70. Ordering and Interpreting Microbiology Tests. Catholic Medical Center Grand Rounds. Manchester, NH, January 6, 2010.
71. The Pharmacist and the Microbiology Laboratory. Catholic Medical Center Department of Pharmacy. Manchester, NH, April 27, 2010.
72. Lemierre's Syndrome. Elliot Hospital Pediatric Case Conference. Manchester, NH, March 3, 2011.
73. Update in Travel Medicine. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, February 16, 2012.
74. Tickborne Diseases of New Hampshire. Elliot Hospital Pediatric Pearls Lecture. Manchester, NH, August 29, 2012.
75. New Latent Tuberculosis (LTBI) Treatment Recommendations. Foundation Medical Partners Quarterly Meeting. Nashua, NH, September 19, 2012.
76. New Latent Tuberculosis (LTBI) Treatment Recommendations. St. Joseph Hospital Grand Rounds. Nashua, NH, December 12, 2012.
77. Tickborne Diseases of New Hampshire. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, May 30, 2013.
78. Travel Medicine: The Short Version. Lecture to Southern New Hampshire Immediate Care providers. Merrimack, NH, July 23, 2013.
79. Arbovirus Infections. Greater Nashua Public Health Network. Nashua, NH, April 22, 2014.

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80. Arbovirus Infections. Southern New Hampshire Medical Center Grand Rounds. Nashua, NH, May 15, 2014.
81. Tickborne Diseases of New Hampshire. Foundation Medical Partners Family Practice Division Meeting. Nashua, NH, August 4, 2014.
82. Prevention of HIV Infection by Pre-exposure Prophylaxis (PrEP). Dartmouth Hitchcock Nashua Grand Rounds. Nashua, NH, September 26, 2014
83. Ebola virus disease: Current situation, focus on protecting health care providers, including first responders. Catholic Medical Center EMS Symposium. Manchester, NH, December 3, 2014.
84. Challenges of Caring for Patients Who Are Injection Drug Users. Schwartz Rounds, Elliot Hospital. Manchester, NH, July 10, 2015.
85. Mosquito Borne Illness. Southern New Hampshire Medical Center Pediatric Grand Rounds. Nashua, NH, June 8, 2016.
86. The Current State of Hepatitis Treatment. Prevention Convention: Get the Edge. Nashua, NH, July 17, 2017.
87. Infectious Complications of Injection Drug Use, including hepatitis C and HIV. CMC's 4<sup>th</sup> Annual Summit on Treatment of Opiate-Dependent Patients and Pain. Nashua, NH, November 16 2018.
88. Sexually transmitted infections (STI's), including post-exposure prophylaxis (PEP) against HIV. Presentation to Southern New Hampshire Immediate Care Division. Merrimack, NH, November 29, 2018.

### Publications

1. Alexander B. Granok, AB, Mahon, PA, Biesek, GW. *Clostridium septicum* empyema in an immunocompetent woman. Case Report Med. 2010; 2010: 231738. Epub 2010 May 16.
2. Spacek LA, Hurley BP, Acheson DWK, Granok A, Currie A, Doing K, Sears CL. Shiga Toxin-Producing *Escherichia coli* as a Possible Etiological Agent of Chronic Diarrhea. Clin Infect Dis 2004; 39: e46-e48.
3. Granok A, Benjamin P, Garrett L. *Corynebacterium minutissimum* bacteremia in an immunocompetent host with cellulitis. Clin. Infect. Dis. 2002; 35: e40-e42.
4. Granok A, Parsonage D, Ross RP, and Caparon MG. The RofA binding site in *Streptococcus pyogenes* is utilized in multiple transcriptional pathways. J. Bacteriol. 2000; 182: 1529-1540.
5. Garrison T, Granok A, Trinkaus K, Dromerick A, Lynch J, Mundy LM. Relaxation of contact isolation and its impact on vancomycin-resistant enterococci (abstract). Am J. Infect. Control Vol 28, number 1. February 2000.
6. Fichtenbaum C, Granok A. Invasive Candida Infections (chapter). Hospital Physician Infectious Diseases Board Review Manual. Vol. 5, part 4. November, 1999.
7. Granok A. Characterization of the intracellular calcium response of rat basophilic leukemia cells using

## Alexander B. Granok, MD, FACP

Quin-2 (abstract). Clinical Research, Vol. 38, p. 215A. January 1990.

### Organizations

American College of Physicians, 1993-present  
Elected to Fellowship 2002  
Infectious Disease Society of America, 1999-present  
HIV Medicine Association, 1999-present  
American Medical Association, 1988-1993, 1995-present  
Northern New England Infectious Disease Society, 2000-present  
New Hampshire Medical Society, 2008-present  
American Society for Microbiology, 2012-present  
International AIDS Society, 2006-present  
Society for Healthcare Epidemiology of America, 2003  
Maine Medical Association, 1999-2001  
Penobscot County Medical Association, 1999-2001  
Missouri Medical Society, 1995-1999  
New Mexico Medical Society, 1988-1992  
American Academy of Family Physicians, 1990  
American Medical Student Association, 1989-1992

### Other Professional Activities

Microbiology Teaching Team, Young Scientist Program, Washington University School of Medicine, 1998  
Laboratory Teaching Assistant, Washington University School of Medicine, Microbiology Department, 1998-1999  
Preceptor, Maine Practice Association, 1999-2001  
Tuberculosis Advisory Committee, State of New Hampshire, 2001-2002  
Nashua Community Planning Committee, Ryan White Title III Early Intervention Services, 2001-2002  
Nashua Board of Health, 2002-2003  
Reviewer, Clinical Infectious Diseases, 2003, 2005, 2007, 2009, 2013  
Reviewer, Journal of Infection, 2014  
Community Advisory Group, Southern New Hampshire Integrated Care, 2003-present  
Council of Advisors, 2003-present  
New Hampshire AIDS Drug Assistance Program Medical Advisory Committee, 2004-2005  
Speaker's Bureau (none currently active)  
Bristol-Myers Squibb Company  
GlaxoSmithKline  
Merck & Co., Inc.  
Pfizer U.S. Pharmaceuticals  
Roche Pharmaceuticals  
Abbot Laboratories



## NICOLE VIAU

### EDUCATION

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Bachelor of Science in Public Health with a minor in Psychology, Colby-Sawyer College      September 2013 - May 2017  
Merrimack High School      September 2009 - May 2013

### WORK EXPERIENCE

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Program Assistant, Nashua Division of Public Health and Community Services - Nashua, NH      June 2017 – Present

- Supports Public Health Network Services programs including Continuum of Care, Public Health Emergency Preparedness, Public Health Advisory Council, Substance Misuse Prevention, and Young Adult Leadership
- Assists staff in timely completion of grant deliverables, grant proposals, and reports
- Coordinates and provides support for meetings, events, trainings, and exercises
- Contributes to the development of work plans and tracking tools
- Gathers, prepares, and disseminates information to regional partners, including resources and data
- Assists in the development and maintenance of plans, policies, and guidance, including the Community Health Assessment and Community Health Improvement Plan
- Plans and participates in outreach activities and health promotion events

Licensed Nursing Assistant, MAS Medical Staffing and Courville Assisted Living - NH      August 2014 – June 2017

- Provided high-quality patient care in nursing home and home care settings
- Recorded and documented patient information and vital signs
- Preserved patient dignity while building patient relations

Intern, Greater Sullivan County Public Health Network - Newport, NH      September 2016 - December 2016

- Reviewed and updated regional emergency plans utilizing web-based collaboration software
- Collaborated and engaged with regional public health and safety professionals

Assistant Teacher, Tollhouse Preschool - Merrimack, NH      May 2012 – August 2013

- Assisted lead teacher with planning and implementation of classroom duties and activities
- Ensured child safety and satisfaction

### LEADERSHIP

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Program Assistant, Nashua Division of Public Health and Community Services - Nashua, NH      June 2017 – Present

- Lead the facilitation of program tasks to ensure timely completion of deliverables
- Successfully organized meetings, conferences, and collaborations with community partners
- Had to quickly adapt to changes and prepare for unforeseen circumstances, including meeting facilitation

Group Leader, Fitness University - Nashua, NH      June 2009 – Present

- Lead 3 year olds in the promotion and education of healthy eating and exercising

## SKILLS & INTERESTS

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**Skills:** Proficient in Microsoft Office (Word, Excel, PowerPoint, Publisher, Outlook), basic graphic design (Piktochart and Canva), email marketing (Constant Contact), project management, budget planning, meeting management (AnyMeeting and GoToWebinar), event planning, organization, collaboration, communication (written and oral), time management, detail-oriented, independent, reliable, flexible

**Language:** English

**Interests:** public health, health promotion, health education, project management, community health improvement, prevention, event planning, camping, babysitting

## ACHIEVEMENTS

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2017 Colby-Sawyer College Public Health Outstanding Student Award, Licensed Nursing Assistant, Colby-Sawyer College Dean's List, Homeland Security Exercise and Evaluation Program Certified

## **Education**

*University of Massachusetts Lowell, MPH in Epidemiology* May 2017

- Coursework: Quantitative Models, Advanced Regression Modelling, Exposure and Risk Assessment
- Cumulative GPA: 3.85/4.00

*University of Massachusetts Boston, BA in Environmental Science, Anthropology & Honors Studies* May 2015

- Cumulative GPA: 3.8/4.00

## **Professional Experience**

*City of Nashua Division of Public Health and Community Services, Epidemiologist* November 2017- Present

- Provided epidemiological expertise at a local level through;
  - Assisting in the design and maintenance of systems of public health data collection, surveillance, interpretation, and investigation;
  - Conducting and assisting with communicable disease investigations;
  - Leading community based research projects on neonatal abstinence syndrome, fetal alcohol syndrome, human papillomavirus vaccination, and substance use disorder;
  - Surveilling projects such as the Syringe Service Alliance of the Nashua Area, Safe Stations, Asthma Home Visiting Program, and Revive Recovery Center;
  - Reviewing disease surveillance reports to implement response measures;
  - Providing technical assistance during disease outbreak and field investigations;
  - Assuring quality of data, information dissemination and timely reporting of disease investigations;
  - Participating in the development of the Community Health Improvement Plan, Strategic Plan and maintaining of Accreditation status;
  - Participating in the development of evaluation tools to evaluate program effectiveness;
  - Monitoring clinic datasets and providing quarterly reports on Immunization Clinic and STD Clinic.

*Massachusetts Department of Public Health (MDPH)*

*Occupational Health Surveillance Program, Intern* May 2016 – May 2017

- Spearheaded a pilot study on hospital-based healthcare personnel and work related needlestick and other sharps injuries in an acute care hospital in Boston, MA. Project duties included:
  - Filing IRB (International Review Board) paperwork for three institutions;
  - Converting raw data into a usable template;
  - Utilizing Poisson regression and frequency distribution tables to analyze data;
  - Authoring research paper on the study methods and findings;
  - Presenting final project to the study hospital, MDPH staff, and UMass Lowell faculty and staff;
  - Providing MDPH with recommendations for the future, large-scale study.

*National Institute of Occupational Safety and Health (NIOSH), Grant Recipient* September 2015 – May 2017

- Awarded NIOSH training grant for outstanding academic achievement. Grant requirements included:
  - Participating in seminars and research symposiums on latest research in occupational safety;
  - Completing occupational safety and health course curriculum;
  - Completing a year-long capstone project with an occupational safety and health focus;
  - Working as a teacher's assistant in the UMass Lowell Work Environment department.

## **Software Knowledge**

- Microsoft Office (Word, Excel, PowerPoint, Outlook), SAS, SPSS, EpiInfo, ArcGIS.

**Patricia E. Crooker**  
18 Mulberry Street  
Nashua, NH 03060  
[CrookerP@NashuaNH.gov](mailto:CrookerP@NashuaNH.gov)  
Phone: (603) 589-4507

### **Objective**

To function in a leadership role in the development and implementation of public health initiatives within the Greater Nashua community.

### **Education**

- University of NH - Durham, NH - May 1997: BA in Psychology with specializations in Criminal Justice and Early Childhood Development.
- University of NH - Manchester, NH - May 2008: Masters of Public Health

### **Certification**

- Certified Healthcare Emergency Professional (CHEP) 2011 - Present
- Certified in Public Health (CPH) May 2018

### **Work History**

#### **Public Health Network Services/SNS Coordinator**

**City of Nashua, Division of Public Health and Community Services - Nashua, NH**

*May 2008 - Present*

- Manage the development and implementation of regional public health initiatives to facilitate improvements in the delivery of the 10 Essential Public Health Services, including increasing the capability of the region to respond to large scale public health emergencies and continuing implementation of the Strategic Prevention Framework (SPF) and substance misuse prevention and related health promotion as appropriate to the region
- Manage all Division programs and subcontracts funded (entirely or partially) under the Regional Public Health Network Services program, including program oversight, staff supervision, grant administration, workplan development/execution and budget management
- Act as primary public health resource for the 13 municipalities in the Greater Nashua Public Health Region
- Develop, maintain and co-chair the Greater Nashua Regional Public Health Advisory Council (PHAC) and its Executive Committee; act as the primary contact person for the work generated by the Greater PHAC and its subcommittees
- Participate in community health assessments and community health improvement planning processes
- Oversee the development and maintenance of the Regional PH Emergency Response Annex
- Oversee the development and maintenance of standard operating procedures for PHNS programs and activities
- Participate in annual State and Federal reviews and audits
- Engage with community organizations to foster connections that improve the capacity and capability of public health, medical and behavioral health services in the region before, during and after an incident
- Develop and provide Public Health and Emergency Preparedness related training to organizations and communities
- Develop, maintain and execute the three-year Training and Exercise Plan for Regional Public Health Emergency Preparedness
- Plan and execute drills and exercises in accordance with the Homeland Security Exercise and Evaluation Program (HSEEP)
- Assist with coordinating activities and policies with the State Department of Health and Human Services, Homeland Security and Emergency Management, and other State level organizations
- Oversight of regional Public Health assets, including supplies, equipment and trailers

**Senior Visitation Monitor**

**Greater Nashua Supervised Visitation Center – Greater Nashua Mental Health Center  
Nashua, NH**

*May 2008 – December 2014*

Responsibilities include: maintaining program files; administrative/ programmatic compliance with national standards and program funding sources; state, federal, civic, and corporate grant writing/reporting/billing;; direct service coordination/provision; providing individual and community education on domestic violence, child abuse and supervised visitation.

**Program Coordinator**

**Greater Nashua Supervised Visitation Center – Greater Nashua Mental Health Center  
Nashua, NH**

*May 2005 – May 2008*

Provide comprehensive program coordination of Supervised Visitation Center.

Responsibilities include: maintaining program files; administrative/ programmatic compliance with national standards and program funding sources; state, federal, civic, and corporate grant writing/reporting/billing; supervision of program staff of 8; direct service coordination/provision; providing individual and community education on domestic violence, child abuse and supervised visitation; participate on various local and state committees/board; and, all other programmatic coordination of the program.

**Senior Case Manager**

**Greater Manchester AIDS Project – Manchester, NH**

*June 2000 – April 2005*

Provide comprehensive empowerment based case management services to individuals living with HIV including: assistance in housing, social services, financial planning, crisis intervention, mental health, transportation, medical/dental health, entitlement program application advocacy and other support as needed; crisis intervention; maintaining client files with appropriate state and federally mandated information; compliance with directives of various grants and funding sources; extensive computer skills including all Microsoft Office programs and FrontPage; maintaining client database; aiding in grant writing/reporting. Fundraising; community education programs; participation on local and statewide community planning groups; working with area agencies and service providers to provide comprehensive care and community relations.

**Direct Services/Volunteer Coordinator**

**BRIDGES, Inc. - Nashua, NH**

*July 1997 – June 2000*

Supervised a staff of two full-time crisis intervention advocates and 20+ volunteer advocates to provide crisis intervention services to victims/survivors of domestic and sexual violence via a 24-hour crisis line, in person contact, and court advocacy. Participated on multiple statewide planning committees with the NH Attorney General's Office and the NH Coalition Against Sexual and Domestic Violence. Conference planning in conjunction with the Governor's Committee on Volunteerism and the University of NH. Training and education programs both internally and externally. Extensive computer knowledge in Microsoft Office. Fundraising and community involvement. Some grant writing involved.

## JANET L. GRAZIANO, CPA

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### SUMMARY

Financial professional with strong accounting and auditing skills. Experience in managing staff in a project environment and developing enhancements to internal controls, operational efficiency and profitability. Strong problem-solving, organizational, supervisory and communication skills.

### EXPERIENCE

2010 – Present

**CITY OF NASHUA**, Nashua, NH

#### Senior Finance Manager

- Responsible for overseeing all financial transactions for General Government to ensure compliance with city policies, ordinances, and GASB
- Oversee and prepare all financial reports for federal, state, and private grants and ensure that spending is in accordance with grant criteria
- Prepare annual budget for Aldermanic approval
- Develop policies and procedures to ensure proper internal controls and efficiencies
- Consult with Division Directors on best practices regarding contracts and other procurement issues
- Train and assist staff in following City policies and procedures
- Team lead on implementation of ERP Lawson Procurement Module
- Developed training materials and manuals, and trained all City users in new procurement process
- Assist CFO with special projects

2005 – 2009

**DANIEL WEBSTER COLLEGE**, Nashua, NH

#### Senior Accountant

- Maintain general ledger through preparation of draft financial statements and reconcile all accounts on a monthly basis. Reduced number of old reconciling items from greater than three months to current, ensuring items clear on a timely basis.
- Maintain and prepare all Endowment Fund accounting and calculations.
- Compile institution's operating budget detail and assist department heads with budget preparation. Prepare and distribute all reports to department heads and act as point person for resolving issues.
- Created efficiencies in accounting processes by automating items that were previously prepared manually
- Spearheaded changes in gift processing collaborating with Development office to create further efficiencies.
- Worked with outside software vendor (SCAN) to create efficiencies in processing data thereby reducing month-end accounting process by three to five days
- Participated in analysis and implementation of installing new copiers on campus. Ensured that all new copiers would have scanning and printing capabilities creating efficiencies college-wide.
- Prepare all audit schedules and work with external auditors

1999 - 2006

**LEGAL ADVICE AND REFERRAL CENTER**, Concord, NH

*(Grantee of Legal Services Corporation, a private, non-profit corporation established by the U.S. Congress)*

#### Controller

Oversee bookkeeper's activities, ensure that financial records are maintained in accordance with governmental regulations, prepare monthly financial statements, and provide assistance with annual audit. Managed all grant funding. Worked directly with Executive Director preparing annual budget and all grant reporting.

- 1998 – 1999      **SUPERIOR COFFEE AND FOODS, Bow, NH** (*a subsidiary of Sara Lee Corporation*)  
**Financial Consultant**
- Assisted the Vice President of Route Operations and Finance Director in various projects, such as budgeting, forecasting, customer profitability analysis, route efficiency analysis, and other projects on an ongoing basis.
- 1996 - 1998      **Financial Planning & Analysis Manager, Eastern Division**
- Managed Customer Service and Credit and Collection Departments (2 direct and 7 indirect reports).
  - Analyzed financial results and provided top management with information on the Eastern division's financial performance (in total and for four different business segments).
  - Implemented and administered Company policies and procedures for finance, credit and customer service.
  - Established additional procedures for internal controls over credit and collection procedures.
  - Prepared and managed budgeting and forecasting processes for entire division (\$100 million in sales).
  - Analyzed customer profitability, and due to errors found saved the company approximately \$150,000 in my first year.
  - Responsible for profitability of in-house company store and reduced year-end inventory shrink from \$30,000 to \$100.
  - Liaison with Internal Audit department to communicate any audit points found and ensure recommendations were followed.
  - Monitored accounts payable, equipment, accounts receivable, and notes receivable.
- 1993 - 1996      **BANC ONE NEW HAMPSHIRE ASSET MANAGEMENT CORPORATION,**  
Manchester, NH (*a subsidiary of Banc One Corporation*)  
**Audit Supervisor**
- Responsible for conducting the higher risk and more complex financial and operational audits for this \$1.7 billion asset servicing company.
  - Extensive experience developing audit strategy, directing and training staff, and communicating audit results and recommendations both orally and in written reports to senior management and committees.
  - Demonstrated ability in accurately identifying audit risks, assessing internal controls and providing creative solutions while performing within strict budget guidelines.
  - Conducted ongoing analysis and evaluation of financial performance and assisted management by leading or participating in special projects or studies.
  - Coordinated training for the Audit department including identifying cost-effective programs for individual staff development.
  - Consistently achieved above-average ratings on all performance reviews.
  - Skilled in identifying and developing individual employee strengths and utilizing them in a team environment.
  - Assisted in the recruitment and review of new hires within the department.
  - Recognized as BONHAM's Employee of the Month for completing a major regulatory project within strict time and budget constraints and with complete client satisfaction.

**EDUCATION**

**NORTHEASTERN UNIVERSITY, School of Business, Boston, MA**  
B.S., Business Administration, *cum laude*  
Concentrations in both Accounting and Finance

**CERTIFIED PUBLIC ACCOUNTANT, 1992** Experience from PricewaterhouseCoopers

**Janet L. Graziano, CPA**

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**VOLUNTEER EXPERIENCE**

- Obtained Merrimack School Board Approval for Merrimack High School Swim Team, created Merrimack High School Swim Booster Club, prepared all filings for non-profit 501(c)(3) status and worked with IRS to obtain approval
- Treasurer, Merrimack High School Swim Booster Club – 2 years
- Treasurer, Merrimack Boy Scout Troop 15 – 4 years
- Secretary, Merrimack Youth Baseball – 3 years



# Lisa Vasquez

## Objectives

Committed to consult and advise local and state agencies on public health issues.

## Education

Borough of Manhattan Community College – New York, NY

*May 2002* – A.A. Business Administration

Southern New Hampshire University – Manchester, NH

*May 2011* – Bachelors of Arts in Psychology

- Psy Chi Honor Society
- Alpha Chi Honor Society
- Alpha Sigma Lambda Honor Society

Southern New Hampshire University – Manchester, NH

*January 2015* – Masters of Science in Community Mental Health Counseling

## Experience

City of Nashua Division of Public Health/ Community Services | 18 Mulberry St. Nashua, NH 03060

Substance Misuse Prevention Coordinator *December 2013 – Present*

- Responsible for leading the Greater Nashua Public Health Region in carrying out the implementation of the Greater Nashua regional Network Community-Based, Data Driven Response to Substance Misuse & Disorders, a Strategic Plan for Prevention.
- Serve as a resource and technical assistance provider for local substance misuse coalitions; work with federally funded Drug Free Community grant recipient coalitions; and collaborate with the NH Bureau of Drug and Alcohol Services and other funders to implement and promote substance misuse prevention initiatives in accordance with evidence based prevention models, including the Substance Abuse Prevention Framework; comply with program reporting requirements; facilitate meetings/trainings for regional and state level stakeholders; and other duties as assigned.

Greater Nashua Mental Health Center | 7 Prospect St. Nashua, NH 03060

Psychiatric Rehabilitation Specialist *August 2012 – December 2013*

- Provide case management to client's living with severe /persistent mental illness
- Develop and implement individualized service plans
- Provide functional support services in the community
- Implement Illness Management and Recovery model with clients

The Youth Council | 112 W. Pearl St. Nashua, NH 03060

Intern *Spring 2012 –Spring 2013*

- Facilitate *Active Parenting* classes
- Conduct intakes and check-ins for Youth Court Diversion Program
- Translate and Interpret for Spanish speaking clients as needed

Lisa Vasquez

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## Skills

- Trained Medical Interpreter (Spanish) - 2005
- Trained on Connect suicide prevention through NAMI NH - 2014
- Operational Management certificate obtained from New England Institute of Addiction Studies – 2014
- Certified Prevention Specialist - 2016

The City of Nashua

Key Personnel – SUD-COC FY20

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Patty Crooker	Public Health Network Services Coordinator	\$72,410	32.5%	\$23,533
Nicole Viau	Public Health Network Services Program Assistant	\$44,393	10%	\$4,439

The City of Nashua

Key Personnel – PHAC FY21

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Patty Crooker	Public Health Network Services Coordinator	\$76,755	17.5%	\$13,432
Nicole Viau	Public Health Network Services Program Assistant	\$47,057	15%	\$7,058

The City of Nashua

Key Personnel – PHEP FY20

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Patty Crooker	Public Health Network Services Coordinator	\$76,755		\$38,377
Chelsea St. George	Public Health Preparedness Coordinator	\$60,209	100%	\$60,209
Nicole Viau	Public Health Network Services Program Assistant	\$47,057	50%	\$23,528
Angela Lumenello	Epidemiologist	\$68,294	12.5%	\$ 8,537

The City of Nashua

Key Personnel – SMP FY21

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lisa Vasquez	Substance Misuse Prevention Program Coordinator	\$53,611	70%	<u>\$37,528</u>
Nicole Viau	Public Health Network Services Program Assistant	\$44,393	12.5%	\$5,882

The City of Nashua

Key Personnel – SUD-COC FY21

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Patty Crooker	Public Health Network Services Coordinator	\$76,755	32.5%	\$24,945
Nicole Viau	Public Health Network Services Program Assistant	\$47,057	10%	\$4,706

The City of Nashua

Key Personnel – PHAC FY20

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Patty Crooker	Public Health Network Services Coordinator	\$72,410	17.5%	\$12,672
Nicole Viau	Public Health Network Services Program Assistant	\$44,393	15%	\$6,659



The City of Nashua

Key Personnel – PHEP FY20

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Patty Crooker	Public Health Network Services Coordinator	\$72,410	50%	\$36,205
Chelsea St. George	Public Health Preparedness Coordinator	\$56,801	100%	\$56,801
Nicole Viau	Public Health Network Services Program Assistant	\$44,393	50%	\$22,197
Angela Lumenello	Epidemiologist	\$64,428	12.5%	\$ 8,054

The City of Nashua

Key Personnel – SMP FY20

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lisa Vasquez	Substance Misuse Prevention Program Coordinator	\$53,611	75%	\$40,208
Nicole Viau	Public Health Network Services Program Assistant	\$44,393	12.5%	\$5,549