

# **Annual Report City of Nashua New Hampshire**



*For the Fiscal Year Ended  
June 30, 2021*

**Prepared by the Office of the City Clerk**

**Susan K. Lovering, City Clerk**

# **168<sup>TH</sup> MUNICIPAL GOVERNMENT REPORT**

For the Fiscal Year ending June 30, 2021

## **TABLE OF CONTENTS**

- Annual Comprehensive Financial Report
- Mayor's State of the City Address
- Report of the City Clerk's Office
- Report of Nashua Fire Rescue
- Report of Conservation Commission
- Report of Library Trustees
- Report of Public Works Commissioners
- Report of Nashua Riverfront Development Project & Tax Increment District

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# CITY OF NASHUA, NEW HAMPSHIRE

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## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021

# **CITY OF NASHUA NEW HAMPSHIRE**

## **Annual Comprehensive Financial Report**

**For The Fiscal Year Ended  
June 30, 2021**



**Prepared by:  
The Financial Services Division**

**John L. Griffin  
Chief Financial Officer  
Treasurer/Tax Collector**

**Rosemarie Evans  
Comptroller**

City of Nashua, New Hampshire  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2021

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>INTRODUCTORY SECTION:</u></b>	
<b>Transmittal Letter</b>	1
<b>Organizational Chart</b>	9
<b>Principal Officials</b>	10
<b>Division and Department Heads</b>	11
<b>Geographic Location</b>	14
<b>Certificate of Achievement</b>	15
<b><u>FINANCIAL SECTION:</u></b>	
<b>Independent Auditors' Report</b>	16
<b>Management's Discussion and Analysis</b>	19
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	32
Statement of Activities	33
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet	35
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	36
Statement of Revenues, Expenditures, and Changes in Fund Balances	37
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Statement of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual - General Fund	39

	<b><u>Page</u></b>
<b>Proprietary Funds:</b>	
Statement of Net Position	40
Statement of Revenues, Expenses, and Changes in Fund Net Position	41
Statement of Cash Flows	42
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position	43
Statement of Changes in Fiduciary Net Position	44
<b>Component Units:</b>	
Combining Statement of Net Position	45
Combining Statement of Revenues, Expenses and Changes to Net Position	46
<b>Notes to Financial Statements</b>	47
<b>Pennichuck Corporation and Subsidiaries Notes</b>	97
<b>Nashua Airport Authority Notes</b>	140
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
<b>Pension:</b>	
Schedule of Proportionate Share of the Net Pension Liability	156
Schedule of Pension Contributions	157
Schedule of Changes in the Net Pension Liability	158
Schedules of Net Pension Liability, Contributions, and Investment Returns	159
<b>OPEB:</b>	
Schedules of Proportionate Share and Contributions of the Total OPEB Liability	160
Schedules of Changes in the Total OPEB Liability and Contributions	161

**SUPPLEMENTARY STATEMENTS AND SCHEDULES:**

**Governmental Funds:**

**Combining Financial Statements:**

Combining Balance Sheet - Nonmajor Governmental Funds 165

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Nonmajor Governmental Funds 171

**Detail and Combining Budget and Actual Statements:**

Detail Schedule of Revenues and Other Financing  
Sources - Budget and Actual - General Fund 180

Detail Schedule of Expenditures and Other Financing  
Uses - Budget and Actual - General Fund 181

**Internal Service Funds:**

Combining Statement of Net Position 183

Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Position 184

Combining Statement of Cash Flows 185

**STATISTICAL SECTION:**

***Financial Trends***

Net Position by Component - Last Ten Fiscal Years 187

Change in Net Position - Last Ten Fiscal Years 188

Fund Balances, Governmental Funds - Last Ten Fiscal Years 189

Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years 190

Expenditures and Other Financing Uses by Department and  
Budget Category, General Fund - Last Ten Fiscal Years 191

	<b><u>Page</u></b>
Combined Enterprise Funds Revenue, Expenses, Other Financing Sources and Uses and Change in Total Net Position - Last Ten Fiscal Years	192
 <b><i>Revenue Capacity</i></b>	
General Government Tax Revenues by Source - Last Ten Fiscal Years	193
Property Tax Levies and Collections - Last Ten Fiscal Years	194
Assessed and Estimated Full Value of Real Property - Last Ten Fiscal Years	195
Principal Taxpayers - Current Year and Nine Years Ago	196
Property Tax Rates per \$1,000 of Assessed Value - Direct and Overlapping Governments - Last Ten Fiscal Years	197
Nashua's Share of the Hillsborough County Tax Apportionment - Last Ten Fiscal Years	198
 <b><i>Debt Capacity</i></b>	
Ratios of Long Term Debt Outstanding and Legal Debt Limits - Last Ten Fiscal Years	199
Ratios of Outstanding Debt by Debt Type - Last Ten Fiscal Years	200
Computation of Overlapping Debt - Hillsborough County Long Term Debt - Last Ten Fiscal Years	201
 <b><i>Demographic and Economic Information</i></b>	
Demographic Statistics - Last Ten Fiscal Years	202
Principal Employers - Current Year and Nine Years Ago	203
 <b><i>Operating Information</i></b>	
Operating Indicators by Function - Last Ten Fiscal Years	204
Capital Asset Statistics by Function - Last Ten Fiscal Years	205
City Government Employees by Division - Full Time Equivalents - Last Ten Fiscal Years	206
Student/Teacher Statistical Information - Last Ten Fiscal Years	207
School Department Operating Statistics - Last Ten Fiscal Years	208





# THE CITY OF NASHUA

"The Gate City"

*Financial Services Division  
Office of the Chief Financial Officer*

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April 14, 2022

To the Citizens of the City of Nashua and the Board of Aldermen:

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) for the City of Nashua, New Hampshire, for the fiscal year ended June 30, 2021. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the report accurately presents the City's financial position and the results of operations in all material respects in accordance with the most current generally accepted accounting principles (GAAP). All disclosures necessary to enable the reader to gain an accurate understanding of the City's financial activities have been included. This letter of transmittal is intended to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A).

This ACFR presents the City's financial statements as required by the *Governmental Accounting Standards Board (GASB) Statement No. 34*, which established a new financial reporting model for state and local governments. It also complies with *GASB Statement No. 44*, which "identified the specific information required by the statistical section standards and set forth the overarching objectives of statistical section information. The statistical section provides crucial data to many different kinds of consumers of governmental financial information, ranging from municipal credit analysts to state legislators, municipal governing bodies, oversight bodies, and citizen and taxpayer organizations" ([www.gasb.org/news](http://www.gasb.org/news)). The ACFR covers all funds that, by law or other fiduciary obligation, the City administers. These include, but are not limited to, funds for the City of Nashua, the Nashua School District, and the component units, Pennichuck Corporation and Nashua Airport Authority.

## **History and Government**

The City of Nashua encompasses an area of thirty-two square miles in Hillsborough County along the Merrimack River in Southern New Hampshire. It is approximately thirty-four miles northwest of Boston, Massachusetts, and eighteen miles south of Manchester, New Hampshire. Nashua was part of the settlement of Dunstable, Massachusetts, until the division line between Massachusetts and New Hampshire was settled in 1741. It was then known as Dunstable, New Hampshire, until its name was changed to Nashua in 1836.

Originating from England, the pioneers of Dunstable arrived in the 1600s to settle on grants of land. The livelihood of the community at that time was farming and mercantile/commercial trade.

The settlement period continued into the 1700s as sawmills and gristmills were established to harness the many streams and brooks throughout the town. The late-1700s were a significant period for the region due to construction of the 27.75-mile-long Middlesex Canal System linking the Merrimack River to Charlestown-Boston. Direct water access to Boston markets immensely increased trade opportunities.

During the 1800s, two massive cotton textile mills were established by harnessing waterpower with canal systems. Metal manufacturing, iron industries and other heavy industries were established as ancillary and support businesses to the mills. Railroads built throughout the region in the mid-1800s dramatically reduced the general expense of travel and transportation of goods, allowing Nashua's manufacturing and retail sectors, along with its population, to grow and diversify.

The *City Charter* was issued by the State of New Hampshire and signed by Governor Noah Martin on June 28, 1853. It was not until a new charter was written in 1913 that the current form of government was adopted (The Nashua History Committee 1978: *The Nashua Experience*. Canaan, New Hampshire: Phoenix Publishing). The Mayor and fifteen-member Board of Aldermen, as the chief executive and legislative officers of the City, are responsible for the prudent administration of the City's affairs in accordance with laws set forth in the *City Charter*.

### **Municipal Services**

The City provides services such as police and fire protection; refuse disposal; sewer services and highway, street, and sidewalk maintenance. It maintains fifty-six athletic fields, four ice skating rinks, three outdoor swimming pool complexes, and seventeen hard courts. The City also preserves 1,200 acres of park sites including Holman Stadium, a 4,500-seat open-air stadium. The stadium is used for sports, concerts, recreational activities and other City sponsored events.

Nashua is fortunate to have a municipal airport, Boire Field. It is located in the northwest corner of the city on 396 acres of land that the Nashua Airport Authority leases from the City. The Authority was created by State Statute in 1961 and is "tasked with setting policy and procedures to operate the airport for the City of Nashua in conjunction with the rules and regulations of the Federal Aviation Administration (FAA) and New Hampshire Department of Transportation, Division of Aeronautics" ([www.nashuaairport.com](http://www.nashuaairport.com)).

The City is responsible for providing education to its citizens in compliance with requirements established by the State of New Hampshire. Public education is offered for grades kindergarten through twelve, providing a comprehensive program of general education, business, and college preparatory courses. An elected nine-member School Board manages the school district's affairs with fiscal autonomy on certain matters; however, the School Board does not represent an autonomous governmental unit independent from the City of Nashua. Financial management and reporting, as well as the issuance of debt obligations, are the City's responsibility.

## **Financial Structure and Management**

In accordance with the *City Charter and Code of Ordinances*, the Financial Services Division is responsible for establishing an accounting and internal control structure designed to ensure that the City's assets are protected from loss, theft, and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are attained. In providing these reasonable assurances, it is recognized that the expenses related to the cost of control should not exceed the benefits and the valuation of costs and benefits requires management's judgment.

### **Budget Control Charter Amendment**

By way of background, in 1993, Nashua voters passed a Budget Control Charter Amendment, (also referred to as a Spending Cap) that limited the budget to an increase of no more than the average annual consumer price index (CPI-U) over the past three years.

On February 12, 2018 the budget limitation provisions of the City Charter were found to be unenforceable by the Hillsborough County Superior Court Southern Judicial District. This decision was appealed to the New Hampshire Supreme Court. On July 2, 2019, the New Hampshire Supreme Court upheld the decision of the Hillsborough County Superior Court Southern Judicial District.

As part of the 2021 Legislative Session, the Spending Cap was reinstated and became effective on August 26, 2021.

### **Appropriating Authority**

The Board of Aldermen is the Appropriating Authority for the City of Nashua. From a budgetary control perspective, management cannot overspend its approved and authorized budget without gaining approval from the Board of Aldermen. In addition, the Board of Aldermen must approve all interdepartmental transfers as well as the transfer of appropriated funds within departments from non-salary accounts to salary accounts. The City also maintains a system of encumbrance accounting to further control budgetary expenses.

### **Minimum Unassigned Fund Balance**

The City has an ordinance stating that its policy to maintain a minimum unassigned general fund balance of 10% of the fiscal year appropriations. If a portion of unassigned general fund balance is used to offset property taxes in any given fiscal year, it is the policy of the Board to replenish it to the 10% level within a three-year period.

### **Single Audit**

As a recipient of federal and state funds, the City is required to undergo a yearly single audit in conformance with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The City is also responsible for implementing an adequate internal control structure to ensure compliance with the rules and regulations of these funds. This internal control structure is subject to ongoing and/or periodic evaluation by management and the external audit firm retained by the City for this purpose. Information related to this single audit including a Schedule of Expenditures of Federal Awards; findings and recommendations; and auditor's reports on the internal control structure and compliance with applicable laws and regulations is available in a separately issued single audit report. The single audit for the fiscal year ended June 30, 2021 is in progress and management does not anticipate that there will be any instances of material weakness in the City's internal control structure.

### **Enterprise Operations**

The City's enterprise operations are comprised of both a Wastewater Fund and a Solid Waste Fund. Wastewater is fully self-supported by user fees. The most recent rate study was presented to the Board of Aldermen in January 2021 recommending the approval of a 20% increase in the wastewater user fee rates effective January 1, 2021 and a 15% increase in the wastewater user fee rates effective January 1, 2022. These increases were approved by the Board of Aldermen in February 2021.

### **Hydroelectric Operations**

The City owns two hydroelectric dams. The Jackson Mills Dam (JMD), a one-megawatt hydroelectric project is located on the Nashua River, just east of the Main Street Bridge, below Margarita's restaurant. The Mine Falls Dam (MFD), a three-megawatt hydroelectric project is located on the Nashua River in Mine Falls Park.

### **Long Term Financial Planning**

The City uses a multi-year model to plan for future budget periods. This exercise is designed to provide the city's financial planners the ability to project the magnitude and timing of certain fiscal decisions as they relate to programs and services. The City also manages its capital budget process looking out over a six-year time horizon. The capital budget submittals are updated annually. As part of this planning process, the participating departments project their respective capital expenditure needs over the next six-year period and submit the necessary documentation for review by the members of the Capital Improvements Committee (CIC). The CIC reviews the requests and ranks them based on several factors including the scope of the proposed project, service, facility or equipment; the needs criteria such as a legal mandate, scheduled replacement, improved working environment, increased public health and safety improved coordination and/or more cost effective; conformance with the City's Master Plan; and other factors such as anticipated future revenues and expenses. The City has also developed and implemented a capital equipment

replacement program, which has been designed to replace equipment on an established schedule. This ten-year plan allows for the timely replacement of the equipment at a time when the useful life of the equipment has expired and the associated cost of maintenance and repair is not exorbitant relative to the remaining value. The capital equipment replacement program has been designed to be financed with a combination of internal cash and the issuance of debt.

### **Debt Administration**

The City has issued debt for several capital projects including paving, citywide capital improvements, Solid Waste and Wastewater projects. The City has also issued debt for building projects such as the construction of a new Middle School, the renovation of the Fairgrounds and Pennichuck Middle Schools and the construction of a performing arts center recently named the Nashua Center for the Arts. Debt limitations are discussed in MD&A and in the statistical section.

### **Credit Rating**

Standard and Poor's Global Ratings affirmed its 'AAA' long term rating and stable outlook citing the City's strong management procedures and improved local economy.

Standard & Poor's noted the City's:

- Very strong economy
- Very strong management
- Strong budgetary performance
- Very strong budgetary flexibility
- Very strong liquidity
- Strong debt and contingent liability position

### **Summary of Financial Position and Operations-General Fund**

The City's most significant sources of revenue continue to be property taxes, followed by the State Adequate Education Grant and motor vehicle registration revenues. Property tax collections remain strong overall. A ten-year comparison of property tax collection data is available in the statistical section.

### **Local Economy**

The City of Nashua ranks among the top twenty best affordable suburbs in the Northeast by Business Week magazine and it is rewarding to report that the community ranked sixteenth by Money Magazine as "Best Places to Live" and according to WalletHub, an industry finance website, the City of Nashua is the "Safest City in America."

In the daunting and challenging economic times such as the one we are facing, the City of Nashua is weathering the storm exceptionally well. There are a number of diverse industries that anchor our community such as Defense, Information Technology, Medical and Software, all of which have large scale businesses that call Nashua home.

Nashua has been immune to the trends seen nationally at least thus far. Some of our largest sectors were called upon to operate in an effort to provide their services or products during the national shutdown. The City continues to grow, reinvent and strengthen its economic health by being responsive to the ever-changing market trends. Nashua remains an economic hub and jobs generator for the region.

An example of the City's strong employment base is demonstrated through BAE Systems, where Nashua is home to its U.S. Headquarters and there are currently 4,000 jobs located within the city and an additional 1000 new jobs projected over the next few years.

The City of Nashua is well-known as a hub for retail establishments — with the second largest concentration of retail businesses in New England. Nashua is a regional center for healthcare and educational services. These two sectors continue to see year over year growth. One can see why Nashua is a vibrant community with jobs that span the strata from low to high wages making the community very stable and diversified.

Nashua adopted its most recent Citywide Master Plan in 2021. We also have a current Downtown Master Plan, East Hollis Street Master Plan, Economic Development Strategic Plan, a Riverfront Master Plan, Housing Plan and a Consolidated Plan. These documents and other plans form the basis for public and private development decisions, budgetary decisions, public policy and future investment. As a community, we endeavor to plan strategically which has led to very sound financial policies and a very important variable when a private sector company is making decisions on where to invest.

The City is focusing on key priority development areas for new growth and remains steadfast in redeveloping existing sites. The City is also undertaking ambitious revitalization strategies for long-dormant sites near the center of Nashua and is continuously reinvesting in its infrastructure, most recently with the opening of the Broad Street Parkway, which is stimulating redevelopment of the Nashua Millyard and the Main Street Corridor in Nashua.

Housing is a critical component to having a well-rounded community, where residents can live and work in close proximity to one another. A few years ago, the 109-unit apartments at Cotton Mill were fully leased just 9 months after opening. Another mill conversion project, Loft 34, brought 210 units on-line in 2019. We have also seen 120 units of new housing with the continuation of the Clocktower mill conversion, adding to the 400 units of apartments already on-line. On the eastern edge of the downtown, the East Hollis Street Gateway Project completed its Phase 1 development of 156 units, which stabilized earlier this year and is on to Phase 2, which is an additional 160 units. Across the street, the City of Nashua was awarded \$3.6 million from the state's Department of Transportation to construct a major roadway infrastructure improvement, which will enhance circulation and provide critical access to the Bridge Street site. These development initiatives will reinvigorate downtown Nashua with people-intensive uses. Lastly,

the city issued an RFP seeking development on a municipal surface parking lot and a 150-room apartment building is now proposed for the downtown.

The downtown is seeing somewhat of a rebirth with its highest level of occupancy in years. The small independent merchants and eateries have fended off the pandemic relatively well. There is no available space on Main Street and with the city's recent investment in the Nashua Center for the Arts, the downtown is turning into a cultural hub.

In South Nashua, a key development site is Gateway Hills, a 400-acre mixed-use development and a crucial stakeholder in Nashua's high-tech cluster expansion. An existing 750,000 square foot innovation campus has been enhanced by 540 units of new multifamily construction, 40,000 square feet of retail space and a recently opened 120-room hotel. New projects that are slated to come on-line include a brand new 240,000 square foot Research and Development facility, a 100,000 square foot flex and high-bay warehouse space and additional townhome housing. Nearby, along Daniel Webster Highway, the Pheasant Lane Mall recently underwent a \$20 million renovation project.

The City is constantly seeing companies expand and grow, a sign that the broader national economy is doing well. Some of our larger employers are adding hundreds of jobs. The City confirmed companies such as BAE, Oracle, Amphenol, Skillsoft, Dell, Infinio Systems and Worthen Industries are all adding significant numbers to their respective workforces. Just as rewarding, smaller and midsize companies are expanding as well. Pfeiffer Vacuum is constructing a 24,000 square feet building in Nashua that will serve as its USA headquarters. Longs Jewelers, a family-owned jeweler, built a stand-alone building of 10,000 sq./ft. and Prudential Supply, a linen cleaning company, built a 75,000 sq./ft. Northeast facility. The city is growing and expanding in many ways.

Nashua actively pursues all available funding opportunities and has been a successful recipient of federal funding from EPA Brownfield awards, Federal Transportation and Administration Grants, and Community Development Block Grants. Transportation is essential to the viability of a community and the quality of life of its citizens. The City continues to make significant investments and plays an active role in supporting infrastructure improvements, extensions, expansions and transit. The transit system has been a proven success for over 25 years and continues to expand its service routes. An extension of the MBTA commuter line from the Lowell/Boston area to Nashua and potentially further north to Manchester and Concord, remains under consideration at the Federal, State and local levels. The city is taking proactive steps to move this along by engaging in a public private partnership to help bring the project to fruition. Commuter bus service between Nashua and Boston began in February 2007 and has developed a steady local ridership base, which has exceeded original projections. Lastly, the City acquired a site for a Park & Ride facility and a potential downtown rail station.

All of the aforementioned factors have contributed to a solid, strong, and diverse fiscal and economic atmosphere for the City and its citizens.

## **Financial Reporting Awards**

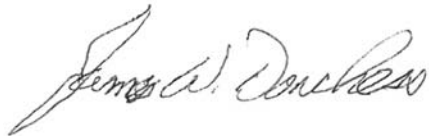
The City of Nashua has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its ACFR for the last fifteen fiscal years. In order to receive this prestigious award the report must be easily readable and efficiently organized, the contents must conform to program standards, and it must satisfy both generally accepted accounting principles and applicable legal requirements. The award is presented to government units and public employee retirement systems whose ACFRs achieve the highest standards in government accounting and financial reporting.

The Certificate of Achievement is valid for a period of one year only. We believe that this ACFR conforms to the standards required for the certificate and will be submitting it to the GFOA for review.

## **Acknowledgements**

The preparation and publication of this ACFR would not have been possible without the dedication and hard work of members of the Financial Services Division team. This accomplishment also required contributions and cooperation from many departments throughout the City and we appreciate their efforts as well. We would also like to thank the Board of Aldermen for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



James Donchess  
Mayor

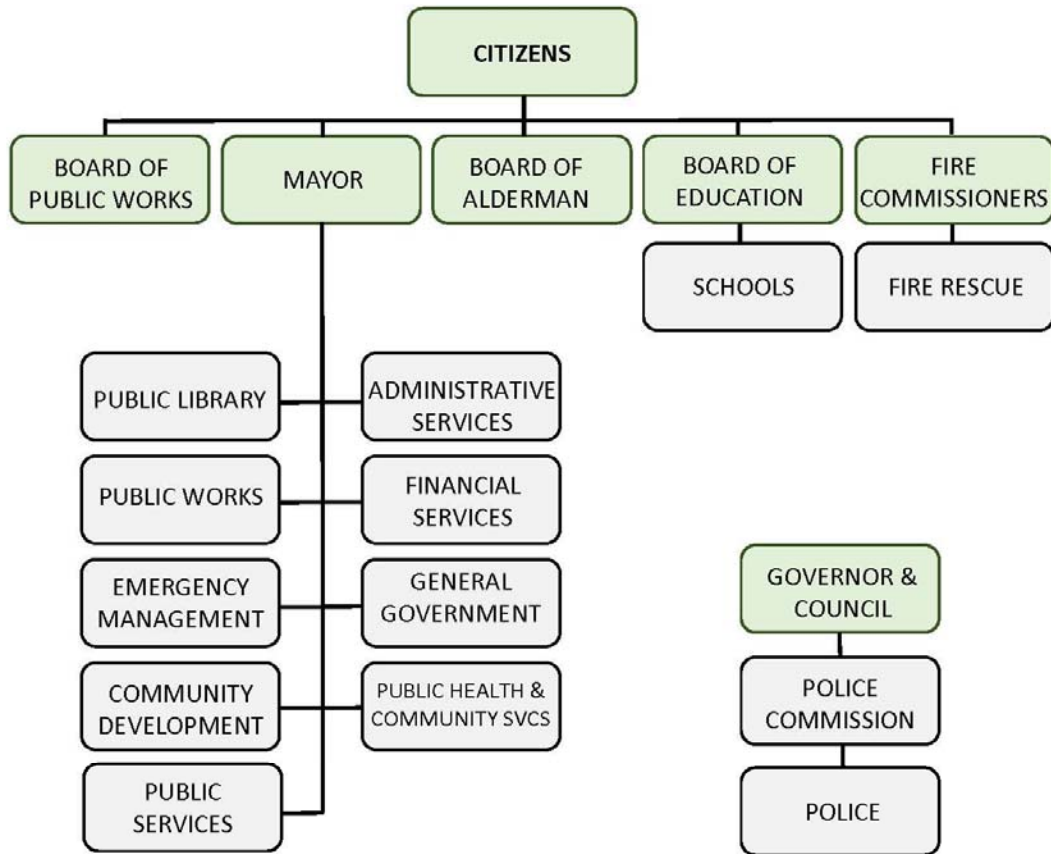


John L. Griffin  
Chief Financial Officer  
Treasurer/Tax Collector



# CITY OF NASHUA

## ADMINISTRATIVE/EXECUTIVE STRUCTURE



Note: The Police Commission is appointed by the Governor and confirmed by the Executive Council.

**CITY OF NASHUA, NEW HAMPSHIRE  
LIST OF PRINCIPAL OFFICIALS  
FISCAL YEAR 2021**

**MAYOR**

Jim Donchess

**ALDERMEN AT LARGE**

Lori Wilshire, President  
Michael O'Brien, Sr., Vice President  
Benjamin M. Clemons  
Shoshanna Kelly  
Brandon Michael Laws  
David C. Tencza

**WARD ALDERMEN**

Jan Schmidt..... Ward 1  
Richard A. Dowd ..... Ward 2  
Patricia Klee..... Ward 3  
Thomas Lopez..... Ward 4  
Ernest A. Jette ..... Ward 5  
Elizabeth Lu ..... Ward 6  
June M. Caron..... Ward 7  
Skip Cleaver..... Ward 8  
Linda Harriott-Gathright..... Ward 9

**CITY OF NASHUA, NEW HAMPSHIRE  
DIVISION AND DEPARTMENT HEADS  
FISCAL YEAR 2021**

**GENERAL GOVERNMENT**

**OFFICE OF THE MAYOR**

Chief of Staff

Cheryl Lindner

**BOARD OF ALDERMEN**

Legislative Affairs Manager

Donna Graham

**LEGAL**

Corporation Counsel

Deputy Corporation Counsel

Deputy Corporation Counsel

Steven Bolton, Esquire

Dorothy Clarke, Esquire

Celia K. Leonard, Esquire

**OFFICE OF THE CITY CLERK**

City Clerk

Susan Lovering

**OFFICE OF ECONOMIC DEVELOPMENT**

Economic Development Director

Tim Cummings

**ADMINISTRATIVE SERVICES DIVISION**

Administrative Services Director

Chief Assessor

Purchasing Manager

Risk Manager

Kimberly Kleiner

Richard Vincent

Kelly Parkinson

Jennifer Deshaies

**FINANCIAL SERVICES DIVISION**

Chief Financial Officer/Comptroller

Treasurer/Tax Collector

Deputy Treasurer/Deputy Tax Collector

Senior Manager of Accounting & Financial Reporting

John L. Griffin

David G. Fredette

Patricia Barry

Rosemarie Evans

**CITY OF NASHUA, NEW HAMPSHIRE  
DIVISION AND DEPARTMENT HEADS  
FISCAL YEAR 2021**

**POLICE DEPARTMENT**

Police Chief	Michael Carignan
Deputy Chief	Kevin Rourke
Deputy Chief	James Testaverde

**FIRE DEPARTMENT**

Fire Chief	Brian D. Rhodes
Assistant Fire Chief	Steve Buxton

**EMERGENCY PREPAREDNESS**

Emergency Management Director	Justin Kates
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**DIVISION OF PUBLIC HEALTH AND COMMUNITY SERVICES**

Director	Bobbie Bagley
Chief Public Health Nurse	Kim Bernard
Manager, Environmental Health	Heidi Peek
Welfare Officer	Robert Mack

**PUBLIC WORKS DIVISION**

Director	Lisa Fauteux
Assistant Director	Andrew Patrician
City Engineer	Daniel Hudson
Superintendent, Parks/Recreation	Jason Puopolo
Superintendent, Streets	Jonathan Ibarra
Superintendent, Solid Waste	Jeffrey Lafleur
Superintendent, Wastewater Treatment	David Boucher

**PUBLIC SERVICES**

Superintendent, Edgewood & Suburban Cemeteries	Jeffrey Snow
Superintendent, Pinewood & Woodlawn Cemeteries	Paul (Len) Fournier, Jr.

**PUBLIC LIBRARY**

Director	Jennifer McCormack
Assistant Director	Jennifer Hosking

**CITY OF NASHUA, NEW HAMPSHIRE  
DIVISION AND DEPARTMENT HEADS  
FISCAL YEAR 2021**

**COMMUNITY DEVELOPMENT DIVISION**

Director  
Building Department Manager  
Code Enforcement Department Manager  
Urban Programs Manager  
Planning Department Manager  
Transportation Department Manager

Sarah Marchant  
William McKinney  
Nelson Ortega  
Carrie Johnson Schena  
Matt Sullivan  
Camille Correa

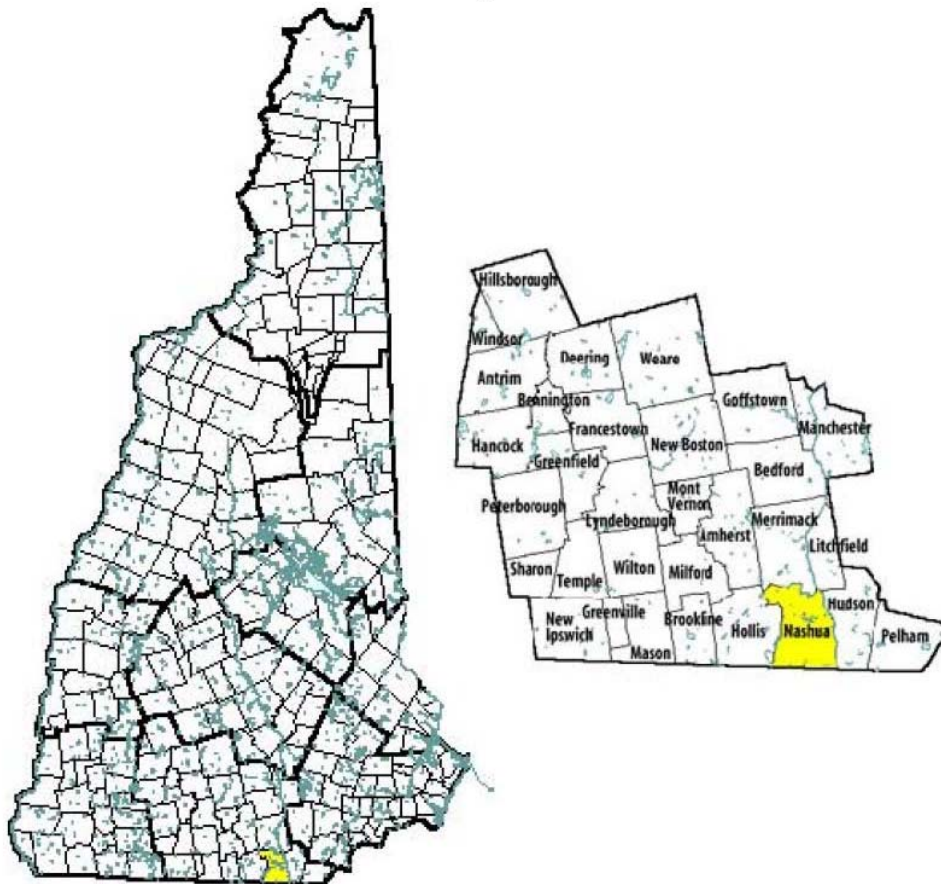
**SCHOOL DEPARTMENT**

Superintendent  
Chief Operating Officer

Garth McKinney  
Daniel Donovan

# City of Nashua, NH

## Geographic Location





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Nashua  
New Hampshire**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

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

### **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, 2021 (except for Pennichuck Corporation which is as of and for the year ended December 31, 2020), 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 7.5 percent, 98.4 percent, and 5.4 percent, respectively, of the assets and deferred outflows of resources, 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.

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Merrimack, New Hampshire  
Andover, Massachusetts  
Greenfield, Massachusetts  
Ellsworth, Maine

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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, 2021 (except for Pennichuck Corporation which is as of and for the year ended December 31, 2020), 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.

### ***Emphasis of Matters***

As discussed in Note 23 to the financial statements, in fiscal year 2021 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and certain Pension and OPEB schedules 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 165 through 185 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 15, and 187 through 208, 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 April 14, 2022 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.

A handwritten signature in cursive script that reads "Melanson".

Merrimack, New Hampshire  
April 14, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Nashua, New Hampshire (the City), 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, 2021.

### **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 is 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 City'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 29 individual governmental funds. 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 and Debt Service Fund. Data from all the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor 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.

### ***Required/Other Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required/other 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 assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$120.9 million, a decrease of \$17.0 million or 12.3% as compared to the prior year. Net position of the City's governmental activities decreased by \$19.9 million, which represents a decrease of 68.7% while the City's business-type activities net position increased by \$2.9 million, or 2.7%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$123.3 million, an increase of \$10.9 million over the prior year.
- The City's general fund revenue and other financing sources (uses) exceeded expenditures by \$7.2 million. This is primarily due to motor vehicle permit revenues and intergovernmental revenues exceeding revenue estimates for the year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$31.7 million, an increase of \$1.0 million in comparison with the prior year.
- During fiscal year 2021, the City issued \$47.8 million of new general obligation debt and direct borrowings (including bond premiums).

## 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	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 304,923	\$ 278,443	\$ 23,030	\$ 24,054	\$ 327,953	\$ 302,497
Capital assets	362,520	333,460	178,108	177,117	540,628	510,577
Other noncurrent assets	119,745	123,435	-	-	119,745	123,435
Total assets	787,188	735,338	201,138	201,171	988,326	936,509
Deferred outflows of resources	97,681	45,103	953	348	98,634	45,451
Long-term liabilities	669,677	584,361	67,608	80,835	737,285	665,196
Other liabilities	69,937	38,983	18,967	11,064	88,904	50,047
Total liabilities	739,614	623,344	86,575	91,899	826,189	715,243
Deferred inflows of resources	136,191	128,112	3,634	660	139,825	128,772
Net investment in capital assets	235,154	224,166	106,737	102,882	341,891	327,048
Restricted	49,918	41,309	7,428	6,561	57,346	47,870
Unrestricted	(276,008)	(236,490)	(2,283)	(483)	(278,291)	(236,973)
Total net position	\$ 9,064	\$ 28,985	\$ 111,882	\$ 108,960	\$ 120,946	\$ 137,945

As depicted in the table above, the largest portion of the City's net position, \$341.9 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, \$57.3 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 (\$278.3 million) is considered unrestricted and represents the City'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 \$7.4 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.

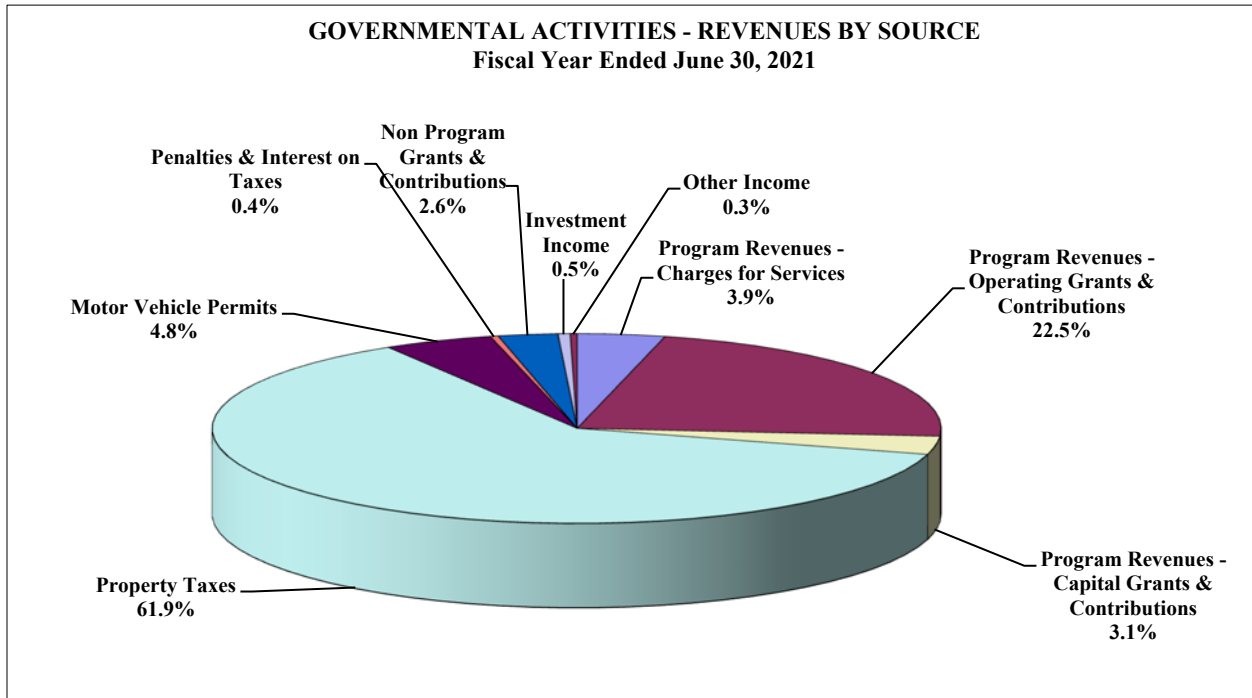
The following table indicates the changes in net position for governmental and business-type activities (in thousands):

	<u>CHANGES IN NET POSITION</u>					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,566	\$ 10,218	\$ 18,683	\$ 17,264	\$ 32,249	\$ 27,482
Operating grants and contributions	78,522	68,808	-	-	78,522	68,808
Capital grants and contributions	10,832	9,767	888	532	11,720	10,299
General revenues:					-	
Property taxes	216,376	220,850	-	-	216,376	220,850
Auto permits	16,916	16,073	-	-	16,916	16,073
Penalties and interest on taxes	1,240	1,264	-	-	1,240	1,264
Grants and contributions not restricted to specific programs	9,217	9,112	1,515	1,379	10,732	10,491
Investment income	1,890	2,865	37	441	1,927	3,306
Other	952	521	-	-	952	521
Total revenues	<u>349,511</u>	<u>339,478</u>	<u>21,123</u>	<u>19,616</u>	<u>370,634</u>	<u>359,094</u>
Expenses:						
General government	19,911	31,380	-	-	19,911	31,380
Police	42,242	38,628	-	-	42,242	38,628
Fire	33,207	28,323	-	-	33,207	28,323
Water fire protection services	3,173	3,053	-	-	3,173	3,053
Education	190,034	177,229	-	-	190,034	177,229
Public works	14,347	14,058	-	-	14,347	14,058
Health and human services	4,074	3,596	-	-	4,074	3,596
Culture and recreation	6,570	7,602	-	-	6,570	7,602
Community development	35,386	10,907	-	-	35,386	10,907
Communications	1,271	1,117	-	-	1,271	1,117
Hydroelectric	729	828	-	-	729	828
Interest and costs	12,513	12,429	-	-	12,513	12,429
Wastewater services	-	-	15,589	14,738	15,589	14,738
Solid waste services	-	-	8,697	8,858	8,697	8,858
Total expenses	<u>363,457</u>	<u>329,150</u>	<u>24,286</u>	<u>23,596</u>	<u>387,743</u>	<u>352,746</u>
Change in net position before permanent fund contributions and transfers	(13,946)	10,328	(3,163)	(3,980)	(17,109)	6,348
Permanent fund contributions	110	87	-	-	110	87
Transfers in (out)	<u>(6,085)</u>	<u>(5,346)</u>	<u>6,085</u>	<u>5,346</u>	<u>-</u>	<u>-</u>
Change in net position	(19,921)	5,069	2,922	1,366	(16,999)	6,435
Net position - beginning of year	<u>28,985</u>	<u>23,916</u>	<u>108,960</u>	<u>107,594</u>	<u>137,945</u>	<u>131,510</u>
Net position - end of year	<u>\$ 9,064</u>	<u>\$ 28,985</u>	<u>\$ 111,882</u>	<u>\$ 108,960</u>	<u>\$ 120,946</u>	<u>\$ 137,945</u>

**Governmental Activities**

Governmental activities for the year resulted in a decrease in net position of \$19.9 million or 68.7%. Key elements of this change include favorable auto permits and intergovernmental revenues and substantial unspent appropriations, increased funding levels in the internal service fund, softened by approximately \$23.3 million increase to pension expense from GASB 68 and spending approximately \$21.0 million for the downtown performing arts center.

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 (61.9%) and operating grants and contributions (22.5%). The cost of all governmental activities this year was \$363.4 million. This reflects a \$34.3 million increase over the fiscal year 2020 total of \$329.1 million. However, as shown in the Statement of Activities on pages 33 - 34, the amount that our taxpayers ultimately financed for these activities through City property taxes was \$216.3 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)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General government	\$ 27,675	\$ 39,590	\$ 12,106	\$ 28,901
Police	42,345	38,682	38,763	36,529
Fire	33,418	28,524	31,666	26,974
Water fire protection services	3,173	3,053	3,173	3,053
Education	191,548	178,945	128,459	121,617
Public works	16,592	15,824	12,979	10,654
Health and human services	4,074	3,596	2,128	2,361
Culture and recreation	6,595	7,641	4,602	6,627
Community development	35,619	10,964	25,292	2,959
Communications	1,527	1,390	1,505	1,044
Hydroelectric	891	941	(136)	(362)
	<u>\$ 363,457</u>	<u>\$ 329,150</u>	<u>\$ 260,537</u>	<u>\$ 240,357</u>

***Business-Type Activities***

Overall, business-type activities increased the City's net position by \$2.9 million or 2.7%.

Key elements of this change are as follows:

- The Wastewater Fund increased its total net position by \$0.8 million. Wastewater operations generated an operating income of \$0.1 million. Capital contributions less transfers out account for the remaining \$0.7 million. The operating income is largely due to a 20% user rate increase effective January 1, 2021 for both demand and flow charges. An additional 15% increase will be effective January 1, 2022.
- The Solid Waste Fund increased its total net position by \$2.1 million resulting in an overall positive net position. This increase is largely due to the subsidy provided by the City to supplement Solid Waste operations. The subsidy is raised 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 Fund negative unrestricted net position of \$4.8 million is primarily due to the fund's 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*

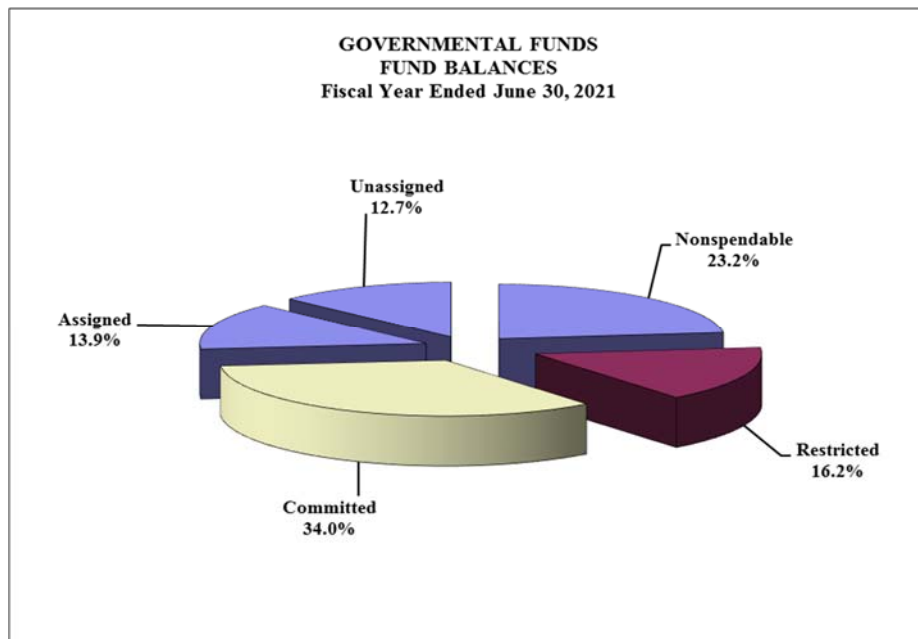
The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$123.3 million, representing an increase of \$10.9 million over the prior year and summarized as follows (in thousands):

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

Nonspendable	\$ 28,536
Restricted	19,961
Committed	41,936
Assigned	17,188
Unassigned	<u>15,636</u>
Total	<u>\$ 123,257</u>

Unassigned fund balance represents \$15.6 million or 12.7% of the total combined ending governmental fund balances. The remaining components of fund balance, \$107.6 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 \$31.7 million compared to \$30.7 million last year, while total general fund balance was \$70.2 million compared to \$63.1 million last year. The \$7.1 million change in fund balance is a result of utilizing \$4.5 million in unassigned fund balance toward the FY21 budget, favorable auto permits and intergovernmental revenues, and approximately \$6.8 million in unspent appropriations that were approved to carry forward into fiscal year 2021.

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 10.9% of total General Fund expenditures and transfers out, compared to 10.6% in the prior year, while total fund balance represents 24.2% of total General Fund expenditures and transfers, compared to 21.8% in the prior year.

**Debt Service 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 Debt Service Fund has break even results as expected as contributed revenue is for the scheduled principal and interest payments.

**Nonmajor Governmental Funds**

The nonmajor governmental funds changed by \$3.8 million primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

**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 39 and the Budget and Actual Detail Schedule on pages 180 - 181 (in thousands).

Total Adopted Budget	\$ 282,884,408
Plus: Hillsborough County appropriation	11,993,150
Plus: Appropriation to Solid Waste Fund	5,748,376
Plus: Supplemental appropriations	401,088
Total Original Budget, per Financial Statements/Schedules	<u>\$ 301,027,022</u>

The difference between the original and final amended budget resulted in an overall increase in appropriations of \$0.65 million and is summarized as follows:

Total Original Budget, per budgetary financial statements/schedule	\$ 301,027,022
Plus: Transfers in from Retirement Trust and Police Overtime Reserve Fund	<u>650,416</u>
Total Final Budget, per Financial Statements/Schedules	<u>\$ 301,677,438</u>

The combined difference between the final amended budget and actual results reflects an overall surplus of \$8.7 million.

Actual revenues, transfers, and other financing sources on a budgetary basis were \$303.1 million which represents a \$6.2 million surplus over the final revenue budget. Significant revenue surpluses and deficits are summarized as follows:

- \$5.5 million in motor vehicle registrations
- \$0.4 million in intergovernmental revenues
- \$0.3 million in miscellaneous revenue
- \$0.3 million in licenses and permits
- \$(0.3) million in property taxes

Actual expenditures, transfers, and other financing uses on a budgetary basis were \$299.2 million, (inclusive of carryforward appropriations), resulting in a \$2.5 million 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, 2021 amounted to \$540.6 million, net of accumulated depreciation, an increase of \$30.1 million over the prior fiscal year. This investment in capital assets includes land, buildings, vehicles, equipment, and infrastructure (in thousands):

**CAPITAL ASSETS AS OF JUNE 30, 2021 AND 2020**  
(net of accumulated depreciation)  
(in thousands)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 31,839	\$ 31,116	\$ 11,528	\$ 12,279	\$ 43,367	\$ 43,395
Buildings and systems	150,614	156,775	35,947	37,713	186,561	194,488
Machinery and equipment	36,311	33,718	24,631	23,879	60,942	57,597
Infrastructure	105,680	101,026	85,714	86,846	191,394	187,872
Construction in progress	38,076	10,825	20,288	16,400	58,364	27,225
	<u>\$ 362,520</u>	<u>\$ 333,460</u>	<u>\$ 178,108</u>	<u>\$ 177,117</u>	<u>\$ 540,628</u>	<u>\$ 510,577</u>

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

***Governmental Activities***

Citywide Streets Paving Program	\$ 8,643
Fairgrounds Middle School Renovations	8,312
School Energy Saving Equipment	6,672
Pennichuck Middle School Renovations	4,696
School Technology - Software & Hardware Upgrades	3,146
Public Health Building Improvements	3,083
New Middle School Construction	2,482
Vehicles	2,093
55 Franklin Street Land & Building	1,825
School Technology - Software & Hardware	1,697
Jackson Falls Hydro Facility Improvements	1,643
2021 Pierce Arrow XT1500 Ladder Truck	1,357
City Hall Buildings Improvements	1,038
DPW Fuel Island Upgrades	400
Sidewalk Improvements	345

***Business-Type Activities***

Sewer Infrastructure Improvements	\$ 1,808
Wet Weather Influent Screening	1,182
2021 Pump Station Upgrades	1,056
CLIPP Lining Project Phase II	836
Primary Tanks Upgrades	817
CMOM Implementation Engineering Services	706
Solid Waste Packer Rear Loader Trucks (2)	556
Landfill Expansion Construction Phase IV	530

Additional information concerning the City's capital assets can be found in Note 8 on pages 63 - 64.

### ***Long-Term Debt***

At the end of the current fiscal year, the City had total debt outstanding of \$337 million compared to \$310 million in the prior year. Of this amount, \$297 million represents general obligation debt, which is backed by the full faith and credit of the government.

#### **OUTSTANDING DEBT AS OF JUNE 30, 2021 and 2020**

(in thousands)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bonds and notes	\$ 141,081	\$ 112,543	\$ 59,310	\$ 64,092	\$ 200,391	\$ 176,635
Unamortized bond premiums	8,071	7,189	2,367	2,466	10,438	9,655
Pennichuck acquisition bonds	119,745	123,435	-	-	119,745	123,435
Capital leases	<u>6,766</u>	<u>186</u>	<u>-</u>	<u>-</u>	<u>6,766</u>	<u>186</u>
Total	<u>\$ 275,663</u>	<u>\$ 243,353</u>	<u>\$ 61,677</u>	<u>\$ 66,558</u>	<u>\$ 337,340</u>	<u>\$ 309,911</u>

During the fiscal year, the City issued \$52 million new debt and retired \$25.4 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 \$1.0 billion, which is significantly above the \$330.6 million of general obligation debt subject to these limitations. Wastewater, Solid Waste, and Pennichuck acquisition debt of 216.4 million 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 15 on pages 66 - 72.

### **Economic Factors and Next Year's Budget And Rates**

The City experienced growth in local revenue, specifically in motor vehicle registration fees and intergovernmental revenues. The City also continues to realize increased development activity throughout its 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 a diverse and expanding economic base, above-average socioeconomic factors, and a manageable debt burden.

During calendar year 2020, the City's unemployment rate averaged at 8.0% due to the COVID-19 pandemic. The City's average unemployment rate for calendar year 2021 is at 4.2%, returning near historical levels following a temporary spike in the early months of the COVID-19 pandemic.

The City adopted a fiscal year 2022 General Fund operating budget of \$309.5 million (inclusive of the subsidy transfer to solid waste, the Hillsborough County appropriation, and supplemental appropriations), compared to an adopted budget of \$301.0 million for fiscal year 2021. The budget reflects an overall increase of 2.9% over the prior year. \$4.0 million of assigned fund balance is planned to be used as a funding source towards the fiscal year 2022 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:

Accounting and Financial Reporting

City of Nashua

229 Main Street

Nashua, New Hampshire 03061

**CITY OF NASHUA, NEW HAMPSHIRE**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2021  
 (Except for Pennichuck Corporation Component Unit, which is as of December 31, 2020)

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Government Wide Total	
<b>Assets</b>				
<b>Current:</b>				
Cash and short-term investments	\$ 209,220,066	\$ 17,117,642	\$ 226,337,708	\$ 851,873
Investments	55,978,104	4,829,365	60,807,469	237,378
Restricted cash and investments	-	-	-	9,122,000
Receivables, net of allowance for uncollectibles:				
Property taxes	21,385,882	-	21,385,882	-
Tax deeded property	331,942	-	331,942	-
User fees	-	4,436,517	4,436,517	8,789,762
Departmental and other	632,625	-	632,625	-
Intergovernmental	7,488,556	250,974	7,739,530	2,160,569
Loans	1,003,995	-	1,003,995	-
Internal balances	3,604,140	(3,604,140)	-	-
Due from external parties	469,436	-	469,436	-
Other assets	4,808,040	-	4,808,040	2,395,000
<b>Total Current Assets</b>	<b>304,922,786</b>	<b>23,030,358</b>	<b>327,953,144</b>	<b>23,556,582</b>
<b>Noncurrent:</b>				
Capital assets being depreciated, net of accumulated depreciation	292,604,759	157,587,317	450,192,076	254,373,743
Capital assets not being depreciated	69,915,222	20,520,305	90,435,527	13,169,217
Acquisition premium	-	-	-	67,202,000
Equity interest in Pennichuck	119,745,000	-	119,745,000	-
<b>Total Noncurrent Assets</b>	<b>482,264,981</b>	<b>178,107,622</b>	<b>660,372,603</b>	<b>334,744,960</b>
<b>Total Assets</b>	<b>787,187,767</b>	<b>201,137,980</b>	<b>988,325,747</b>	<b>358,301,542</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	88,725,981	755,604	89,481,585	-
Related to OPEB	8,955,335	197,274	9,152,609	132,133
<b>Total Deferred Outflows of Resources</b>	<b>97,681,316</b>	<b>952,878</b>	<b>98,634,194</b>	<b>17,147,033</b>
<b>Liabilities</b>				
<b>Current:</b>				
Accounts payable	14,394,191	194	14,394,385	4,940,053
Retainage payable	2,480,250	-	2,480,250	-
Salaries payable	8,392,190	101,107	8,493,297	-
Accrued liabilities	12,538,036	1,266,975	13,805,011	2,208,892
Unearned revenues	6,876,529	-	6,876,529	-
Notes payable	-	11,191,480	11,191,480	-
Customer advances	-	-	-	437,465
Line of credit	-	-	-	5,480,000
Other	5,061,665	-	5,061,665	-
Current portion of long-term liabilities:				
Bonds and notes payable	14,321,412	6,345,504	20,666,916	6,018,000
Acquisition bonds payable	3,795,000	-	3,795,000	-
Compensated absences	1,738,056	62,174	1,800,230	-
Capital leases	338,716	-	338,716	-
<b>Total Current Liabilities</b>	<b>69,936,045</b>	<b>18,967,434</b>	<b>88,903,479</b>	<b>19,084,410</b>
<b>Noncurrent:</b>				
Bonds and notes payable	134,831,473	55,331,020	190,162,493	226,914,000
Acquisition bonds payable	115,950,000	-	115,950,000	-
Compensated absences	15,642,505	559,565	16,202,070	23,279
Capital leases	6,427,283	-	6,427,283	-
Landfill closure and post closure	-	9,840,185	9,840,185	-
Net and total OPEB liability	76,683,386	1,760,259	78,443,645	4,917,214
Net pension liability - State of NH	320,002,458	-	320,002,458	15,837,263
Net pension liability - Board of Public Works	140,639	116,706	257,345	-
Contributions in aid of construction	-	-	-	56,536,000
Other noncurrent liabilities	-	-	-	10,794,000
<b>Total Noncurrent Liabilities</b>	<b>669,677,744</b>	<b>67,607,735</b>	<b>737,285,479</b>	<b>315,021,756</b>
<b>Total Liabilities</b>	<b>739,613,789</b>	<b>86,575,169</b>	<b>826,188,958</b>	<b>334,106,166</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	12,856,515	3,453,184	16,309,699	6,438
Related to OPEB	5,682,308	180,459	5,862,767	21
Other	117,652,305	-	117,652,305	15,402,000
<b>Total Deferred Inflows of Resources</b>	<b>136,191,128</b>	<b>3,633,643</b>	<b>139,824,771</b>	<b>15,408,459</b>
<b>Net Position</b>				
Net investment in capital assets	235,153,904	106,737,012	341,890,916	63,352,421
Restricted for:				
Grants and other statutory restrictions	10,159,233	-	10,159,233	-
Capital projects	9,363,508	7,427,685	16,791,193	-
Permanent funds:				
Expendable	2,191,621	-	2,191,621	-
Nonexpendable	28,204,130	-	28,204,130	-
Unrestricted (deficit)	(276,008,230)	(2,282,651)	(278,290,881)	(37,418,471)
<b>Total Net Position</b>	<b>\$ 9,064,166</b>	<b>\$ 111,882,046</b>	<b>\$ 120,946,212</b>	<b>\$ 25,933,950</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, 2021

(Except for Pennichuck Corporation Component Unit, which is for the year ending December 31, 2020)

	<u>Expenses</u>	<u>Indirect Cost Allocation</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue</u>	
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government	\$ 19,911,586	\$ 7,763,453	\$ 6,641,023	\$ 8,927,644	\$ -	\$ (12,106,372)
Police	42,242,068	103,183	938,791	2,643,882	-	(38,762,578)
Fire	33,207,366	210,962	490,858	1,261,835	-	(31,665,635)
Water fire protection services	3,172,524	-	-	-	-	(3,172,524)
Education	190,034,232	1,514,132	433,543	62,655,825	-	(128,458,996)
Public works	14,346,518	2,245,449	646,989	966,710	1,999,134	(12,979,134)
Health and human services	4,074,319	-	156,333	1,789,561	-	(2,128,425)
Culture and recreation	6,569,655	24,698	1,962,052	29,817	-	(4,602,484)
Community development	35,385,849	233,440	1,269,584	246,967	8,811,081	(25,291,657)
Communications	1,270,939	255,753	-	-	21,345	(1,505,347)
Hydroelectric	729,151	161,841	1,026,971	-	-	135,979
Interest and costs	12,512,911	(12,512,911)	-	-	-	-
Total Governmental Activities	363,457,118	-	13,566,144	78,522,241	10,831,560	(260,537,173)
<b>Business-Type Activities</b>						
Wastewater services	15,588,780	-	14,258,627	-	888,291	(441,862)
Solid waste services	8,697,455	-	4,424,195	-	-	(4,273,260)
Total Business-Type Activities	24,286,235	-	18,682,822	-	888,291	(4,715,122)
Total primary government	\$ 387,743,353	\$ -	\$ 32,248,966	\$ 78,522,241	\$ 11,719,851	\$ (265,252,295)
<b>Component Units</b>						
Pennichuck Corporation	\$ 52,418,000	\$ -	\$ 50,091,000	\$ -	\$ -	\$ (2,327,000)
Nashua Airport Authority	2,192,954	-	717,487	-	2,160,569	685,102
Total component units	\$ 54,610,954	\$ -	\$ 50,808,487	\$ -	\$ 2,160,569	\$ (1,641,898)

(continued)

**CITY OF NASHUA, NEW HAMPSHIRE**

STATEMENT OF ACTIVITIES

FOR FISCAL YEAR ENDED JUNE 30, 2021

(Except for Pennichuck Corporation Component Unit, which is for the year ending December 31, 2020)

(continued)

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Component Units</u>
Change in Net Position:				
Net (Expenses) Revenue from previous page	\$ (260,537,173)	\$ (4,715,122)	\$ (265,252,295)	\$ (1,641,898)
<b>General Revenues:</b>				
Property taxes	216,376,307	-	216,376,307	-
Auto permits	16,916,065	-	16,916,065	-
Penalties, interest and other taxes	1,239,839	-	1,239,839	-
Grants and contributions not restricted to specific programs	9,216,815	1,514,628	10,731,443	-
Investment income	1,890,023	36,747	1,926,770	2,872
Miscellaneous	952,420	-	952,420	-
<b>Permanent fund contributions</b>	109,673	-	109,673	-
<b>Transfers in (out)</b>	<u>(6,085,231)</u>	<u>6,085,231</u>	<u>-</u>	<u>-</u>
Total General Revenues, Permanent Fund Contributions, and Transfers	<u>240,615,911</u>	<u>7,636,606</u>	<u>248,252,517</u>	<u>2,872</u>
Change in Net Position	(19,921,262)	2,921,484	(16,999,778)	(1,639,026)
<b>Net Position</b>				
Beginning of year	<u>28,985,428</u>	<u>108,960,562</u>	<u>137,945,990</u>	<u>27,572,976</u>
End of year	<u>\$ 9,064,166</u>	<u>\$ 111,882,046</u>	<u>\$ 120,946,212</u>	<u>\$ 25,933,950</u>

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

**CITY OF NASHUA, NEW HAMPSHIRE**

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2021

	General <u>Fund</u>	Debt Service <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Assets</b>				
Cash and short-term investments	\$ 203,614,768	\$ -	\$ 5,605,298	\$ 209,220,066
Investments	23,012,512	-	32,965,592	55,978,104
Receivables, net of allowance for uncollectibles:				
Property taxes	21,385,882	-	-	21,385,882
Tax deeded property	331,942	-	-	331,942
Departmental and other	568,865	-	101,060	669,925
Intergovernmental	-	-	7,449,618	7,449,618
Loans	-	-	1,003,995	1,003,995
Due from other funds	23,143,552	4,313,001	27,107,809	54,564,362
Other assets	<u>2,226,623</u>	<u>-</u>	<u>-</u>	<u>2,226,623</u>
Total Assets	\$ <u>274,284,144</u>	\$ <u>4,313,001</u>	\$ <u>74,233,372</u>	\$ <u>352,830,517</u>
<b>Liabilities</b>				
Accounts payable	\$ 14,394,191	\$ -	\$ -	\$ 14,394,191
Salaries payable	7,949,942	-	-	7,949,942
Accrued liabilities	2,480,658	-	431,936	2,912,594
Unearned revenue	-	-	6,876,529	6,876,529
Due to other funds	49,953,425	-	18,183,895	68,137,320
Other liabilities	<u>4,172,623</u>	<u>-</u>	<u>-</u>	<u>4,172,623</u>
Total Liabilities	78,950,839	-	25,492,360	104,443,199
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	125,129,846	-	-	125,129,846
<b>Fund Balances</b>				
Nonspendable	331,942	-	28,204,130	28,536,072
Restricted	-	4,313,001	15,647,854	19,960,855
Committed	20,989,808	-	20,946,510	41,936,318
Assigned	17,187,807	-	-	17,187,807
Unassigned	<u>31,693,902</u>	<u>-</u>	<u>(16,057,482)</u>	<u>15,636,420</u>
Total Fund Balances	<u>70,203,459</u>	<u>4,313,001</u>	<u>48,741,012</u>	<u>123,257,472</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>274,284,144</u>	\$ <u>4,313,001</u>	\$ <u>74,233,372</u>	\$ <u>352,830,517</u>

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, 2021

<b>Total governmental fund balances</b>	\$	123,257,472
<ul style="list-style-type: none"> <li>• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</li> </ul>		362,519,981
<ul style="list-style-type: none"> <li>• Revenues are reported on the accrual basis of accounting and are not deferred until collection.</li> </ul>		8,518,841
<ul style="list-style-type: none"> <li>• To record investment in Pennichuck Waterworks.</li> </ul>		119,745,000
<ul style="list-style-type: none"> <li>• Deferred outflows of resources related to pensions and OPEB.</li> </ul>		97,681,316
<ul style="list-style-type: none"> <li>• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</li> </ul>		(3,972,646)
<ul style="list-style-type: none"> <li>• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: <ul style="list-style-type: none"> <li>Bonds payable</li> <li>Acquisition bonds payable</li> <li>Compensated absences</li> <li>Capital leases</li> <li>Net OPEB liability</li> <li>Net pension liability - State of NH</li> <li>Net pension liability - Board of Public Works</li> </ul> </li> </ul>		(149,152,885)
		(119,745,000)
		(17,380,561)
		(6,765,999)
		(76,683,386)
		(320,002,458)
		(140,639)
<ul style="list-style-type: none"> <li>• Deferred inflows of resources related to pensions and OPEB.</li> </ul>		(18,538,823)
<ul style="list-style-type: none"> <li>• Deferred inflows of resources related to gains on current and prior year bond refundings.</li> </ul>		(1,041,300)
<ul style="list-style-type: none"> <li>• 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.</li> </ul>		10,765,253
<b>Net position of governmental activities</b>	<b>\$</b>	<b>9,064,166</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, 2021

	General <u>Fund</u>	Debt Service <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Revenues</b>				
Property taxes	\$ 215,475,162	\$ -	\$ 1,069,415	\$ 216,544,577
Auto permits	16,216,065	-	700,000	16,916,065
Penalties, interest and other taxes	1,239,839	-	-	1,239,839
Charges for services	891,348	-	1,936,316	2,827,664
Intergovernmental	50,650,784	-	31,581,857	82,232,641
Licenses and permits	1,511,234	-	-	1,511,234
Investment income	104,424	-	7,859,860	7,964,284
Contributions	-	8,766,301	4,820,926	13,587,227
Hydroelectric power generation	1,026,971	-	-	1,026,971
Cable TV franchise fees	876,241	-	421,894	1,298,135
Rentals and lease income	720,637	-	16,800	737,437
Miscellaneous	<u>788,203</u>	<u>-</u>	<u>294,600</u>	<u>1,082,803</u>
Total Revenues	289,500,908	8,766,301	48,701,668	346,968,877
<b>Expenditures</b>				
Current:				
General government	16,725,415	-	1,407,349	18,132,764
Police	34,012,596	-	4,133,099	38,145,695
Fire	27,927,094	-	2,415,568	30,342,662
Water fire protection services	3,172,524	-	-	3,172,524
Education	160,025,919	-	34,268,684	194,294,603
Public works	11,008,053	-	9,430,757	20,438,810
Health and human services	2,194,939	-	4,755,904	6,950,843
Culture and recreation	7,046,950	-	176,961	7,223,911
Community development	3,549,528	-	28,506,511	32,056,039
Communications	551,283	-	216,480	767,763
Hydroelectric	502,874	-	1,838,006	2,340,880
Debt service:				
Principal	12,064,500	3,690,000	965,000	16,719,500
Interest and issuance cost	<u>3,987,382</u>	<u>5,076,591</u>	<u>695,189</u>	<u>9,759,162</u>
Total Expenditures	<u>282,769,057</u>	<u>8,766,591</u>	<u>88,809,508</u>	<u>380,345,156</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,731,851	(290)	(40,107,840)	(33,376,279)
<b>Other Financing Sources (Uses)</b>				
Issuance of general obligation bonds	-	-	41,828,500	41,828,500
Issuance of refunding bonds	1,444,000	-	-	1,444,000
Bond premiums	286,987	-	1,773,500	2,060,487
Bond premiums from refunding bonds	289,231	-	-	289,231
Payment to refunding escrow agent	(1,733,231)	-	-	(1,733,231)
Issuance of capital leases	6,671,814	-	-	6,671,814
Transfers in	743,100	-	1,048,322	1,791,422
Transfers out	<u>(7,283,552)</u>	<u>-</u>	<u>(743,101)</u>	<u>(8,026,653)</u>
Total Other Financing Sources (Uses)	418,349	-	43,907,221	44,325,570
Change in Fund Balance	7,150,200	(290)	3,799,381	10,949,291
Fund Balance at Beginning of Year	<u>63,053,259</u>	<u>4,313,291</u>	<u>44,941,631</u>	<u>112,308,181</u>
Fund Balance at End of Year	\$ <u>70,203,459</u>	\$ <u>4,313,001</u>	\$ <u>48,741,012</u>	\$ <u>123,257,472</u>

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, 2021

<b>Net changes in fund balances - Total governmental funds</b>	\$	10,949,291																																																			
<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: 40px;"> <tr> <td style="width: 70%;">Capital outlay</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">51,745,516</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(20,635,177)</td> </tr> <tr> <td>Loss on disposal of capital assets</td> <td></td> <td style="text-align: right;">(2,050,269)</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: 40px;"> <tr> <td style="width: 70%;">Issuance of general obligation and refunding bonds</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(43,272,500)</td> </tr> <tr> <td>Issuance of capital lease</td> <td></td> <td style="text-align: right;">(6,671,814)</td> </tr> <tr> <td>Repayment of capital leases</td> <td></td> <td style="text-align: right;">91,743</td> </tr> <tr> <td>Repayments of debt</td> <td></td> <td style="text-align: right;">18,424,500</td> </tr> <tr> <td>Bond premiums received on new issuances of bonds</td> <td></td> <td style="text-align: right;">(2,349,718)</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: 40px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(168,270)</td> </tr> </table> </li> <li>• To record amortization of Equity Interest in Pennichuck Waterworks. <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(3,690,000)</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: 40px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(461,009)</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: 40px;"> <tr> <td style="width: 70%;">Decrease in compensated absences liability</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">1,692,908</td> </tr> <tr> <td>Increase in total/net OPEB liability and related deferred outflows and inflows of resources</td> <td></td> <td style="text-align: right;">(1,960,938)</td> </tr> <tr> <td>Increase in net pension liability and related deferred outflows and inflows of resources</td> <td></td> <td style="text-align: right;">(23,312,997)</td> </tr> <tr> <td>Amortize bond premiums</td> <td></td> <td style="text-align: right;">1,467,129</td> </tr> <tr> <td>Amortize gains and losses on prior years refunding bonds</td> <td></td> <td style="text-align: right;">(41,638)</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: 40px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">321,981</td> </tr> </table> </li> </ul>			Capital outlay		51,745,516	Depreciation		(20,635,177)	Loss on disposal of capital assets		(2,050,269)	Issuance of general obligation and refunding bonds		(43,272,500)	Issuance of capital lease		(6,671,814)	Repayment of capital leases		91,743	Repayments of debt		18,424,500	Bond premiums received on new issuances of bonds		(2,349,718)			(168,270)			(3,690,000)			(461,009)	Decrease in compensated absences liability		1,692,908	Increase in total/net OPEB liability and related deferred outflows and inflows of resources		(1,960,938)	Increase in net pension liability and related deferred outflows and inflows of resources		(23,312,997)	Amortize bond premiums		1,467,129	Amortize gains and losses on prior years refunding bonds		(41,638)			321,981
Capital outlay		51,745,516																																																			
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(19,921,262)</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, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	Positive <u>(Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 227,770,371	\$ 227,770,371	\$ 227,468,312	\$ (302,059)
Auto permits	10,645,000	10,645,000	16,216,065	5,571,065
Penalties, interest and other taxes	1,005,788	1,005,788	1,239,839	234,051
Charges for services	1,236,875	1,236,875	889,849	(347,026)
Intergovernmental	50,234,400	50,234,400	50,650,783	416,383
Licenses and permits	1,237,100	1,237,100	1,511,233	274,133
Interest earnings	350,000	350,000	83,696	(266,304)
Miscellaneous	3,093,879	3,093,879	3,413,552	319,673
<b>Total Revenues</b>	<u>295,573,413</u>	<u>295,573,413</u>	<u>301,473,329</u>	<u>5,899,916</u>
<b>Expenditures</b>				
General government	22,242,936	20,508,460	19,772,698	735,762
Police	33,134,789	33,595,657	33,507,696	87,961
Fire	26,881,070	27,210,181	27,049,600	160,581
Water fire protection services	3,200,000	3,200,000	3,172,523	27,477
Education	155,626,160	157,482,380	157,276,238	206,142
Public works	15,765,526	15,665,201	15,198,970	466,231
Health and human services	2,538,840	2,504,465	2,235,471	268,994
Culture and recreation	7,339,174	7,218,127	7,031,494	186,633
Community development	3,310,371	3,232,394	3,129,161	103,233
Communications	569,776	567,193	553,155	14,038
Hydroelectric	455,220	455,220	434,240	20,980
Debt service	16,804,240	16,804,240	16,581,883	222,357
Intergovernmental	11,993,150	11,993,150	11,993,150	-
<b>Total Expenditures</b>	<u>299,861,252</u>	<u>300,436,668</u>	<u>297,936,279</u>	<u>2,500,389</u>
Excess (deficiency) of revenues over (under) expenditures	(4,287,839)	(4,863,255)	3,537,050	8,400,305
<b>Other Financing Sources (Uses)</b>				
Transfers in	703,609	1,354,025	1,372,711	18,686
Transfers out	(1,165,770)	(1,240,770)	(1,240,770)	-
Bond premiums	-	-	286,987	286,987
Use of unassigned fund balance	4,500,000	4,500,000	4,500,000	-
Use of assigned fund balance	250,000	250,000	250,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>4,287,839</u>	<u>4,863,255</u>	<u>5,168,928</u>	<u>305,673</u>
Excess of revenues and other financing sources over expenditures and other financing (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,705,978</u>	<u>\$ 8,705,978</u>

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

**CITY OF NASHUA, NEW HAMPSHIRE**

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-Type Activities			Governmental Activities
	Enterprise Funds			
	Waste Water Fund	Solid Waste Fund	Total	
<b>Assets</b>				
Current:				
Cash and short-term investments	\$ 14,931,271	\$ 2,186,371	\$ 17,117,642	\$ -
Investments	-	4,829,365	4,829,365	-
User fees, net of allowance for uncollectibles	4,110,353	326,164	4,436,517	-
Intergovernmental receivable	250,974	-	250,974	-
Due from other funds	-	8,918,707	8,918,707	17,646,534
Other assets	-	-	-	2,583,055
<b>Total Current Assets</b>	<b>19,292,598</b>	<b>16,260,607</b>	<b>35,553,205</b>	<b>20,229,589</b>
Noncurrent:				
Capital assets being depreciated, net	140,156,845	17,430,472	157,587,317	-
Capital assets not being depreciated	19,904,076	616,229	20,520,305	-
<b>Total Noncurrent Assets</b>	<b>160,060,921</b>	<b>18,046,701</b>	<b>178,107,622</b>	<b>-</b>
<b>Total Assets</b>	<b>179,353,519</b>	<b>34,307,308</b>	<b>213,660,827</b>	<b>20,229,589</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	430,036	325,568	755,604	-
Related to OPEB	110,967	86,307	197,274	-
<b>Total Deferred Outflows of Resources</b>	<b>541,003</b>	<b>411,875</b>	<b>952,878</b>	<b>-</b>
<b>Liabilities</b>				
Current:				
Accounts payable	100	94	194	-
Due to other funds	12,522,847	-	12,522,847	-
Salaries payable	55,043	46,064	101,107	11,354
Accrued liabilities	1,044,055	222,920	1,266,975	8,563,940
Notes payable	11,191,480	-	11,191,480	-
Other liabilities	-	-	-	889,042
Current portion of long-term liabilities:				
Bonds and notes payable	3,849,057	2,496,447	6,345,504	-
Compensated absences	26,141	36,033	62,174	-
<b>Total Current Liabilities</b>	<b>28,688,723</b>	<b>2,801,558</b>	<b>31,490,281</b>	<b>9,464,336</b>
Noncurrent:				
Bonds and notes payable	43,574,136	11,756,884	55,331,020	-
Compensated absences	235,269	324,296	559,565	-
Net and total OPEB liability	990,146	770,113	1,760,259	-
Net pension liability - Board of Public Works	66,421	50,285	116,706	-
Landfill closure and post closure	-	9,840,185	9,840,185	-
<b>Total Noncurrent Liabilities</b>	<b>44,865,972</b>	<b>22,741,763</b>	<b>67,607,735</b>	<b>-</b>
<b>Total Liabilities</b>	<b>73,554,695</b>	<b>25,543,321</b>	<b>99,098,016</b>	<b>9,464,336</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	1,965,307	1,487,877	3,453,184	-
Related to OPEB	101,508	78,951	180,459	-
<b>Total Deferred Inflows of Resources</b>	<b>2,066,815</b>	<b>1,566,828</b>	<b>3,633,643</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	101,446,248	5,290,764	106,737,012	-
Restricted for capital projects	354,657	7,073,028	7,427,685	-
Unrestricted	2,472,107	(4,754,758)	(2,282,651)	10,765,253
<b>Total Net Position</b>	<b>\$ 104,273,012</b>	<b>\$ 7,609,034</b>	<b>\$ 111,882,046</b>	<b>\$ 10,765,253</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, 2021

	Business-Type Activities Enterprise Funds			Governmental
	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	\$ 14,240,003	\$ 4,140,134	\$ 18,380,137	\$ -
Employer contributions	-	-	-	38,976,218
Employee and retiree contributions	-	-	-	12,192,953
Other	18,624	284,061	302,685	2,803,423
Total Operating Revenues	14,258,627	4,424,195	18,682,822	53,972,594
<b>Operating Expenses</b>				
Salaries and benefits	3,685,376	2,927,257	6,612,633	941,871
Other operating expenses	4,017,195	2,995,907	7,013,102	366,086
Depreciation	6,461,810	2,267,213	8,729,023	-
Claims and policy costs	-	-	-	52,509,713
Total Operating Expenses	14,164,381	8,190,377	22,354,758	53,817,670
Operating Income (Loss)	94,246	(3,766,182)	(3,671,936)	154,924
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental	1,364,985	149,643	1,514,628	-
Investment income	13,649	23,098	36,747	17,057
Interest expense	(1,424,399)	(507,078)	(1,931,477)	-
Total Nonoperating Revenues (Expenses), Net	(45,765)	(334,337)	(380,102)	17,057
Gain (Loss) Before Contributions and Transfers	48,481	(4,100,519)	(4,052,038)	171,981
Capital contributions	888,291	-	888,291	-
Transfers in	-	6,235,231	6,235,231	150,000
Transfers out	(150,000)	-	(150,000)	-
Change in Net Position	786,772	2,134,712	2,921,484	321,981
Net Position at Beginning of Year	103,486,240	5,474,322	108,960,562	10,443,272
Net Position at End of Year	\$ 104,273,012	\$ 7,609,034	\$ 111,882,046	\$ 10,765,253

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, 2021

	Business-Type Activities			Governmental Activities Internal Service Fund
	Enterprise Funds			
	Waste Water Fund	Solid Waste Fund	Total	
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 13,673,829	\$ 4,388,939	\$ 18,062,768	\$ 14,996,376
Receipts from interfund services provided	-	-	-	38,976,218
Payments to vendors	(4,132,821)	(1,701,618)	(5,834,439)	(52,824,305)
Payments to employees	(4,017,195)	(3,327,358)	(7,344,553)	(940,273)
Net Cash Provided By (Used for) Operating Activities	5,523,813	(640,037)	4,883,776	208,016
<b>Cash Flows From Noncapital Financing Activities</b>				
Proceeds from (payments for) interfund loan agreements	2,588,176	(1,958,972)	629,204	(375,073)
Transfers	(150,000)	6,235,231	6,085,231	150,000
Intergovernmental subsidy	1,364,985	149,643	1,514,628	-
Net Cash Provided By (Used for) Noncapital Financing Activities	3,803,161	4,425,902	8,229,063	(225,073)
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(8,171,199)	(1,547,848)	(9,719,047)	-
Contributions	1,069,781	-	1,069,781	-
Proceeds/premiums from bonds and notes	4,803,488	1,495,000	6,298,488	-
Principal payments on bonds	(4,183,258)	(2,666,201)	(6,849,459)	-
Principal payments on notes	(759,000)	-	(759,000)	-
Interest expense	(1,551,293)	(678,414)	(2,229,707)	-
Net Cash (Used For) Capital and Related Financing Activities	(8,791,481)	(3,397,463)	(12,188,944)	-
<b>Cash Flows From Investing Activities</b>				
Purchase of investments	-	(64,825)	(64,825)	-
Investment income	13,649	23,098	36,747	17,057
Net Cash Provided By Investing Activities	13,649	(41,727)	(28,078)	17,057
Net Change in Cash and Short-Term Investments	549,142	346,675	895,817	-
Cash and Short-Term Investments, Beginning of Year	14,382,129	1,839,696	16,221,825	-
Cash and Short-Term Investments, End of Year	\$ 14,931,271	\$ 2,186,371	\$ 17,117,642	\$ -
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</b>				
Operating income (loss)	\$ 94,246	\$ (3,766,182)	\$ (3,671,936)	\$ 154,924
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,461,810	2,267,213	8,729,023	-
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees	(600,727)	(35,256)	(635,983)	-
Deferred outflows - related to pensions	(326,359)	(245,332)	(571,691)	-
Deferred outflows - related to OPEB	(18,941)	(14,732)	(33,673)	-
Other assets	-	-	-	258,960
Accounts payable	-	94	94	-
Accrued liabilities	11,962	(30,104)	(18,142)	(224,418)
Net pension liability	(1,804,642)	(1,397,754)	(3,202,396)	-
Net and Total OPEB liability	11,882	9,241	21,123	-
Landfill closure and postclosure	-	1,294,195	1,294,195	-
Other liabilities	-	-	-	18,550
Deferred inflows - related to pensions	1,637,527	1,234,204	2,871,731	-
Deferred inflows - related to OPEB	57,055	44,376	101,431	-
Net Cash Provided By (Used for) Operating Activities	\$ 5,523,813	\$ (640,037)	\$ 4,883,776	\$ 208,016

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, 2021

	Pension Trust <u>Fund</u>	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 3,087,084	\$ 144,116	\$ -
Investments:			
Fixed income securities	16,357,437	2,411,841	-
Equities	33,531,828	4,241,672	-
Mutual funds	<u>653,500</u>	<u>1,418,363</u>	<u>-</u>
Total Investments	<u>50,542,765</u>	<u>8,071,876</u>	<u>-</u>
Total Assets	<u>\$ 53,629,849</u>	<u>\$ 8,215,992</u>	<u>\$ -</u>
<b>Liabilities</b>			
Other liabilities - escrow deposits	\$ -	\$ -	\$ -
Due to external parties	<u>314,719</u>	<u>154,717</u>	<u>-</u>
Total Liabilities	314,719	154,717	-
<b>Net Position</b>			
Total net position restricted for pensions and other purposes	<u>53,315,130</u>	<u>8,061,275</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 53,629,849</u>	<u>\$ 8,215,992</u>	<u>-</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, 2021

	Pension Trust <u>Fund</u>	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
<b>Additions</b>			
Employer contributions	\$ 907,292	\$ -	\$ -
Plan member contributions	907,292	-	-
Property taxes collected for County	-	-	11,993,150
Fees collected for State of New Hampshire	-	-	5,226,836
Other	-	44,671	-
Investment Income:			
Dividend, interest and investment income	11,335,176	1,390,512	-
Less: management fees	<u>(231,838)</u>	<u>-</u>	<u>-</u>
Total Additions	12,917,922	1,435,183	17,219,986
<b>Deductions</b>			
Benefit payments to plan members and beneficiaries	3,179,286	157,746	-
Administrative expenses	61,626	43,396	-
Payment of taxes to County	-	-	11,993,150
Payment of fees to State of New Hampshire	<u>-</u>	<u>-</u>	<u>5,226,836</u>
Total Deductions	<u>3,240,912</u>	<u>201,142</u>	<u>17,219,986</u>
Net Change	9,677,010	1,234,041	-
<b>Net Position restricted for pensions and other purposes</b>			
Beginning of year	<u>43,638,120</u>	<u>6,827,234</u>	<u>-</u>
End of year	<u>\$ 53,315,130</u>	<u>\$ 8,061,275</u>	<u>\$ -</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, 2021**

(Except for Pennichuck Corporation Component Unit, which is as of December 31, 2020)

	<u>Pennichuck Corporation</u>	<u>Nashua Airport Authority</u>	<u>Total</u>
<b>Assets</b>			
<b>Current:</b>			
Cash and cash equivalents	\$ 310,000	\$ 541,873	\$ 851,873
Investments	-	237,378	237,378
Restricted cash and investments	9,122,000	-	9,122,000
Receivables, net of allowance for uncollectibles:			
User fees	8,786,000	3,762	8,789,762
Intergovernmental	-	2,160,569	2,160,569
Inventory	598,000	-	598,000
Prepaid expenses	<u>1,797,000</u>	<u>-</u>	<u>1,797,000</u>
<b>Total Current Assets</b>	<b>20,613,000</b>	<b>2,943,582</b>	<b>23,556,582</b>
<b>Noncurrent:</b>			
Capital assets being depreciated, net of accumulated depreciation	235,705,000	18,668,743	254,373,743
Capital assets not being depreciated	6,764,000	6,405,217	13,169,217
Acquisition premium	<u>67,202,000</u>	<u>-</u>	<u>67,202,000</u>
<b>Total Noncurrent Assets</b>	<b><u>309,671,000</u></b>	<b><u>25,073,960</u></b>	<b><u>334,744,960</u></b>
<b>Total Assets</b>	<b>330,284,000</b>	<b>28,017,542</b>	<b>358,301,542</b>
<b>Deferred Outflows of Resources</b>			
Related to OPEB	-	132,133	132,133
Other	<u>17,014,000</u>	<u>900</u>	<u>17,014,900</u>
<b>Total Deferred Outflows of Resources</b>	<b>17,014,000</b>	<b>133,033</b>	<b>17,147,033</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and other liabilities	2,973,000	1,967,053	4,940,053
Accrued liabilities	696,000	208,892	904,892
Accrued interest payable	1,304,000		1,304,000
Customer deposits	435,000	2,465	437,465
Line of credit	5,480,000	-	5,480,000
Current portion of long-term liabilities:			
Bonds, notes payable and other obligations	<u>6,018,000</u>	<u>-</u>	<u>6,018,000</u>
<b>Total Current Liabilities</b>	<b>16,906,000</b>	<b>2,178,410</b>	<b>19,084,410</b>
<b>Noncurrent liabilities:</b>			
Regulatory liability	9,918,000	-	9,918,000
Bonds, notes payable and other obligations	226,914,000	-	226,914,000
Compensated absences	-	23,279	23,279
Net OPEB liability	4,910,000	7,214	4,917,214
Net pension liability	15,424,000	413,263	15,837,263
Liability for derivative instruments	460,000	-	460,000
Contributions in aid of construction	56,536,000	-	56,536,000
Other noncurrent liabilities	<u>416,000</u>	<u>-</u>	<u>416,000</u>
<b>Total Noncurrent Liabilities</b>	<b><u>314,578,000</u></b>	<b><u>443,756</u></b>	<b><u>315,021,756</u></b>
<b>Total Liabilities</b>	<b>331,484,000</b>	<b>2,622,166</b>	<b>334,106,166</b>
<b>Deferred Inflows of Resources</b>			
Related to pensions	-	6,438	6,438
Related to OPEB	-	21	21
Other	<u>15,402,000</u>	<u>-</u>	<u>15,402,000</u>
<b>Total Deferred Inflows of Resources</b>	<b>15,402,000</b>	<b>6,459</b>	<b>15,408,459</b>
<b>Net Position</b>			
Net investment in capital assets	38,482,000	24,870,421	63,352,421
Unrestricted	<u>(38,070,000)</u>	<u>651,529</u>	<u>(37,418,471)</u>
<b>Total Net Position</b>	<b><u>\$ 412,000</u></b>	<b><u>\$ 25,521,950</u></b>	<b><u>\$ 25,933,950</u></b>

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, 2021**  
(Except for Pennichuck Corporation Component Unit, which is for the year ending December 31, 2020)

	<u>Pennichuck Corporation</u>	<u>Nashua Airport Authority</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 50,091,000	\$ 596,280	\$ 50,687,280
Other	-	121,207	121,207
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	50,091,000	717,487	50,808,487
<b>Operating Expenses</b>			
Cost of services	24,768,000	571,506	25,339,506
Taxes other than income taxes	6,445,000	-	6,445,000
Depreciation	8,549,000	1,621,448	10,170,448
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	39,762,000	2,192,954	41,954,954
Operating Income (Loss)	10,329,000	(1,475,467)	8,853,533
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	-	2,872	2,872
Interest expense	(11,896,000)	-	(11,896,000)
Other nonoperating revenues (expenses)	90,000	-	90,000
	<hr/>	<hr/>	<hr/>
Nonoperating Revenues (Expenses), Net	(11,806,000)	2,872	(11,803,128)
(Loss) Before Contributions	(1,477,000)	(1,472,595)	(2,949,595)
Capital contributions	-	2,160,569	2,160,569
Provision for income taxes	(507,000)	-	(507,000)
Other	(343,000)	-	(343,000)
	<hr/>	<hr/>	<hr/>
Change in net position	(2,327,000)	687,974	(1,639,026)
Stockholders' equity/Net position, beginning	2,739,000	24,833,976	27,572,976
	<hr/>	<hr/>	<hr/>
Stockholders' equity/Net position, ending	\$ 412,000	\$ 25,521,950	\$ 25,933,950
	<hr/>	<hr/>	<hr/>

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

#### *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 2021, 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.

### ***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.

### ***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 Custodial 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 *Custodial Fund* is used to account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include taxes and fees collected on behalf of other governments.

### ***Cash and 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.

Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using the net asset value (NAV). The NAV per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period. Investments measured at the NAV for fair value are not subject to level classification.

The City invests in the New Hampshire public Investment Pool (NHPDIP), an external investment pool managed by the State Banking Commission. The portfolio meets the requirements of GASB Statement No. 79, *Certain Investment Pools and Pool Participants*, and investments are valued at amortized cost.

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

#### ***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.

#### ***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.

#### ***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.

#### ***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.

Capital assets 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

***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 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. 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.

***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 and proprietary 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.

***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.

***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 of resources and current liabilities/deferred inflows of resources. 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. The General Fund is the only fund that reports a positive unassigned fund balance.

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 of resources and liabilities/deferred inflows of resources. 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. The remaining net position is reported as unrestricted.

#### *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**

#### *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.

### ***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.

### ***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>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources</u>	<u>Other Financing (Uses)</u>
Revenues/expenditures/transfers (GAAP Basis)	\$ 289,500,908	\$ 282,769,057	\$ 9,435,132	\$ (9,016,783)
To record use of fund balance	-	-	4,750,000	-
Reverse effect of activity appropriated in prior year	-	(5,398,622)	-	2,937,706
Add end-of-year appropriation carryforwards to expenditures	-	8,545,457	-	-
Reclass transfers	-	6,557,987	-	6,557,987
Reclass County assessment to custodial funds	11,993,150	11,993,150	-	-
Reverse unbudgeted capital lease	-	(6,671,814)	(6,671,814)	-
Reverse unbudgeted refunding activity	-	-	(1,733,231)	1,733,231
Reverse non-budgeted revenues and expenditures (capital reserves)	(20,729)	-	629,611	(3,515,936)
Other	-	141,064	-	63,025
Budgetary Basis	<u>\$ 301,473,329</u>	<u>\$ 297,936,279</u>	<u>\$ 6,409,698</u>	<u>\$ (1,240,770)</u>

### ***Deficit Fund Balance***

Certain individual funds reflected deficit balances as of June 30, 2021.

<u>Nonmajor Governmental Funds:</u>	
Fire Projects	\$ (1,293,023)
Public Works Projects	(4,848,536)
City Building Projects	(718,590)
Property Revaluation Projects	(621,844)
School Department Projects	<u>(8,575,489)</u>
Total	<u>\$ (16,057,482)</u>

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

### **3. Deposits and Investments**

#### ***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, 2021, the City’s entire bank balance was fully insured or collateralized.

#### ***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, 2021 included the following:

U.S. Treasury Obligations	\$ 14,949,928
U.S. Government Agencies	10,914,022
Corporate Bonds	5,249,591
Equity Securities	64,409,001
Mutual Funds	17,342,639
Long-term Certificates of Deposit	<u>6,556,929</u>
Total	<u>\$ 119,422,110</u>

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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).

***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 no investments greater than 5% of total investments.

***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 formal 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>
U.S. Treasury Obligations	\$ 14,949,928	4.83	Aaa
U.S. Government Agencies	\$ 10,914,022	3.08	Aaa
Corporate Bonds	\$ 5,249,591	7.29	A1

***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 does not have formal investment policies related to foreign currency risk.

***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 and give 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 hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The City has the following fair value measurements as of June 30, 2021:

Description	Fair Value Measurements Using:		
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:			
Debt securities			
U.S. Treasury Obligations	\$ 14,949,928	\$ -	\$ 14,949,928
U.S. Government Agencies	10,914,022	-	10,914,022
Corporate Bonds	5,249,591	-	5,249,591
Equity Securities	64,409,001	64,409,001	-
Mutual Funds	17,342,639	-	17,342,639
Total	<u>\$ 112,865,181</u>		

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 8% 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 14% 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, 2021 consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Levy of 2020	\$ 17,045,310	\$ -	\$ 17,045,310
Tax Liens	<u>7,076,507</u>	<u>(2,735,935)</u>	<u>4,340,572</u>
Subtotal property taxes	24,121,817	(2,735,935)	21,385,882
Tax dedeed property	<u>331,942</u>	<u>-</u>	<u>331,942</u>
Total	<u>\$ 24,453,759</u>	<u>\$ (2,735,935)</u>	<u>\$ 21,717,824</u>

**5. User Fee Receivables**

Receivables for user charges at June 30, 2021 consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Wastewater user charges	\$ 4,302,228	\$ (191,875)	\$ 4,110,353
Solid waste user charges	<u>326,164</u>	<u>-</u>	<u>326,164</u>
Total	<u>\$ 4,628,392</u>	<u>\$ (191,875)</u>	<u>\$ 4,436,517</u>

**6. Intergovernmental Receivables**

This balance represents reimbursements requested from Federal, State, and Local agencies for expenditures incurred in fiscal 2021.

**7. Interfund 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, 2021 balances in interfund receivable and payable accounts:

Funds:	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 23,143,552	\$ 49,953,425
Debt Service Fund	4,313,001	-
Nonmajor Governmental Funds:		
Police grants	-	101,311
Fire grants	-	174,493
Community health and services grants	-	335,477
Parks and recreation grants	11,762	-
Transit grants	581,849	-
Community Development Block grants/Home grants	-	315,725
Community Development division grants	160,828	-
Homeland security grants	5,728,944	-
Other city grants	3,824	-
Food services	23,100	-
School grants	-	3,708,314
City revolving funds	12,025,585	-
School revolving funds	2,039,103	-
Other trust funds	-	1,428,883
Fire projects	-	1,293,023
Public works projects	-	856,383
Community and economic development projects	397,926	-
Property revaluation projects	-	621,844
School department projects	-	8,195,489
Technology projects	158,283	-
City building projects	-	685,614
City-wide communications projects	97,295	-
Hydroelectric projects	3,534,809	-
Police projects	2,344,501	-
Cemetery permanent funds	-	462,443
Library permanent funds	-	4,896
Enterprise funds:		
Wastewater	-	12,522,847
Solid Waste	8,918,707	-
Internal service fund:		
Employee benefits fund	12,990,869	-
Property and casualty fund	4,655,665	-
Fiduciary fund types:		
Pension trust	-	314,719
Private purpose	-	154,717
Total	<u>\$ 81,129,603</u>	<u>\$ 81,129,603</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 2021:

Funds:	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 743,100	\$ 7,283,552
Nonmajor Governmental Funds:		
Police grants	76,824	393
Transit grants	538,352	30
Community Development Block grants/Home grants	11,975	-
Community Development division grants	64,518	-
Homeland security grants	250,000	-
School grants	-	38,510
City revolving funds	-	127,519
Other trust funds	256,751	150,000
Public works projects	75,000	325,000
Community and economic development projects	325,000	-
Property revaluation projects	31,652	-
City building projects	-	231
Cemetery permanent funds	-	683,168
	<hr/>	<hr/>
Total Nonmajor funds	1,630,072	1,324,851
Enterprise funds:		
Wastewater	-	150,000
Solid waste - operations	5,748,376	-
Solid waste - capital	486,855	-
	<hr/>	<hr/>
Total Enterprise funds	6,235,231	150,000
Internal service funds:		
Property and casualty fund	150,000	-
	<hr/>	<hr/>
Total Internal Service Funds	150,000	-
	<hr/>	<hr/>
Total	\$ <u>8,758,403</u>	\$ <u>8,758,403</u>

The following is a detailed analysis of general fund transfers made in fiscal year 2021:

**General Fund Transfers In:**

Income Transfer from Cemetery Permanent funds	\$ 426,417
Transfer from School Impact Fees Fund	150,000
Surplus Transfer from Police and Fire Outside Detail Fund	127,519
Excess Matching Funds from Grant Funds	<u>39,164</u>
Total General Fund Transfers In	<u><u>\$ 743,100</u></u>

**General Fund Transfers Out:**

Solid Waste Operating Subsidy	\$ 5,748,376
Matching funds for Nashua Transit Grants	538,352
Solid Waste Capital Equipment Purchases	486,855
Matching funds - Governor's Economic Relief & Recovery Grant	250,000
Matching funds - Police Violence Against Women Grant	76,824
Matching funds - NHDOT Safe Routes to School Grant	75,000
Matching funds - NHDES Exotic Species Program Grant	39,518
Transfer to City Building Improvement Capital Project Fund	31,652
Matching funds - NHDOT Sidewalk/Bike Lane Upgrades Grant	25,000
Matching funds - Community Development Block Grant	<u>11,975</u>
Total General Fund Transfers Out	<u><u>\$ 7,283,552</u></u>

## 8. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 297,968	\$ 3,107	\$ (2,006)	\$ 299,069
Machinery and equipment	83,464	10,201	(1,036)	92,629
Infrastructure	<u>150,029</u>	<u>10,463</u>	<u>-</u>	<u>160,492</u>
Total capital assets, being depreciated	531,461	23,771	(3,042)	552,190
Less accumulated depreciation for:				
Buildings and improvements	(141,193)	(7,412)	150	(148,455)
Machinery and equipment	(49,746)	(7,414)	842	(56,318)
Infrastructure	<u>(49,003)</u>	<u>(5,809)</u>	<u>-</u>	<u>(54,812)</u>
Total accumulated depreciation	<u>(239,942)</u>	<u>(20,635)</u>	<u>992</u>	<u>(259,585)</u>
Total capital assets, being depreciated, net	291,519	3,136	(2,050)	292,605
Capital assets, not being depreciated:				
Land	31,116	723	-	31,839
Construction in progress	<u>10,825</u>	<u>30,284</u>	<u>(3,033)</u>	<u>38,076</u>
Total capital assets, not being depreciated	<u>41,941</u>	<u>31,007</u>	<u>(3,033)</u>	<u>69,915</u>
Governmental activities capital assets, net	<u>\$ 333,460</u>	<u>\$ 34,143</u>	<u>\$ (5,083)</u>	<u>\$ 362,520</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Business-Type Activities</b>				
Capital assets, being depreciated:				
Buildings	\$ 85,168	\$ -	\$ -	\$ 85,168
Land improvements	25,348	530	-	25,878
Machinery and equipment	54,438	3,483	(25)	57,896
Infrastructure	<u>141,834</u>	<u>1,819</u>	<u>-</u>	<u>143,653</u>
Total capital assets, being depreciated	306,788	5,832	(25)	312,595
Less accumulated depreciation for:				
Buildings	(47,455)	(1,766)	-	(49,221)
Land improvements	(13,301)	(1,281)	-	(14,582)
Machinery and equipment	(30,559)	(2,731)	25	(33,265)
Infrastructure	<u>(54,988)</u>	<u>(2,951)</u>	<u>-</u>	<u>(57,939)</u>
Total accumulated depreciation	<u>(146,303)</u>	<u>(8,729)</u>	<u>25</u>	<u>(155,007)</u>
Total capital assets, being depreciated, net	160,485	(2,897)	-	157,588
Capital assets, not being depreciated:				
Land	232	-	-	232
Construction in progress	<u>16,400</u>	<u>7,839</u>	<u>(3,951)</u>	<u>20,288</u>
Total capital assets, not being depreciated	<u>16,632</u>	<u>7,839</u>	<u>(3,951)</u>	<u>20,520</u>
Business-type activities capital assets, net	<u>\$ 177,117</u>	<u>\$ 4,942</u>	<u>\$ (3,951)</u>	<u>\$ 178,108</u>

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

Governmental Activities	
General government	\$ 796
Police	545
Fire	1,038
Education	7,927
Public works	6,695
Health and human services	16
Culture and recreation	892
Community development	1,650
Communications	850
Hydroelectric	226
Total governmental activities	<u>\$ 20,635</u>
Business-Type Activities	
Wastewater	\$ 6,462
Solid Waste	2,267
Total business-type activities	<u>\$ 8,729</u>

**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.

**10. Accounts Payable**

Accounts payable represent 2021 expenditures paid after June 30, 2021.

**11. Salaries Payable**

Salaries payable represent 2021 expenditures paid after June 30, 2021.

**12. Accrued Liabilities**

Accrued liabilities represent 2021 expenditures for debt service interest and health insurance claims paid after June 30, 2021.



### 13. Notes Payable

The City participates in the New Hampshire Department of Environmental Services state revolving fund loan program for clean water and drinking water projects. The notes will be permanently funded upon completion of the projects. The following are changes in notes payable for the year ended June 30, 2021:

	Interest Rate	Date of Issue	Beginning Balance	Additions	Reductions	Ending Balance
<u>State Revolving Loan</u>						
Pump Stations Upgrade Project	1.0%	02/10/15	\$ 3,693,664	\$ 1,055,986	\$ -	\$ 4,749,650
Water Booster Station Upgrade Project	2.0%	06/07/17	759,000	-	(759,000)	-
Primary Tanks Upgrade Project	2.0%	06/07/17	3,388,236	511,764	-	3,900,000
CMOM Implementation Project - Phase I	2.7%	10/04/18	<u>1,836,099</u>	<u>705,731</u>	<u>-</u>	<u>2,541,830</u>
Total			\$ <u>9,676,999</u>	\$ <u>2,273,481</u>	\$ <u>(759,000)</u>	\$ <u>11,191,480</u>

### 14. Capital Lease Obligations

The City has a six-year capital lease to acquire \$537,962 of School Department photocopier equipment and a twenty-year capital lease to acquire \$6,671,814 of School Department energy saving equipment using noncancellable lease financing. Most City leases contain provisions whereby the lease is canceled if funds to meet obligations under the lease are not appropriated. The contractual language making such lease contracts void if funds to meet the City obligations are not appropriated are generally more legal in form than substance. In most situations, the lease is renewed through the appropriation to the lessee agency of its annual operating budget. Additionally, the appropriations required to fund the lease obligations are made under the going concern theory. Thus, cancellation of a lease due to non-appropriation of funds must be considered a remote contingency. A lease shall be considered non-cancellable for purposes of the lease definition regardless of the possibility of the occurrence of some remote contingency. 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, 2021:

Fiscal Year	Present Value of Minimum Lease Payments	Interest Payments	Total Lease Payments
2022	\$ 338,716	\$ 212,932	\$ 551,648
2023	252,234	202,459	454,693
2024	260,179	194,514	454,693
2025	268,375	186,318	454,693
2026	276,828	177,865	454,693
2027 - 2031	1,520,568	752,897	2,273,465
2032 - 2036	1,775,628	497,837	2,273,465
2037 - 2041	<u>2,073,471</u>	<u>199,993</u>	<u>2,273,464</u>
Total	\$ <u>6,765,999</u>	\$ <u>2,424,815</u>	\$ <u>9,190,814</u>

## 15. Long-Term Debt

### *General Obligation Bonds (Public Offerings) and State Revolving Loans (Direct Borrowing)*

The City issues general obligation bonds and state revolving loans to provide funds for the acquisition and construction of major capital facilities. The City has outstanding general obligation bonds from public offerings totaling \$260,827,500 related to governmental activities. The City has general obligation bonds from public offerings and state revolving loans related to business-type activities totaling \$25,777,500 and \$33,533,309, respectively. General obligation bonds and state revolving loans currently outstanding are as follows:

<u>Governmental Activities</u>	<u>Serial Maturities Through</u>	<u>Interest Rate %</u>	<u>Amount Outstanding as of 6/30/21</u>
Refunding for Refunded School Construction Series A	7/15/2021	0.85%	\$ 1,810,000
Refunding for Refunded Holman Stadium Series A	7/15/2021	0.85%	330,000
Elm Street Middle School Fire Alarm	10/15/2021	2.06%	45,000
Elm Street Middle School Capital Equipment	10/15/2021	2.06%	35,000
Citywide Communication System Upgrade	4/1/2023	2.43%	280,000
Refunding for Refunded High School Construction	3/15/2024	2.04%	6,710,000
Nashua School Access Control System	5/1/2024	2.96%	1,305,000
Public Safety Portable Radios	5/1/2024	2.96%	505,000
Radio Communications Upgrade	7/15/2024	2.53%	5,170,000
Refunding for Senior Center	7/15/2025	1.74%	569,000
Refunding for Riverwalk	7/15/2025	1.74%	260,000
Refunding for Police Remodeling 2	7/15/2025	1.74%	134,000
Refunding for Police Remodeling 1	7/15/2025	1.74%	69,000
Refunding for Fire Station	7/15/2026	1.74%	1,020,000
Refunding for Land Acquisition and Redevelopment	7/15/2026	1.74%	543,000
Refunding for Land Acquisition	7/15/2026	1.74%	110,000
Fire Pumper Truck	4/1/2028	2.43%	190,000
Refunding for Broad Street Parkway Construction	8/1/2030	0.79%	931,000
Refunding for High Street Garage Renovation	8/1/2030	0.78%	296,500
Refunding for Elm Street Garage Renovation	8/1/2030	0.80%	216,500
Fire Pumper Truck	10/1/2030	2.23%	325,000
Ledge Street School HVAC System Replacement	10/15/2031	3.04%	2,310,000
Broad Street Parkway Construction	10/15/2031	3.04%	1,375,000
Fairgrounds School HVAC System Replacement	10/15/2031	3.04%	830,000
Hunt Memorial Building Renovation	10/15/2031	3.04%	550,000
Nashua City Hall Renovation	10/15/2031	3.04%	275,000
Elm Street Middle School Roof Replacement	10/15/2031	3.04%	220,000
Telecom System	3/15/2032	2.37%	1,675,000
Charlotte Avenue School HVAC System Replacement	4/1/2033	2.43%	1,500,000
Broad Street Parkway Construction	4/1/2033	2.79%	1,250,000
Fire Ladder Truck	4/1/2033	2.43%	605,000
City Buildings Renovation	4/1/2033	2.43%	350,000
Multi-Year Road Paving Project	9/15/2033	2.89%	5,983,000
Broad Street Parkway Construction	5/1/2034	2.96%	14,955,000
Broad Street School Improvements	7/15/2034	2.53%	6,835,000
Broad Street Parkway Construction	7/15/2034	2.53%	6,110,000

(continued)

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<u>Governmental Activities</u>	<u>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate %</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>6/30/21</u>
Aerial Tower Truck	7/15/2034	2.53%	950,000
Nashua Enterprise Resource Planning (ERP) System	7/15/2034	2.53%	420,000
Multi-Year Road Paving Project	11/1/2034	1.94%	6,170,000
Fire Pumper Truck	11/1/2034	1.92%	615,000
Multi-Year Road Paving Project	8/1/2035	1.32%	6,569,500
Sunset Heights School Renovations	10/1/2035	2.23%	8,830,000
Burke Street Property	10/1/2035	2.23%	2,265,000
Multi-Schools Roof Replacement	10/1/2035	2.23%	1,080,000
Amherst Street/Charon Avenue	10/1/2035	2.23%	380,000
Mine Falls Dam	3/15/2037	3.42%	3,090,000
Broad Street Parkway	3/15/2037	2.72%	1,645,000
LED Street Lights	3/15/2037	2.72%	1,645,000
Spit Brook Road Fire Station Improvements	3/15/2037	2.73%	1,365,000
Mine Falls Dam (Di Minimus)	3/15/2037	2.73%	400,000
Amherst Street/Charon Avenue	3/15/2037	2.68%	370,000
Burke Street Property	9/15/2038	3.16%	1,440,000
School Roofing	9/15/2038	3.15%	1,012,000
Police HVAC & Window Improvements	11/1/2039	2.45%	1,540,000
School Improvements	11/1/2039	2.18%	360,000
Public Health Building	8/1/2040	1.62%	1,300,000
City Buildings (Public Health)	8/1/2040	1.62%	614,000
Hydroelectric Dam	1/15/2041	1.65%	6,085,000
Fairgrounds Middle School	8/1/2045	1.93%	6,400,000
Performing Arts Center (General Fund Supported)	1/15/2046	1.91%	15,396,667
Performing Arts Center (TIF Supported)	1/15/2046	1.91%	5,463,333
Pennichuck Corporation Acquisition Bonds	1/15/2042	4.09%	<u>119,745,000</u>
Total Governmental Activities			<u>\$ 260,827,500</u>

(continued)

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<u>Business-Type Activities</u>	<u>Serial Maturities Through</u>	<u>Interest Rate %</u>	<u>Amount Outstanding as of 6/30/21</u>
Solid Waste Disposal Fund:			
Multisite Landfill - Roussel/Gardner	8/1/2022	1.53%	\$ 149,814
Multisite Landfill - Old Nashua	8/1/2022	1.53%	46,486
Multisite Landfill - Shady Lane	8/1/2022	1.53%	22,733
Multisite Landfill - Atherton Park	8/1/2022	1.53%	8,847
Vehicles	9/15/2023	2.19%	1,112,000
Lined Landfill Expansion II	4/15/2024	2.89%	1,275,000
Landfill Compactor	7/15/2024	1.65%	265,000
Landfill Closure	8/1/2024	1.87%	1,497,394
Multisite - Lincoln Park	8/1/2024	1.87%	310,404
Multisite - Engineering	8/1/2024	1.87%	206,701
Refuse Trucks	11/1/2024	1.43%	520,000
Refuse Trucks	8/1/2025	0.40%	452,500
Landfill Phase 3	11/1/2029	1.52%	4,505,000
Landfill Expansion	3/15/2037	2.71%	395,000
Gas System	3/15/2037	2.70%	235,000
Soil Wall	3/15/2037	2.73%	160,000
Soil Wall	9/15/2037	3.00%	115,000
Gas System	9/15/2038	3.16%	360,000
Landfill Improvements	11/1/2039	2.22%	570,000
Gas System Expansion	8/1/2040	1.58%	470,000
Barrier Wall	8/1/2040	1.61%	425,000
Total Solid Waste Fund			<u>13,101,879</u>

<u>Business-Type Activities</u>	<u>Serial Maturities Through</u>	<u>Interest Rate %</u>	<u>Amount Outstanding as of 6/30/21</u>
Waste Water Treatment Fund			
Net Metering Project	8/1/2021	1.36%	24,817
Wet Weather SRF Loan	8/1/2029	2.58%	13,313,128
Haines Street Sewer Project	8/1/2030	2.62%	331,532
Nashua Storage Tank Facility	4/1/2033	2.63%	3,090,023
Aeration Blower Upgrade	4/1/2033	2.63%	2,230,279
Dewatering Equipment Replacement	4/1/2033	2.63%	1,714,698
Dewatering Equipment Replacement	5/1/2034	3.04%	1,430,000
Harbor Avenue SRF Loan	8/1/2034	2.86%	3,220,053
Water Pollution Control	8/1/2035	2.55%	10,521,478
Headworks Upgrade	8/1/2038	2.54%	3,188,000
Sewer Rehabilitation	9/15/2038	3.04%	2,118,000
Sewer Infrastructure Improvements	11/1/2039	2.21%	4,335,000
Water Booster Station Upgrades	1/1/2040	1.99%	691,822
Total Wastewater Fund			<u>46,208,830</u>
Total Enterprise Fund Bonds and Notes Payable			<u>\$ 59,310,709</u>

***Future Debt Service***

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2021 are as follows:

<u>City and School</u>	<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 13,430,500	\$ 4,941,247	\$ 18,371,747
2023	12,375,000	4,272,029	16,647,029
2024	12,300,000	3,725,553	16,025,553
2025	9,480,000	3,187,633	12,667,633
2026	8,200,000	2,839,707	11,039,707
2027 - 2031	38,965,000	9,704,468	48,669,468
2032 - 2036	30,145,000	3,737,495	33,882,495
2037 - 2041	9,532,000	1,268,054	10,800,054
2042 - 2046	6,655,000	427,952	7,082,952
<b>City and School Total</b>	<b>\$ 141,082,500</b>	<b>\$ 34,104,138</b>	<b>\$ 175,186,638</b>

<u>Pennichuck</u>	<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,795,000	\$ 4,970,430	\$ 8,765,430
2023	3,910,000	4,854,797	8,764,797
2024	4,035,000	4,729,794	8,764,794
2025	4,170,000	4,594,742	8,764,742
2026	4,315,000	4,448,084	8,763,084
2027 - 2031	24,255,000	19,564,431	43,819,431
2032 - 2036	29,865,000	13,957,126	43,822,126
2037 - 2041	37,000,000	6,834,218	43,834,218
2042	8,400,000	367,586	8,767,586
<b>Pennichuck Total</b>	<b>\$ 119,745,000</b>	<b>\$ 64,321,208</b>	<b>\$ 184,066,208</b>

<u>Total Governmental</u>	<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 17,225,500	\$ 9,911,677	\$ 27,137,177
2023	16,285,000	9,126,826	25,411,826
2024	16,335,000	8,455,347	24,790,347
2025	13,650,000	7,782,375	21,432,375
2026	12,515,000	7,287,791	19,802,791
2027 - 2031	63,220,000	29,268,899	92,488,899
2032 - 2036	60,010,000	17,694,621	77,704,621
2037 - 2041	46,532,000	8,102,272	54,634,272
2042 - 2046	15,055,000	795,538	15,850,538
<b>Combined Total</b>	<b>\$ 260,827,500</b>	<b>\$ 98,425,346</b>	<b>\$ 359,252,846</b>

<u>Business-Type</u>	<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,804,500	\$ 1,030,352	\$ 3,834,852
2023	2,790,000	884,942	3,674,942
2024	2,790,000	753,466	3,543,466
2025	1,990,000	636,611	2,626,611
2026	1,795,000	551,362	2,346,362
2027 - 2031	7,980,000	1,633,631	9,613,631
2032 - 2036	3,955,000	479,972	4,434,972
2037 - 2040	1,673,000	85,981	1,758,981
Total	<u>\$ 25,777,500</u>	<u>\$ 6,056,317</u>	<u>\$ 31,833,817</u>

<u>Business-Type</u>	<u>State Revolving Loans (Direct Borrowing)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,293,610	\$ 816,443	\$ 4,110,053
2023	3,269,407	738,486	4,007,893
2024	3,156,079	660,852	3,816,931
2025	3,156,712	584,949	3,741,661
2026	2,653,728	509,034	3,162,762
2027 - 2031	11,799,506	1,547,247	13,346,753
2032 - 2036	5,504,901	464,797	5,969,698
2037 - 2040	699,266	35,604	734,870
Total	<u>\$ 33,533,209</u>	<u>\$ 5,357,412</u>	<u>\$ 38,890,621</u>

***Bond Authorizations***

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2021 are as follows:

<u>Purpose</u>	<u>Amount</u>
Design and Construction of New Middle School and Renovation of Two Existing Middle Schools	\$ 111,600,000
Refunding of Prior Year Capital Improvement Bonds	18,556,000
Multi-year Paving Project	17,402,500
Pump Stations Upgrade Project	11,000,000
Sewer Infrastructure Program	10,995,000
Broad Street Parkway Project	6,629,100
Public Works Office Facility	6,000,000
Wastewater Collection System (Capacity, Management, Operation, and Maintenance Plan)	5,200,000
Wastewater Treatment Plan Primary Tank Upgrades	3,900,000
Four Hills Landfill Improvements and Two Refuse Trucks	2,847,500
Construction of Ground Level Parking Garage	2,500,000
Police Building Renovations	1,763,000
Pumper Fire Trucks	1,500,000
Aerial Ladder Truck	1,400,000
Property Revaluation Services	1,300,000
Public Health & Community Services Division Building Renovations	1,100,000
Phase III Lined Landfill Expansion	990,000
City Building Improvements	639,000
Performing Arts Center	140,000
Jackson Mills & Mine Falls Hydro-Electric Facilities Improvements	115,000
Wastewater Treatment Plan Booster Stations Project	58,950
Total	<u>\$ 205,636,050</u>

### ***Changes in General Long-Term Liabilities***

During the year ended June 30, 2021, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
<b>Governmental Activities</b>						
Bonds payable (PO)	\$ 112,544	\$ 43,272	\$ (14,735)	\$ 141,081	\$ (13,431)	\$ 127,650
Unamortized bond premiums	7,189	2,350	(1,468)	8,071	(890)	7,181
Acquisition bonds payable	123,435	-	(3,690)	119,745	(3,795)	115,950
Subtotal bonds payable	243,168	45,622	(19,893)	268,897	(18,116)	250,781
Compensated absences <sup>(1)</sup>	19,073	1,907	(3,599)	17,381	(1,738)	15,643
Capital leases <sup>(1)</sup>	186	6,672	(92)	6,766	(339)	6,427
Net OPEB liability <sup>(1)</sup>	76,383	300	-	76,683	-	76,683
Net pension liability <sup>(1)</sup>	245,551	74,592	-	320,143	-	320,143
Totals	\$ 584,361	\$ 129,093	\$ (23,584)	\$ 689,870	\$ (20,193)	\$ 669,677

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

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
<b>Business-Type Activities</b>						
Bonds payable (PO)	\$ 27,101	\$ 1,348	\$ (2,672)	\$ 25,777	\$ (2,805)	\$ 22,972
State revolving loans (DB)	36,991	720	(4,178)	33,533	(3,294)	30,239
Unamortized bond premiums	2,466	148	(247)	2,367	(247)	2,120
Subtotal bonds payable	66,558	2,216	(7,097)	61,677	(6,346)	55,331
Compensated absences <sup>(2)</sup>	673	67	(118)	622	(62)	560
Landfill closure and postclosure costs	8,546	1,294	-	9,840	-	9,840
Total OPEB liability <sup>(2)</sup>	1,739	21	-	1,760	-	1,760
Net pension liability <sup>(2)</sup>	3,319	-	(3,202)	117	-	117
Totals	\$ 80,835	\$ 3,598	\$ (10,417)	\$ 74,016	\$ (6,408)	\$ 67,608

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

### ***Current Refundings***

#### ***Current Year***

On November 5, 2020, the City issued general obligation bonds in the amount of \$1,444,000 with a variable interest rate ranging from 4.0% to 5.0% to current refund \$1,705,000 of term bonds with a variable interest rate of 3.0% to 3.75%. The term bonds mature on August 1, 2030 and are callable on February 1, 2021. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called on February 1, 2021. The current refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's financial statements. Defeased debt still outstanding at June 30, 2021 is \$0.



**16. 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 \$9,840,185 reported as landfill closure and postclosure care liability at June 30, 2021 comprises \$757,900 of post closure care cost for the Nashua Four Hills unlined landfill and \$9,082,285 in closure, and post closure costs for the Nashua Four Hills Phase I, Phase II and Phase III 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 8 years and remaining capacity is estimated to be 29%. 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, 2021, the City has cash on deposit with a balance of \$6,957,676 restricted for closure and post closure costs.

**17. 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.

The following is a summary of other deferred inflows of resources (exclusive of Pension and OPEB) balances as of June 30, 2021:

	<u>Entity-wide Basis</u>	<u>Fund Basis</u>
	Governmental <u>Activities</u>	Governmental Funds <u>General Fund</u>
Unavailable revenues	\$ -	\$ 8,518,841
Taxes levied in advance	116,611,005	116,611,005
Gains on refunding bonds	<u>1,041,300</u>	<u>-</u>
Total	<u>\$ 117,652,305</u>	<u>\$ 125,129,846</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.

## **18. Governmental Funds – 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, 2021:

### ***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. A portion of this fund balance classification represents an amount applied by the Board of Aldermen to reduce the next year's tax rate. 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, 2021:

	General <u>Fund</u>	Debt Service <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Nonspendable</b>				
Reserved for tax deeds	\$ 331,942	\$ -	\$ -	\$ 331,942
Nonexpendable cemetery permanent funds	-	-	21,616,894	21,616,894
Nonexpendable library permanent funds	-	-	6,337,944	6,337,944
Nonexpendable other permanent funds	-	-	249,292	249,292
Total Nonspendable	331,942	-	28,204,130	28,536,072
<b>Restricted</b>				
For future debt service	-	4,313,001	-	4,313,001
Police grants	-	-	41,109	41,109
Community health & services grants	-	-	129,711	129,711
Parks & recreation grants	-	-	11,762	11,762
Transit grants	-	-	971,183	971,183
CDBG/HOME grants	-	-	75,195	75,195
Community Development division grants	-	-	332,511	332,511
Other public safety grants	-	-	206,339	206,339
Other City grants	-	-	3,824	3,824
Food services	-	-	232,553	232,553
School grants	-	-	2	2
City revolving funds	-	-	841,408	841,408
Public works projects	-	-	4,085,181	4,085,181
Community and Economic development projects	-	-	10,569	10,569
School department projects	-	-	380,000	380,000
Technology projects	-	-	158,283	158,283
City-wide communications projects	-	-	97,295	97,295
Hydroelectric projects	-	-	3,534,809	3,534,809
Police projects	-	-	2,344,501	2,344,501
Cemetery expendable permanent funds	-	-	1,148,985	1,148,985
Library expendable permanent funds	-	-	1,025,100	1,025,100
Other expendable permanent funds	-	-	17,534	17,534
Total Restricted	-	4,313,001	15,647,854	19,960,855
<b>Committed</b>				
For continuing appropriations	10,689,378	-	-	10,689,378
School capital funds	1,128,453	-	-	1,128,453
City capital funds	9,171,977	-	-	9,171,977
City revolving funds	-	-	12,211,714	12,211,714
School revolving funds	-	-	2,035,544	2,035,544
Other trust funds	-	-	6,278,919	6,278,919
Community and economic development projects	-	-	387,357	387,357
City building projects	-	-	32,976	32,976
Total Committed	20,989,808	-	20,946,510	41,936,318
<b>Assigned</b>				
For next year's tax rate	4,000,000	-	-	4,000,000
For encumbrances	3,032,807	-	-	3,032,807
For overlay contingency	1,500,000	-	-	1,500,000
For unfunded liabilities	8,655,000	-	-	8,655,000
Total Assigned	17,187,807	-	-	17,187,807
<b>Unassigned</b>				
General Fund	31,693,902	-	-	31,693,902
Deficits	-	-	(16,057,482)	(16,057,482)
Total Unassigned	31,693,902	-	(16,057,482)	15,636,420
Total Fund Balance	\$ 70,203,459	\$ 4,313,001	\$ 48,741,012	\$ 123,257,472

## 19. 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).

The following pension disclosures for the New Hampshire Retirement System pension plan are based upon an actuarial valuation performed as of June 30, 2019, using a measurement date of June 30, 2020.

### *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 or from their website at [www.nhrs.org](http://www.nhrs.org).

### *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	23	2.2%
Less than 4 years	49	24	2.1%

#### *Contributions*

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7% for employees and teachers, 11.55% for police, and 11.80% for fire. The City makes contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, III, which is 11.17% for employees, 17.80% for teachers, 28.43% for police and 30.09% for fire. The City's contributions to NHRS for the year ended June 30, 2021 was \$23,356,118, which was equal to its annual required contribution.

#### *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.

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

At June 30, 2021, the City reported a liability of \$320,002,458 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the City's proportion was 5.00%.

For the year ended June 30, 2021, the City recognized pension expense of \$47,883,163. In addition, the City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 8,641,616	\$ (3,435,910)
Changes of assumptions	31,654,591	-
Net difference between projected and actual earnings on pension plan investments	19,792,498	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,370,601	(5,259,270)
Contributions subsequent to the measurement date	<u>23,356,118</u>	<u>-</u>
Total	<u>\$ 87,815,424</u>	<u>\$ (8,695,180)</u>

The amounts 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 2022. 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:

2022	\$ 10,781,524
2023	14,948,284
2024	15,347,400
2025	<u>14,686,918</u>
Total	<u>\$ 55,764,126</u>

*Actuarial Assumptions and Other Inputs*

The collective total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.00%, previously 2.50%
Wage inflation	2.75%, previously 3.25%
Salary increases	5.60% average, including inflation
Investment rate of return	6.75%, net of investment expenses, including inflation, previously 7.25%

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

#### *Target Allocations*

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:

<u>Asset Class</u>	Target Allocation <u>Percentage</u>	Weighted Average Average Long- Term Expected Real Rate of <u>Return</u>
Large cap equities	22.50 %	3.71%
Small/mid cap equities	<u>7.50</u>	4.15%
Total domestic equities	30.00	
Int'l equities (unhedged)	13.00	3.96%
Emerging int'l equities	<u>7.00</u>	6.20%
Total international equities	20.00	
Core bonds	9.00	0.42%
Global multi-sector fixed income	10.00	1.66%
Absolute return fixed income	<u>6.00</u>	0.92%
Total fixed income	25.00	
Private equity	10.00	7.71%
Private debt	<u>5.00</u>	4.81%
Total alternative investments	15.00	
Real estate	<u>10.00</u>	2.95%
Total	<u><u>100.00</u></u> %	



*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the 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.

*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 6.75%, 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 one percentage-point lower or one percentage-point higher than the current rate:

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
\$414,272,949	\$320,002,458	\$242,970,985

*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* and GASB Statement No. 68 *Accounting and Financial Reporting for Pension*, with respect to the employees’ retirement funds.

The following pension disclosures for the Public Works Employee’s Retirement System pension plan are based upon an actuarial valuation performed as of July 1, 2020, using a measurement date of June 30, 2021.

*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, 2020, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries receiving benefits	112
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>167</u>
Total	<u><u>289</u></u>

*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.

*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, 2021 was \$907,292, which was equal to its annual required contribution.

*Summary of Significant Accounting Policies*

The accounting policies of the System as reflected in the accompanying financial statements for the year ended June 30, 2021 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 25.65%. 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.

*Net Pension Liability of the City*

The components of the net pension liability of the City on June 30, 2021 were as follows:

Total pension liability	\$ 53,572,475
Plan fiduciary net position	<u>(53,315,130)</u>
Employers' net pension liability	<u>\$ 257,345</u>
Plan fiduciary net position as a percentage of total pension liability	99.52%

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances, beginning of year	\$ 51,033,623	\$ (43,638,120)	\$ 7,395,503
Changes for the year:			
Service cost	1,194,402	-	1,194,402
Interest	3,546,569	-	3,546,569
Contributions - employer	-	(907,292)	(907,292)
Contributions - employee	-	(907,292)	(907,292)
Net investment income	-	(11,103,338)	(11,103,338)
Differences between expected and actual experience	(933,080)	-	(933,080)
Changes of assumptions	1,910,247	-	1,910,247
Benefit payments, including refunds of employee contributions	(3,179,286)	3,179,286	-
Administrative expense	-	61,626	61,626
Net changes	<u>2,538,852</u>	<u>(9,677,010)</u>	<u>(7,138,158)</u>
Balances, end of year	<u>\$ 53,572,475</u>	<u>\$ (53,315,130)</u>	<u>\$ 257,345</u>

*Actuarial Assumptions and Other Inputs*

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Salary increases	Inflation of 3.00% annually, plus merit increases ranging from 2.00% to 0.00%, based on age
Investment rate of return	7.00%, per annum compounded annually, net of investment 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 valuation were based on the results of a limited scope experience study for the period July 1, 2005 through June 30, 2014 completed in conjunction with the July 1, 2014 actuarial valuation.

Mortality rates in the July 1, 2020 valuation for non-disabled individuals reflects the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2019 (previously was the RP-2014 Mortality Table, adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2018).

Mortality rates in the July 1, 2020 valuation for disabled individuals reflects the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2019, setback 10 years (previously was the RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to the valuation date with Scale MP-2018, setback 10 years).

*Target Allocation*

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 Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Weighting</u>
Intermediate Bond	40.00%	2.00%	0.80%
US Large Cap Equity	30.00%	6.25%	1.88%
US Small Cap Equity	10.00%	7.75%	0.78%
International Equity	20.00%	6.00%	1.20%
Total	<u>100.00%</u>		4.66%
Inflation			<u>2.40%</u>
Expected arithmetic nominal return			<u>7.06%</u>

*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.

*Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*

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

1% Decrease	Current Discount Rate	1% Increase
\$ 5,932,766	\$ 257,345	\$(4,603,099)

*Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions*

At June 30, 2021, the City reported a liability of \$257,345 for its net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the City recognized pension expense (gain) of \$(1,168,294). In addition, the City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 6,634	\$ (1,359,364)
Changes of assumptions	1,659,527	(374,365)
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(5,880,790)</u>
Total	<u>\$ 1,666,161</u>	<u>\$ (7,614,519)</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:

2022	\$ (1,664,312)
2023	(1,458,395)
2024	(1,429,395)
2025	(1,645,060)
2026	63,931
Thereafter	<u>184,873</u>
Total	<u>\$ (5,948,358)</u>

*Consolidation of Net Pension Liabilities and Related Deferred Outflows and (Inflows)*

The following consolidates the City's proportionate share of the NHRS net pension liability and related deferred outflows/(inflows), and the City's BPW pension plan net pension liability and related deferred outflows/(inflows) at June 30, 2021:

	Net Pension Liability	Total Deferred Outflows of Resources	Total Deferred (Inflows) of Resources	Total Pension Expense
Proportionate share of NHRS	\$ 320,002,458	\$ 87,815,424	\$ (8,695,180)	\$ 47,883,163
City BPW Pension Plan	<u>257,345</u>	<u>1,666,161</u>	<u>(7,614,519)</u>	<u>(1,168,294)</u>
	<u>\$ 320,259,803</u>	<u>\$ 89,481,585</u>	<u>\$ (16,309,699)</u>	<u>\$ 46,714,869</u>

The City reports a net pension liability in governmental activities as these respective employees are members of the NHRS, while governmental activities and business-type activities report a net pension liability for the City's BPW pension plan as these respective employees are included only in the City's plan.

**20. 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.

## ***New Hampshire Retirement System Medical Subsidy Plan Description***

### ***General Information about the OPEB Plan***

The following OPEB disclosures for the New Hampshire Retirement Medical Subsidy Plan are based on an actuarial valuation performed as of June 30, 2019, using a measurement date of June 30, 2020.

### **Plan Description**

In addition to the OPEB plan discussed previously, 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.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at [www.nhrs.org](http://www.nhrs.org).

### **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. Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service.

The OPEB Plan is closed to new entrants. 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

### **Contributions**

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the Medical Subsidy payment is via the employer contributions rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of Earnable Compensation. The City contributed 0.298% of earnable compensation for Group I employees, 1.81% of earnable compensation for Group I teachers, and 3.66% of earnable compensation for Group II (fire and police department) members. Employees are not



required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the Medical Subsidy plan.

Actuarial Assumptions and Other Inputs

Actuarial assumptions are the same as the New Hampshire Retirement System, which is disclosed in Note 19.

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, 2020 was \$23,435,551.

For the year ended June 30, 2021, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$1,903,474. At June 30, 2021, 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>
Differences between expected and actual experience	\$ -	\$ (67,906)
Changes of assumptions	150,684	-
Net difference between projected and actual earnings on OPEB plan investments	87,687	-
Changes in proportion and differences between contributions and proportionate share of contributions	118,016	(155,517)
Contributions subsequent to the measurement date	<u>2,631,411</u>	<u>-</u>
Total	<u>\$ 2,987,798</u>	<u>\$ (223,423)</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the year ending June 30, 2022.

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

<u>Fiscal Year Ended</u>	
2022	\$ 51,920
2023	25,956
2024	30,944
2025	<u>24,144</u>
Total	<u>\$ 132,964</u>

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

The following presents the net OPEB liability calculated using the discount rate of 6.75%, as well as what the net 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>
\$ 25,448,565	\$ 23,435,551	\$ 21,687,860

Healthcare Cost Trend Rate

Healthcare cost trend rates are not applicable given that the benefits are fixed stipends.

***City OPEB Plan***

The following OPEB disclosures for the City OPEB Plan are based on an actuarial valuation performed as of June 30, 2020, using a measurement date of June 30, 2021.

*General Information about the OPEB Plan*

Plan Description

The City provides post-employment healthcare benefits for retired employees through the City's single employer defined benefit OPEB 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 and does not issue a standalone financial report.

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, 2020, 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><u>3,389</u></u>

## Funding Policy

The City's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

## *Actuarial Assumptions and Other Inputs*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation	2.00% per year
Projected salary increases	2.75% for general wage inflation, plus merit and productivity increases which are based on those used in the New Hampshire Retirement System actuarial valuation as of June 30, 2019
Discount rate	2.19% (previously was 2.66%)
Healthcare trend rates	7.50% for 2022, decreasing 0.50%, to an ultimate rate of 4.50% as of 2028 and later years
Retirees' share of benefit-related costs	100%
Participation rate	90% of active employees with current coverage 100% of inactive employees with no coverage

The discount rate was based on the Bond Buyer GO 20-Year Municipal Bond Index at June 30, 2021.

Mortality rates were based on the following:

- General employees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2019
- Teachers: SOA Pub-2010 Teacher Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2019
- Police and fire: SOA Pub-2010 Public Safety Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2019
- Surviving spouses: SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using scale MP-2019

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 2.19%. 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.

*Changes in the Total OPEB Liability*

The following summarizes the changes to the total OPEB liability for the past year.

	Total OPEB <u>Liability</u>
Balances, beginning of year	\$ 54,347,990
Changes for the year:	
Service cost	3,169,049
Interest	1,504,631
Differences between expected and actual experience	(4,278,544)
Changes of assumptions	2,181,485
Benefit payments	<u>(1,916,517)</u>
Net changes	<u>660,104</u>
Balances, end of year	<u>\$ 55,008,094</u>

Changes of assumptions reflect a change in the discount rate from 2.66% in 2020 to 2.19% in 2021.

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	\$ 0.1 million	\$ 8.5 million	\$ 8.6 million
Future Retirees	<u>4.9 million</u>	<u>41.5 million</u>	<u>46.4 million</u>
Totals	<u>\$ 5.0 million</u>	<u>\$ 50.0 million</u>	<u>\$ 55.0 million</u>

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

The following presents the total OPEB liability calculated using the current discount rate of 2.19%, 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:

1%	Current Discount Rate	1%
<u>Decrease</u>		<u>Increase</u>
\$ 59,997,794	\$ 55,008,094	\$ 50,485,216

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

The following presents the total OPEB liability calculated using the current healthcare cost trend rates of 7.50%, 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:

1%	Current Healthcare Cost Trend Rates	1%
<u>Decrease</u>		<u>Increase</u>
\$ 48,430,670	\$ 55,008,094	\$ 62,800,198

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

For the year ended June 30, 2021, the City recognized an OPEB expense of \$4,694,079. At June 30, 2021, 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>
Differences between expected and actual experience	\$ 667,879	\$ (5,639,344)
Changes of assumptions	<u>5,496,932</u>	<u>-</u>
Total	<u>\$ 6,164,811</u>	<u>\$ (5,639,344)</u>

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

<u>Fiscal Year Ended</u>	
2022	\$ 20,399
2023	20,399
2024	20,400
2025	349,443
2026	349,444
Thereafter	<u>(234,618)</u>
Total	<u>\$ 525,467</u>

*Consolidation of Total/Net OPEB Liabilities and Related Deferred Outflows and (Inflows)*  
Below is a summary of all OPEB related items in the aggregate as of at June 30, 2021. Details related to these items are presented separately for each plan on the previous pages.

	Total OPEB <u>Liability</u>	Total Deferred Outflows of <u>Resources</u>	Total Deferred (Inflows) of <u>Resources</u>	Total OPEB <u>Expense</u>
City OPEB Plan	\$ 55,008,094	\$ 6,164,811	\$ (5,639,344)	\$ 4,694,079
Proportionate share of NHRS Medical Subsidy Plan	<u>23,435,551</u>	<u>2,987,798</u>	<u>(223,423)</u>	<u>1,903,474</u>
Total	<u>\$ 78,443,645</u>	<u>\$ 9,152,609</u>	<u>\$ (5,862,767)</u>	<u>\$ 6,597,553</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.

## 21. 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, 2021 are as follows:

	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Year Ended</u> <u>June 30, 2020</u>
Claims liability, beginning of year	\$ 8,788,358	\$ 7,219,284
Claims incurred/recognized	52,509,713	48,776,314
Claims paid	<u>(52,734,131)</u>	<u>(47,207,240)</u>
Claims liability, end of year	<u>\$ 8,563,940</u> *	<u>\$ 8,788,358</u> *

\* This liability is considered to be all current.

The \$8,563,940 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.

## 22. 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.

### ***Encumbrances***

At year-end the City's general fund has \$3,032,807 in encumbrances that will be honored in the next fiscal year.

## **23. Change in Accounting Principle**

During fiscal year 2021, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as revised by GASB 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. This required moving certain items previously recorded through a general fund liability account to the newly established custodial fund that reports additions and deductions for these activities. No restatement of beginning net position/fund balance was required in either fund.

## **24. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 87, Leases*, as amended by *Statement 97*, effective for the City beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

## **25. Subsequent Events**

Management has evaluated subsequent events through April 14, 2022, which is the date the financial statements were available to be issued.

### ***Debt***

On August 24, 2021, subsequent to June 30, 2021, the City issued \$64,335,000 in general obligation bonds, with variable interest rates from 2% to 5%. Principal payments are due annually starting September 1, 2022 and mature on September 1, 2042. S&P Global Ratings has assigned a rating of AAA to the bonds.



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

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## PENNICHUCK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 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 the 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 has historically owned several parcels of undeveloped land (please refer to “Deferred Land Costs” in Note 1).

The Company’s utility subsidiaries are engaged principally in the collection, storage, treatment and distribution of potable water to approximately 38,047 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 and 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 No. 25,292, as explained more fully in Note 15 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 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 NHPUC 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 RSF among the Company’s utility subsidiaries. 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 PAC. Rate order No. 26,179, under docket DW 17-128 then allocated \$980,000 of the \$1,080,000 to Pennichuck East with the remaining \$100,000 to PAC. 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 ended December 31, 2020 and 2019, the balances in the RSF were approximately \$8.6 million and \$2.0 million, respectively.

#### *Restricted Cash – CIAC*

This restricted cash balance consists of funds maintained for the income tax impact from Contributions in Aid of Construction (“CIAC”), which was established in conformity with the NHPUC approval provided to the Company’s regulated utilities on November 27, 2019. This amendment to the Company’s tariffs allows for the recovery from developers and other CIAC contributors, the tax costs needed to fully fund the associated tax liability created from the elimination of an exemption whereby CIAC to water utilities was exempt from taxation, was eliminated with the passage of the Tax Cuts and Jobs Act of 2017 (“the TCJA”). For the years ended December 31, 2020 and 2019, the balances in this restricted cash account were approximately \$0.2 million and \$0, respectively. In accordance with the amended tariffs, these funds are the first used to pay for income tax liability payments incurred by the Company, when and if actually incurred.

### *Restricted Cash – Bond Project Funds*

This restricted cash balance consists of funds remaining from the issuance of the Series 2014, 2015, 2019 and 2020 tax-exempt bonds (the “Bonds”) in December of 2014, October of 2015, April of 2019, and April and August of 2020, 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, 2019, the funds in these restricted cash accounts totaled approximately \$3.4 million. During 2020, approximately \$3.4 million was withdrawn from the restricted cash accounts to make the principal and interest payments for the Bonds, on January 1, July 1 and October 1. In December 2020, approximately \$215,000 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, 2021 for the Bonds. As of December 31, 2020, the funds in these restricted cash accounts totaled approximately \$237,000.

### *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, 2020 and 2019, the Company had approximately \$9,300,000 and \$9,600,000 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*

Water utility accounts receivable (regulated) are recorded at invoiced amounts.

Non-regulated accounts receivable are recorded based on contracted prices when the Company obtains an unconditional right to payment under the terms of the contract.

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 net realizable value, cost being determined using the average cost method which approximates the first-in, first-out (FIFO) method.

#### *Deferred Land Costs*

Deferred land costs have been recorded in all reporting periods leading up to and including 2019 by Southwood, the Company's real estate subsidiary. Southwood was passively engaged in the management and maintenance of land holdings outside of any of the land holdings held in ownership by the Company's utility subsidiaries. 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, 2020 and 2019.

As of the end of 2019, all of the land holdings previously owned by Southwood were transferred to the Company, which now has assumed the passive management and maintenance of those land holdings. On a going forward basis, Southwood will be maintained as a "corporate shell" allowing for its usage in possible future land management opportunities, should they occur.

#### *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 original 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 original 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 CIAC. The Company's 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.

#### *Paycheck Protection Program Loan*

The Company accounts for its Paycheck Protection Program (PPP) loan in accordance with the guidelines established by the Financial Accounting Standards Board (FASB) ASC 470, *Debt*. The guidance requires the company to account for the proceeds from the PPP loan as debt and apply interest considering the ten-month interest payment deferral allowed for the loan. The loan and accrued interest may be forgivable after eight or twenty-four weeks if the loan proceeds are used for eligible purposes. The Company has elected to report the PPP loan as long-term debt. No income will be recognized from the extinguishment of the PPP debt (whether as a result of forgiveness or otherwise) until the Company has been legally released as the primary obligor of the loan.

#### *Revenue Recognition – Regulated Entities*

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.

#### *Revenue Recognition – Non-Regulated Entities*

The Company derives its non-regulated revenues primarily from water management services which include contract operations and maintenance, and water testing and billing services to municipalities and small, privately owned community water systems. Revenue is measured based on consideration specified in contracts with customers. The Company recognizes revenue when it satisfies performance obligations under the terms of the contract which generally occurs with the transfer of control of the services to the customer. 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 the Company's utility subsidiaries are comprised primarily of undeveloped land.

The Company does not have any significant financing components as payment is received at or shortly after the point of sale.

### Contract Combination

To determine the proper revenue recognition method for contracts, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment and the decision to combine a group of contracts or separate a combined or single contract into multiple performance obligations could change the amount of revenue and profit recorded in a given period. Contracts are considered to have a single performance obligation if the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts, which is mainly because the Company provides a significant service of integrating a complex set of tasks and components into a single project or capability.

For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation using management's best estimate of the standalone selling price of each distinct good or service in the contract. In cases where the Company does not provide the distinct good or service on a standalone basis, the primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which management forecasts the Company's expected costs of satisfying a performance obligation and then adds an appropriate margin for that distinct good or service.

### Performance Obligations

For performance obligations related to operations, planned maintenance, and water testing and billing services, control transfers to the customer over time as the services are provided. These services are sold primarily to municipalities or small, privately owned community water systems. The majority of the Company's unplanned maintenance contracts are billed on a time and materials basis and revenue is recognized over time as the services are performed. The majority of the Company's operations, planned maintenance, and water testing and billing contracts are billed on a fixed price basis. For fixed price contracts, the Company measures its progress towards complete satisfaction of the performance obligation using a time-based measure. This method is used because management considers time elapsed to be the best available measure of progress on contracts.

### Contract Estimates and Modifications

Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment.



As a significant change in one or more of these estimates could affect the profitability of the Company's contracts, management reviews and updates the Company's contract-related estimates regularly through a Company-wide project review process in which management reviews the progress and execution of the Company's performance obligations and the estimate at completion. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, and the related changes in estimates of revenues and costs. Management must make assumptions and estimates regarding labor productivity and availability, the complexity of the work to be performed, the cost and availability of materials, among other variables.

The Company recognizes adjustments in estimated profit on contracts under the cumulative catch-up method. Under this method, the impact of the adjustment on profit recorded to date is recognized in the period the adjustment is identified. Revenue and profit in future periods of contract performance is recognized using the adjusted estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, the Company recognizes the total loss in the period it is identified.

#### Variable Consideration

Variable consideration is estimated at the most likely amount to which the Company is expected to be entitled. Any variable consideration is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based largely on assessments of legal enforceability, the Company's performance, and all information (historical, current, and forecasted) that is reasonably available to management.

Variable consideration is allocated entirely to a performance obligation or to a distinct good or service within a performance obligation if it relates specifically to efforts to satisfy the performance obligation or transfer the distinct good or service, and the allocation depicts the amount of consideration the Company expects to be entitled.

#### Significant Judgments

The Company recognizes contract revenue for financial reporting purposes over time. Progress toward completion of the Company's contracts is measured using a time-based criterion for each contract and requires significant judgment. This method is used because management considers time-elapsed to be the best available measure of progress on contracts.

### Contract Assets and Liabilities

Billing practices are governed by the contract terms of each project based upon achievement of milestones or pre-agreed schedules. Billings do not necessarily correlate with revenue recognized using a time-elapsed method of revenue recognition. Contract assets include unbilled amounts typically resulting from revenue under long-term contracts when the time-elapsed method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer, and right to payment is not unconditional. Contract liabilities consist of deferred revenue.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period. The Company classifies deferred revenue as current or noncurrent based on the timing of when revenue is expected to be recognized. The current portion of deferred revenue is included in current liabilities in the Balance Sheets.

### Practical Expedients

The Company generally expenses pre-contract costs when incurred because the amortization period would have been one year or less.

### *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.

### *Adoption of New Accounting Standards*

Effective January 1, 2020, the Company adopted Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which removes certain disclosure requirements from FASB ASC 820 and modifies certain other disclosures. The Company has applied this guidance retrospectively for certain disclosures and prospectively for other disclosures as required by the standard. There was no prior year effect to the financial statements as a result of this change.

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

#### 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, 2022. 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, 2023. The Company is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

## 2. Property, Plant and Equipment

The components of property, plant and equipment as of December 31, 2020 and 2019 were as follows:

(in thousands)	<u>2020</u>	<u>2019</u>	<u>Useful Lives (in years)</u>
Utility Property:			
Land and land rights	\$ 5,972	\$ 5,993	-
Source of supply	73,721	72,360	3 - 70
Pumping and purification	31,846	29,929	7 - 64
Transmission and distribution, including services, meters and hydrants	194,244	188,069	15 - 91
General and other equipment	17,023	16,352	7 - 75
Intangible plant	790	790	20
Construction work in progress	<u>792</u>	<u>1,225</u>	
Total utility property	324,388	314,718	
Total non-utility property	<u>5</u>	<u>5</u>	5 - 10
Total property, plant and equipment	324,393	314,723	
Less accumulated depreciation	<u>(81,924)</u>	<u>(77,541)</u>	
Property, Plant and Equipment, net	<u>\$ 242,469</u>	<u>\$ 237,182</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 2.58% and 2.53% in 2020 and 2019, respectively.

## 3. Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of cash flows.

(in thousands)	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 310	\$ 4,885
Restricted cash - RSF	8,611	1,963
Restricted cash - CIAC	274	-
Restricted cash - Bond Project Funds	<u>237</u>	<u>3,426</u>
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 9,432</u>	<u>\$ 10,274</u>

Amounts included in restricted cash represent those required to be set aside as outlined in Note 1.

#### 4. Accounts Receivable

Accounts receivable consisted of the following at December 31, 2020 and 2019:

(in thousands)	<u>2020</u>	<u>2019</u>
Accounts receivable - billed	\$ 4,365	\$ 3,091
Less allowance for doubtful accounts	<u>(68)</u>	<u>(50)</u>
Accounts receivable - billed, net	<u>\$ 4,297</u>	<u>\$ 3,041</u>
Accounts receivable - unbilled	\$ 4,473	\$ 2,575
Less allowance for doubtful accounts	<u>-</u>	<u>-</u>
Accounts receivable - unbilled, net	<u>\$ 4,473</u>	<u>\$ 2,575</u>

#### 5. Deferred Charges and Other Assets

Deferred charges and other assets as of December 31, 2020 and 2019 consisted of the following:

(in thousands)	<u>2020</u>	<u>2019</u>	<u>Recovery Period (in years)</u>
Regulatory assets:			
Source development charges	\$ 1,004	\$ 801	5 - 25
Miscellaneous studies	998	790	2 - 25
Unrecovered pension and post-retirement benefits expense	<u>14,197</u>	<u>11,347</u>	(1)
Total regulatory assets	16,199	12,938	
Supplemental executive retirement plan asset	<u>815</u>	<u>789</u>	
Total deferred charges and other assets	<u>\$ 17,014</u>	<u>\$ 13,727</u>	

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

## 6. 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 \$373 based on years of service.

The following table sets forth information regarding our DB Plan and our OPEB Plans as of December 31, 2020 and for the year then ended:

(in thousands)	DB Plan	OPEB Plans
Projected benefit obligations	\$ 39,050	\$ 5,549
Employer contribution	1,491	11
Benefits paid, excluding expenses	(1,964)	(72)
Fair value of plan assets	23,626	639
Accumulated benefit obligation	35,020	-
Funded status	(15,424)	(4,910)
Net periodic benefit cost	1,688	345
Amount of the funded status recognized in the Consolidated Balance Sheet consisted of:		
Current liability	-	-
Non-current liability	(15,424)	(4,910)
Total	\$ (15,424)	\$ (4,910)

The following table sets forth information regarding our DB Plan and our OPEB Plans as of December 31, 2019 and for the year then ended:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Projected benefit obligations	\$ 34,158	\$ 4,586
Employer contribution	1,181	11
Benefits paid, excluding expenses	(695)	(63)
Fair value of plan assets	21,187	604
Accumulated benefit obligation	30,643	-
Funded status	(12,971)	(3,982)
Net periodic benefit cost	1,494	279
Amount of the funded status recognized in the Consolidated Balance Sheet consisted of:		
Current liability	-	-
Non-current liability	<u>(12,971)</u>	<u>(3,982)</u>
Total	<u>\$ (12,971)</u>	<u>\$ (3,982)</u>

The components of net periodic benefit cost other than the service cost component are included in the line item operations and maintenance in the consolidated statements of income (loss), as the amounts are immaterial.

Changes in plan assets and benefit obligations recognized in regulatory assets, for the year ended December 31, 2020, were as follows:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Regulatory asset balance, beginning of period	\$ 10,269	\$ 1,078
Net actuarial gain incurred during the period	2,733	621
Prior service cost incurred during the period	-	16
Recognized net actuarial (gain)/loss	<u>(477)</u>	<u>(43)</u>
Regulatory asset balance, end of period	<u>\$ 12,525</u>	<u>\$ 1,672</u>

Changes in plan assets and benefit obligations recognized in regulatory assets, for the year ended December 31, 2019, were as follows:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Regulatory asset balance, beginning of period	\$ 7,632	\$ 565
Net actuarial gain incurred during the period	2,991	516
Prior service cost incurred during the period	-	16
Recognized net actuarial (gain)/loss	<u>(354)</u>	<u>(19)</u>
Regulatory asset balance, end of period	<u>\$ 10,269</u>	<u>\$ 1,078</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, 2020:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Net actuarial loss	\$ 12,525	\$ 1,787
Prior service cost	<u>-</u>	<u>(115)</u>
Regulatory asset	<u>\$ 12,525</u>	<u>\$ 1,672</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, 2019:

(in thousands)	<u>DB Plan</u>	<u>OPEB Plans</u>
Net actuarial loss	\$ 10,269	\$ 1,209
Prior service cost	<u>-</u>	<u>(131)</u>
Regulatory asset	<u>\$ 10,269</u>	<u>\$ 1,078</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>2020</u>	<u>2019</u>
Discount rate for net periodic benefit cost, beginning of year	3.13%	4.15%
Discount rate for benefit obligations, end of year <sup>(a)</sup>	2.39%	3.13%
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)	6.00%	6.50%

<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, 2020, for the DB Plan and the OPEB Plans of approximately \$3.4 million and \$544 thousand, respectively.



The estimated net actuarial loss for our DB Plan that will be amortized in 2021 from the regulatory assets into net periodic benefit costs is \$625,000. The estimated net actuarial gain and prior service cost for our OPEB Plans that will be amortized in 2021 from the regulatory assets into net periodic benefit costs is \$60,200.

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, 2020, 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	61%	30% - 100%	69%	30% - 100%
Fixed income	39%	20% - 70%	24%	0% - 50%
Cash and cash equivalents	<u>0%</u>	0% - 15%	<u>7%</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, 2019, as well as the targeted allocation range:

	DB Plan		OPEB Plans	
		Asset Allocation Range		Asset Allocation Range
Equities	61%	30% - 100%	69%	30% - 100%
Fixed income	39%	20% - 70%	29%	0% - 50%
Cash and cash equivalents	0%	0% - 15%	2%	0% - 15%
Total	100%		100%	

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, 2020 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>5,731</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,731</u>
Total Assets in the Fair Value Hierarchy	5,731	-	-	5,731
Investments measured at net asset value <sup>(a)</sup>	<u>17,895</u>	<u>-</u>	<u>-</u>	<u>-</u>
DB Plan Investments, at Fair Value	<u>23,626</u>	<u>-</u>	<u>-</u>	<u>5,731</u>
<b>OPEB Plans:</b>				
Common stocks	349	349	-	-
Mutual funds	124	124	-	-
Fixed income funds	143	143	-	-
Money market funds	<u>23</u>	<u>-</u>	<u>23</u>	<u>-</u>
Total Assets in the Fair Value Hierarchy	639	616	23	-
Investments measured at net asset value <sup>(a)</sup>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB Plans Investments, at Fair Value	<u>639</u>	<u>616</u>	<u>23</u>	<u>-</u>
Totals	\$ <u>24,265</u>	\$ <u>616</u>	\$ <u>23</u>	\$ <u>5,731</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, 2019 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	\$ 5,155	\$ -	\$ -	\$ 5,155
Total Assets in the Fair Value Hierarchy	5,155	-	-	5,155
Investments measured at net asset value <sup>(a)</sup>	<u>16,032</u>	<u>-</u>	<u>-</u>	<u>-</u>
DB Plan Investments, at Fair Value	<u>21,187</u>	<u>-</u>	<u>-</u>	<u>5,155</u>
<b>OPEB Plans:</b>				
Common stocks	311	311	-	-
Mutual funds	109	109	-	-
Fixed income funds	170	170	-	-
Money market funds	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total Assets in the Fair Value Hierarchy	604	590	14	-
Investments measured at net asset value <sup>(a)</sup>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB Plans Investments, at Fair Value	<u>604</u>	<u>590</u>	<u>14</u>	<u>-</u>
Totals	<u>\$ 21,791</u>	<u>\$ 590</u>	<u>\$ 14</u>	<u>\$ 5,155</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, 2020 and 2019, respectively:

(in thousands)	<u>Fair Value</u>
December 31, 2020	
Pooled Separate Accounts:	
Equities	\$ 14,391
Fixed Income	<u>3,504</u>
Total Pooled Separate Accounts	<u>\$ 17,895</u>
December 31, 2019	
Pooled Separate Accounts:	
Equities	\$ 12,870
Fixed Income	<u>3,162</u>
Total Pooled Separate Accounts	<u>\$ 16,032</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>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 5,155	\$ 4,414
Plan transfers	1,941	1,079
Contributions	373	249
Benefits paid	(1,844)	(691)
Return on plan assets (net of investment expenses)	<u>106</u>	<u>104</u>
Balance, end of year	<u>\$ 5,731</u>	<u>\$ 5,155</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 \$1.4 million to the DB Plan in 2021.

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>
2021	\$ 1,135	\$ 99
2022	1,300	115
2023	1,350	120
2024	1,480	136
2025	1,592	144
2026 and thereafter	<u>9,522</u>	<u>943</u>
Total	<u>\$ 16,379</u>	<u>\$ 1,557</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 Topic 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 \$272,000 and \$278,000 for the years ended December 31, 2020 and 2019, respectively.

## 7. 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 \$389,800 and \$385,400 for the years ended December 31, 2020 and 2019, respectively.

The remaining non-cancelable lease commitments for the corporate office space and leased equipment as of December 31, 2020 were as follows:

(in thousands)	<u>Amount</u>
2021	\$ 379
2022	364
2023	348
2024	347
2025	330
Thereafter	<u>3,677</u>
Total	<u>\$ 5,445</u>

## 8. 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, 2020 and 2019 were as follows:

(in thousands)	<u>December 31, 2020</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Liabilities:				
Interest rate swap	\$ <u>(460)</u>	\$ <u>-</u>	\$ <u>(460)</u>	\$ <u>-</u>

(in thousands)	<u>December 31, 2019</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Liabilities:				
Interest rate swap	\$ <u>(353)</u>	\$ <u>-</u>	\$ <u>(353)</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, 2020 and 2019 was as follows:

(in thousands)	<u>2020</u>		<u>2019</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Liabilities:				
Interest rate swap liability	\$ (460)	\$ (460)	\$ (353)	\$ (353)

The fair market value of the interest rate swap represents the estimated cost to terminate this agreement as of December 31, 2020 and 2019 based upon the then-current interest rates and the related credit risk.

The carrying values of our cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate their fair values because of their short-term maturity dates. The carrying value of CIAC approximates its fair value because it is expected that this is the amount that will be recovered in future rates. The carrying values of lines of credit and long-term debt approximate fair value, as interest rates approximate market rates.

## 9. Revenue from Contracts with Customers – Non-Regulated Entities

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

### *Disaggregation of Revenue*

For the years ended December 31, 2020 and 2019, revenue recognized for goods transferred over time totaled \$2,777,693 and \$2,892,868, respectively.

For the year ended December 31, 2020, approximately 62% of revenues were from large-contract customers, 21% of revenues were from small contract customers (con-ops), and 17% revenues were from residential maintenance and other customers. For the year ended December 31, 2019, approximately 59% of revenues were from large-contract customers, 20% of revenues were from small contract customers (con-ops), and 21% revenues were from residential maintenance and other customers. In addition, substantially all of the Company's contracts were service-related type contracts.

## 10. Income Taxes

The components of the federal and state income tax provision (benefit) as of December 31, 2020 and 2019 were as follows:

(in thousands)	<u>2020</u>	<u>2019</u>
Federal	\$ 656	\$ 144
State	(116)	203
Amortization of investment tax credits	<u>(33)</u>	<u>(33)</u>
Total	<u>\$ 507</u>	<u>\$ 314</u>
Current	\$ 33	\$ -
Deferred	<u>474</u>	<u>314</u>
Total	<u>\$ 507</u>	<u>\$ 314</u>



The following is a reconciliation between the statutory federal income tax rate and the effective income tax rate for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Statutory federal rate	21.0 %	21.0 %
State tax rate, net of federal benefits	6.1	6.1
Permanent differences	(63.6)	(33.9)
Amortization of investment tax credits	<u>2.2</u>	<u>0.7</u>
Effective tax rate	<u>(34.3) %</u>	<u>(6.1) %</u>

The temporary items that give rise to the net deferred tax liability as of December 31, 2020 and 2019 were as follows:

(in thousands)	<u>2020</u>	<u>2019</u>
Liabilities:		
Property-related, net	\$ 22,496	\$ 21,396
Other	<u>704</u>	<u>519</u>
Total liabilities	<u>23,200</u>	<u>21,915</u>
Assets:		
Pension accrued liability	1,659	1,403
Net operating loss carryforward	5,415	4,953
Alternative minimum tax credit	476	476
NH Business Enterprise Tax credits	957	1,123
Other	<u>718</u>	<u>656</u>
	9,225	8,611
Less valuation allowance	<u>(956)</u>	<u>(1,123)</u>
Total assets	<u>8,269</u>	<u>7,488</u>
Net non-current deferred income tax liability	\$ <u>14,931</u>	\$ <u>14,427</u>

The Company has accumulated federal net operating losses. The federal tax benefit of the cumulative net operating losses is approximately \$4 million, begin to expire in 2033, and is included in deferred income taxes in the Consolidated Balance Sheet as of December 31, 2020. Approximately 88% of the net operating losses are 100 percent available to be applied to taxable income in future years and are not subject to the TCJA as they were generated prior to the 2018 tax year. The enactment of the TCJA now limits the net operating loss shelter to 80 percent of taxable income, for post-2017 tax year losses. The TCJA also provides for net operating losses to be carried forward indefinitely instead of limited to 20 years, as is the case for pre-2018 losses; however, carrybacks of these losses are no longer permitted. Approximately 12% of the net operating losses were generated in 2019 and 2020 and therefore are subject to the 80% limitation.

The Company has accumulated New Hampshire net operating losses. The New Hampshire tax benefit of the cumulative net operating loss is approximately \$1.4 million which begins to expire in 2023 and is included in deferred income taxes in the Consolidated Balance Sheet as of December 31, 2020.

As of December 31, 2020 and 2019, 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, 2020 and 2019, the Company had New Hampshire Business Enterprise Tax (“NHBET”) credits of approximately \$960,000 and \$1.1 million, respectively. NHBET credits begin to expire in 2021. 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 decreased by approximately \$167,000 and increased by approximately \$126,000 in the years ended December 31, 2020 and 2019, 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 \$9,918,000 and \$9,930,000 as of December 31, 2020 and 2019, 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 as 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 2020 and 2019. We incurred no penalties during the years ended December 31, 2020 and 2019.

## 11. Long-Term Debt

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

(in thousands)	2020	
	Principal	Unamortized Debt Issuance Costs
Unsecured note payable to City of Nashua, 5.75%, due 12/25/2041	\$ 102,173	\$ -
Unsecured Business Finance Authority:		
Revenue Bonds (Series 2014B), 4.50%, due January 1, 2045	4,830	105
Revenue Bonds (Series 2018A), interest rates from 4.375% to 5.00%, due April 1, 2048	4,460	244
Revenue Bonds (Series 2018B), 4.33%, due April 1, 2028	900	50
Revenue Bonds (Series 2019A), interest rates from 2.19% to 4.15%, due April 1, 2049	8,080	277
Revenue Bonds (Series 2020A), interest rates from 3.15% to 4%, due April 1, 2050	7,000	284
Revenue Bonds (Series 2020B), 5.25%, due April 1, 2023	380	12
Revenue Bonds (Series 2020C), interest rates from 1.25% to 4.02%, due September 1, 2055 (3)	73,630	10,654
Unsecured notes payable to bank, floating-rate, due March 1, 2030	2,494	12
Unsecured notes payable to bank, 3.62%, due June 20, 2023	1,219	4
Unsecured notes payable to bank, 4.20%, due December 20, 2041	1,128	4
Unsecured notes payable to bank, 4.83%, due December 20, 2041	864	5
Unsecured notes payable to bank, 4.25%, due June 20, 2033	667	5
Unsecured notes payable to bank, 4.90%, due March 6, 2040	541	31
Unsecured notes payable to bank, 5.33%, due June 20, 2043	332	11
Unsecured notes payable to bank, 4.38%, due September 20, 2044	1,118	15
Unsecured notes payable to bank, 3.98%, due January 1, 2046	800	12
Unsecured New Hampshire State Revolving Fund ("SRF") notes (1)	23,048	162
Unsecured New Hampshire Drinking Water & Groundwater Trust Fund ("DWGTF") notes (2)	8,675	11
Paycheck Protection Program Loan, 1.00%, due May 7, 2022	2,544	-
Unamortized debt issuance costs for defeased obligations, allowed by regulation	-	3,162
<b>Total</b>	<b>244,883</b>	<b>\$ 15,060</b>
Less current portion	(6,018)	
Less unamortized debt issuance costs	(15,060)	
<b>Total long-term debt, less current portion and unamortized debt issuance costs</b>	<b>\$ 223,805</b>	

(1) SRF notes are due through 2051 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.

(2) DWGTF notes are due through 2050 at interest rates ranging from 1% to 3.38%. These notes are payable in 360 consecutive monthly installments of principle 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) June 1, 2020 as specified in the note (such earlier date being the interest rate change date). Commencing on the interest rate change date, the interest rate change to the rate as stated in the note.

(3) Revenue Bonds (2020C) proceeds were partially used to advance refund the 2014A, 2015A and 2015B bonds with maturity dates of January 1, 2045, January 1, 2046, and January 1, 2031 respectively. The advance refunding proceeds are held in escrow until their future call dates of December 2023 and December 2024, to then be used to facilitate retirement of the bonds. Of the remaining \$10,654 of Unamortized Debt Issuance Costs as of December 31, 2020 generated by the September 2nd issuance, \$9,269 are directly tied the advance refunding and will fully-amortize on a straight-line basis until their respective call dates.

(in thousands)	2019	
	Principal	Unamortized Debt Issuance Costs
Unsecured note payable to City of Nashua, 5.75%, due 12/25/2041	\$ 104,570	\$ -
Unsecured senior note payable due to an insurance company 7.40%, due March 1, 2021	2,800	10
Unsecured Business Finance Authority:		
Revenue Bonds (Series 2014A), interest rates from 3.00% to 4.125%, due January 1, 2045	37,830	1,708
Revenue Bonds (Series 2014B), 4.50%, due January 1, 2045	4,930	109
Revenue Bonds (Series 2015A), interest rates from 4.00% to 5.00%, due January 1, 2046	18,925	1,373
Revenue Bonds (Series 2015B), 5.00%, due January 1, 2046	1,735	209
Revenue Bonds (Series 2018A), interest rates from 4.375% to 5.00%, due April 1, 2048	4,460	253
Revenue Bonds (Series 2018B), 4.33%, due April 1, 2028	990	57
Revenue Bonds (Series 2019A), interest rates from 2.19% to 4.15%, due April 1, 2049	8,080	287
Revenue Bonds (Series 2019B), 3.38%, due April 1, 2020	170	2
Unsecured notes payable to bank, floating-rate, due March 1, 2030	2,716	13
Unsecured notes payable to bank, 3.62%, due June 20, 2023	1,294	6
Unsecured notes payable to bank, 4.20%, due December 20, 2041	1,160	6
Unsecured notes payable to bank, 4.83%, due December 20, 2041	887	5
Unsecured notes payable to bank, 4.25%, due June 20, 2033	706	6
Unsecured notes payable to bank, 4.90%, due March 6, 2040	557	33
Unsecured notes payable to bank, 5.33%, due June 20, 2043	339	13
Unsecured notes payable to bank, 4.38%, due September 20, 2044	1,145	16
Unsecured New Hampshire State Revolving Fund ("SRF") notes (1)	21,783	172
Unsecured New Hampshire Drinking Water & Groundwater Trust Fund ("DWGTF") notes (2)	8,168	11
Unamortized debt issuance costs for defeased obligations, allowed by regulation	-	78
Total	223,245	\$ 4,367
Less current portion	(6,582)	
Less unamortized debt issuance costs	(4,367)	
Total long-term debt, less current portion and unamortized debt issuance costs	\$ 212,296	

(1) SRF notes are due through 2049 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.

(2) DWGTF notes are due through 2050 at interest rates ranging from 1% to 3.38%. These notes are payable in 360 consecutive monthly installments of principle 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) June 1, 2020 as specified in the note (such earlier date being the interest rate change date). Commencing on the interest rate change date, the interest rate change to the rate as stated in the note.

The aggregate principal payment requirements subsequent to December 31, 2020 are as follows:

(in thousands)	<u>Amount</u>
2021	\$ 6,018
2022	6,272
2023	7,508
2024	6,721
2025	7,013
2026 and thereafter	<u>211,351</u>
Total	<u>\$ 244,883</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, 2020 and 2019, Pennichuck Water’s net worth was \$103.6 million and \$107.4 million, respectively.

The 2014A, 2014B, 2015A, 2015B, 2018A, 2018B, 2019A, 2020A, 2020B and 2020C 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, 2020 and 2019, Pennichuck Water has a Debt to Capital Coverage ratio of 0.6 and 0.6, 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 14 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, 2020 and 2019, this coverage ratio was 0.6 and 0.5, respectively. Also, the ratio of EBITDA to the Max Amount Due must be equal to or greater than 1.1; as of December 31, 2020 and 2019, this ratio was 2.6 and 1.5, 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 NHPUC, 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, 2020 and 2019, the Rate Covenant coverage ratio was 3.57 and 1.98, respectively.

Pennichuck East’s loan agreement for its unsecured notes payable to a bank of \$9.2 million and \$8.8 million at December 31, 2020 and 2019, respectively, contains a minimum debt service coverage ratio requirement of 1.10. At December 31, 2020 and 2019, this ratio was 2.07 and 1.84, respectively.

On September 2, 2020, Pennichuck Water issued approximately \$73.6 million of taxable bonds through the New Hampshire Business Finance Authority to: (1) advance refund and refinance Pennichuck Water’s series 2014A, 2015A, and 2015B bonds; (2) early retire an AULI bank loan set to mature on March 1, 2021 with a “bullet” maturity due at that date; (3) complete the replenishment of the Material Operating Expense Revenue Requirement (MOERR) RSF for Pennichuck Water back to nearly its authorized imprest value; and (4) repay Pennichuck Water’s Fixed Asset Line of Credit (FALOC) for monies borrowed while awaiting rate relief from this bonding event and the Pennichuck Water rate case approved by NHPUC Order No. 26,425. The bond issuance was approved by the Company’s Board of Directors and the Sole Stockholder. This issuance received NHPUC approval in Order No. 26,383 dated July 24, 2020, which authorized up to \$75.0 million in bonds.

As of December 31, 2020 and 2019, the Company had a \$2.5 million and \$2.7 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 \$2.5 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, 2020. 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, 2020 and 2019, included in our Consolidated Balance Sheets under “Other Liabilities and Deferred Credits” as “Derivative instrument” was \$460,000 and \$353,000, respectively. Changes in the fair value of this derivative were deferred in accumulated other comprehensive income.

Swap settlements are recorded in the statements of income (loss) with the hedged item as interest expense. During the years ended December 31, 2020 and 2019, \$42,000 and \$70,000, respectively, was reclassified pre-tax from accumulated other comprehensive income to interest expense as a result of swap settlements. The Company expects to reclassify approximately \$94,000, pre-tax, from accumulated other comprehensive income to interest expense as a result of swap settlements, over the next twelve months.

### **Paycheck Protection Program Loan**

On May 7, 2020, the Company received loan proceeds in the amount of approximately \$2,543,600 under the Small Business Administration (SBA) PPP. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest may be forgiven after eight or twenty-four weeks providing the Company uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains certain payroll levels. The amount of loan forgiveness will be reduced if the Company terminates employees or reduces salaries during the eight or twenty-four week period.

Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with deferral of payments for the first ten months. The Company intends to use the proceeds for purposes consistent with the PPP requirements. While the Company currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Company cannot guarantee that the loan will be forgiven, in whole or in part.

## **12. Lines of Credit**

In December of 2020, the Company's existing Working Capital Line of Credit (WCLOC) and Pennichuck Water 's FALOC were renewed. The WCLOC was extended and renewed for an additional year and a half, expiring on June 30, 2022, whereas the FALOC was extended and renewed for an additional two and a half years, expiring on June 30, 2023. Additionally, as a part of the renewal and extension of the FALOC, the capacity of that facility was increased from \$10 million to \$12 million, while the Company's WCLOC remains at \$4 million. Pennichuck East's Fixed Asset Line of Credit (PEU FALOC) was renewed and extended for an additional three years on November 24, 2020, expiring on September 30, 2023, at its current facility level of \$3 million. The two Fixed Asset Lines of Credit (FALOC and PEU FALOC) are used to fund construction work in progress on capital projects, which will be refinanced into long-term term loan obligations or issued bond indebtedness, annually.

Short-term borrowing activity under the Company's WCLOC for the years ended December 31, 2020 and 2019 was:

(in thousands)	2020	2019
Established line as of December 31,	\$ 4,000	\$ 4,000
Maximum amount outstanding during period	3,006	3,311
Average amount outstanding during period	1,354	934
Amount outstanding as of December 31,	624	2,439
Weighted average interest rate during period	2.47%	3.98%
Interest rate as of December 31,	1.90%	3.55%

Short-term borrowing activity under Pennichuck Water’s FALOC for the years ended December 31, 2020 and 2019 was:

(in thousands)	<u>2020</u>	<u>2019</u>
Established line as of December 31,	\$ 12,000	\$ 10,000
Maximum amount outstanding during period	7,223	8,850
Average amount outstanding during period	3,610	4,131
Amount outstanding as of December 31,	4,550	5,848
Weighted average interest rate during period	2.80%	4.07%
Interest rate as of December 31,	1.90%	3.55%

Short-term borrowing activity under Pennichuck East’s FALOC for the years ended December 31, 2020 and 2019 was:

	<u>2020</u>	<u>2019</u>
Established line as of December 31,	\$ 3,000	\$ 3,000
Maximum amount outstanding during period	1,106	1,894
Average amount outstanding during period	1,022	1,172
Amount outstanding as of December 31,	306	996
Weighted average interest rate during period	2.80%	4.56%
Interest rate as of December 31,	2.15%	3.99%

The Company’s revolving credit loan facilities with TD Bank contain 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 loan facility. Thereby, the ratio of Debt to Capital must be equal to or less than 1.0. As of December 31, 2020 and 2019, Pennichuck Water has a Debt to Capital Coverage ratio of 0.6 and 0.6, 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 14 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, 2020 and 2019, this coverage ratio was 0.6 and 0.5, respectively. Also, the ratio of EBITDA to the Max Amount Due must be equal to or greater than 1.1; as of December 31, 2020 and 2019 this ratio was 2.6 and 1.5, 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 NHPUC, 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, 2020 and 2019, the Rate Covenant coverage ratio was 3.57 and 1.98, respectively.

### 13. Accumulated Other Comprehensive Income

The following table presents changes in accumulated other comprehensive income by component for the years ended December 31, 2020 and 2019:

(in thousands)	Interest Rate Contract	
	2020	2019
Beginning balance	\$ 318	\$ 372
Other comprehensive loss before reclassifications	(89)	(97)
Amounts reclassified from accumulated other comprehensive income	25	43
Net current period other comprehensive income	(64)	(54)
Ending balance	\$ 254	\$ 318

The following table presents reclassifications out of accumulated other comprehensive income for the years ended December 31, 2020 and 2019:

<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>2020</u>	<u>2019</u>	
(in thousands)			
Gain on cash flow hedges:			
Interest rate contracts	\$ 42	\$ 70	Interest expense
	<u>(17)</u>	<u>(27)</u>	Tax expense
Amounts reclassified from accumulated other comprehensive income	\$ <u>25</u>	\$ <u>43</u>	Net of tax

#### 14. 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 NHPUC, the City acquired all of the outstanding shares of the Company 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. The Company is not a party to the Bonds and has not guaranteed nor is obligated in any manner for the repayment of the Bonds. The Company remains an independent corporation with an independent Board of Directors, with the City of Nashua as its sole stockholder.

Pennichuck Water, Pennichuck East, PAC, Service Corporation, and Southwood will continue as subsidiaries of Pennichuck Corporation and Pennichuck Water, Pennichuck East and PAC will continue as regulated companies under the jurisdiction of the NHPUC. The terms of the merger and the requisite accounting and rate-setting mechanisms were agreed to in the NHPUC Order No. 25,292 (“PUC Order”) dated November 23, 2011.

***Transactions with Related Party – City of Nashua***

The Company 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%. The Company 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, 2020 and 2019 was approximately \$102 million and \$105 million, respectively, as disclosed in Note 11 to these consolidated financial statements. During 2020 and 2019, dividends of approximately \$279,000 and \$280,000, respectively, were declared and paid to the City. The dividends paid to the City during 2020 comprised approximately \$279,000 of regular quarterly dividends declared and paid; and no special dividend was declared or paid in 2020. The dividends paid to the City during 2019 comprised approximately \$280,000 of regular quarterly dividends declared and paid; and no special dividend was declared or paid in 2019.

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, 2020 and 2019, respectively, approximately \$3.4 million and \$3.4 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 \$2.7 million for the year ended December 31, 2020, and approximately \$2.3 million for the year ended December 31, 2019.

***Rate Stabilization Fund – Restricted Cash***

As a part of the acquisition, the Company agreed to contribute \$5,000,000 of the proceeds from the settlement transaction to Pennichuck Water, which was used to establish an 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 NHPUC Order, as discussed in Note 1 of these financial statements.

***Municipal Acquisition Regulatory Asset (“MARA”)***

Pursuant to the NHPUC Order, the Company established a new Regulatory asset (MARA) which represents the amount that the Acquisition Price exceeded the net book assets of the Company’s regulated subsidiaries (Pennichuck Water, Pennichuck East, 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, 2020 was approximately \$71.1 million, reduced by the non-regulated credit of approximately \$3.9 million.

Aggregate amortization expense for the years ended December 31, 2020 and 2019 totaled approximately \$2,061,000 and \$2,006,000, respectively.

The following table represents the total estimated amortization of MARA:

(in thousands)	Estimated Amortization Expense
2021	\$ 2,119
2022	2,183
2023	2,253
2024	2,328
2025	2,409
2026 and thereafter	<u>55,910</u>
Total	<u>\$ 67,202</u>

## 15. Segment Reporting

For the years ended December 31, 2020 and 2019, and as of those dates, the following financial results were generated by the segments of the Company:

(in thousands)	<u>2020</u>	<u>2019</u>
<u>Operating Revenues:</u>		
Pennichuck Water	\$ 36,688	\$ 32,280
Pennichuck East	9,805	8,819
Pittsfield Aqueduct	<u>808</u>	<u>775</u>
Subtotal Regulated Segment	<u>47,301</u>	<u>41,874</u>
Service Corporation	2,778	2,893
Other	<u>12</u>	<u>12</u>
Total Operating Revenues	<u>\$ 50,091</u>	<u>\$ 44,779</u>
<u>Depreciation and Amortization Expense:</u>		
Pennichuck Water	\$ 7,341	\$ 7,211
Pennichuck East	1,212	1,239
Pittsfield Aqueduct	<u>116</u>	<u>116</u>
Subtotal Regulated Segment	<u>8,669</u>	<u>8,566</u>
Service Corporation	-	-
Other	<u>(120)</u>	<u>(117)</u>
Total Depreciation and Amortization Expense	<u>\$ 8,549</u>	<u>\$ 8,449</u>
<u>Operating Income:</u>		
Pennichuck Water	\$ 8,961	\$ 5,303
Pennichuck East	1,148	355
Pittsfield Aqueduct	<u>80</u>	<u>62</u>
Subtotal Regulated Segment	<u>10,189</u>	<u>5,720</u>
Service Corporation	119	165
Other	<u>21</u>	<u>-</u>
Total Operating Income	<u>\$ 10,329</u>	<u>\$ 5,885</u>
<u>Interest Expense:</u>		
Pennichuck Water	\$ 4,903	\$ 3,517
Pennichuck East	777	937
Pittsfield Aqueduct	<u>40</u>	<u>42</u>
Subtotal Regulated Segment	<u>5,720</u>	<u>4,496</u>
Service Corporation	2	6
Other	<u>6,174</u>	<u>6,670</u>
Total Interest Expense	<u>\$ 11,896</u>	<u>\$ 11,172</u>

(continued)

(continued)

(in thousands)	<u>2020</u>	<u>2019</u>
<u>Income Taxes Provision (Benefit):</u>		
Pennichuck Water	\$ 1,728	\$ 1,521
Pennichuck East	738	415
Pittsfield Aqueduct	<u>21</u>	<u>14</u>
Subtotal Regulated Segment	<u>2,487</u>	<u>1,950</u>
Service Corporation	34	49
Other	<u>(2,014)</u>	<u>(1,685)</u>
Total Income Taxes Provision (Benefit)	<u>\$ 507</u>	<u>\$ 314</u>
<u>Net Income (Loss):</u>		
Pennichuck Water	\$ 2,409	\$ 387
Pennichuck East	(361)	(980)
Pittsfield Aqueduct	<u>19</u>	<u>6</u>
Subtotal Regulated Segment	<u>2,067</u>	<u>(587)</u>
Service Corporation	84	111
Other	<u>(4,135)</u>	<u>(4,861)</u>
Total Net Income (Loss)	<u>\$ (1,984)</u>	<u>\$ (5,337)</u>
<u>Total Net Assets:</u>		
Pennichuck Water	\$ 298,004	\$ 292,311
Pennichuck East	61,881	58,203
Pittsfield Aqueduct	<u>3,056</u>	<u>3,278</u>
Subtotal Regulated Segment	<u>362,941</u>	<u>353,792</u>
Service Corporation	(12)	24
Other	<u>(15,631)</u>	<u>(15,672)</u>
Total Net Assets	<u>\$ 347,298</u>	<u>\$ 338,144</u>
<u>Total Liabilities:</u>		
Pennichuck Water	\$ 194,433	\$ 184,942
Pennichuck East	53,757	49,143
Pittsfield Aqueduct	<u>1,402</u>	<u>1,509</u>
Subtotal Regulated Segment	<u>249,592</u>	<u>235,594</u>
Service Corporation	(31)	(22)
Other	<u>97,325</u>	<u>99,833</u>
Total Liabilities	<u>\$ 346,886</u>	<u>\$ 335,405</u>

(continued)

(continued)

(in thousands)	<u>2020</u>	<u>2019</u>
<u>Total Long-Term Debt (including current portion and unamortized debt insurance costs):</u>		
Pennichuck Water	\$ 105,447	\$ 94,323
Pennichuck East	22,067	19,842
Pittsfield Aqueduct	140	143
Subtotal Regulated Segment	<u>127,654</u>	<u>114,308</u>
Service Corporation	-	-
Other	102,169	104,570
Total Long-Term Debt	<u>\$ 229,823</u>	<u>\$ 218,878</u>

## 16. Rate Cases

### ***Pennichuck Water***

On July 1, 2019, Pennichuck Water filed a request with the NHPUC for a rate increase of 11.91% over its current rates for the test year 2018, effective August 1, 2019. The proposed permanent rate increase includes a 2018 Qualified Capital Project Adjustment Charge (QCPAC) surcharge of 1.69%, a proposed 2019 QCPAC of 2.37%, and further modification to its ratemaking structure. 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.

The request for the overall permanent rate increase was based upon increased Pennichuck Water operating expenses since the last allowed rate increase in 2017 (for the 2015 test year), and to provide enough revenues to pay for investments made in plant and treatment systems to ensure its continued compliance with the Safe Drinking Water Act.

In addition to the requested rate increase, Pennichuck Water has proposed several modifications to its current ratemaking structure which are designed to provide adequate and timely cash coverage of operating expenses so that Pennichuck Water can avoid incurring additional debt. The proposed modifications include:

- creating a Material Operating Expense Factor (MOEF), an expense factor on top of its material operating expenses to cover inflationary increases between rate filings; as a component of allowed revenues in determining permanent rates;
- including the actual cost of Federal and State corporate income taxes in Pennichuck Water's Operating Expense Revenue Requirement (OERR) component of allowed revenues;
- reprioritizing the use of Debt Service Revenue Requirement (DSRR) 0.1 funds;

- reallocating the value of components of the aggregate RSF; and
- changing the treatment of debt issuance costs for long-term debt, other than tax exempt and taxable bond issuances.

On July 24, 2020, the NHPUC issued Order No. 26,383 which approved the following modifications to its current ratemaking structure: (1) the creation of the MOEF. The MOEF percentage factor will be applied to Pennichuck Water's MOERR and established in each rate proceeding; (2) the inclusion of actual NHBET cash payments in the revenue requirement, included as part of the MOERR component; (3) reprioritization of DSRR 0.1 funds to include funding of deferred assets, replenishment of RSF fund balances to their imprest values, and for funding of capital improvements.

On November 24, 2020, the NHPUC issued Order No. 26,425, which approved a MOEF of 9.5% to be applied to the MOERR, as a factor determining that overall portion of allowed revenues in determining permanent rates.

In this Order, the Commission also approved an overall permanent rate increase of 11.85%, becoming effective with services rendered on the date of the order. The permanent rate increase is inclusive of a QCPAC of 4.06% previously approved by NHPUC Order No. 26,298 on October 19, 2019 for 2018 capital expenditures, resulting in a net increase of billed rates to customers over and above the QCPAC surcharge already in place, of 7.79%.

***Pennichuck East***

On November 24, 2020, Pennichuck East filed a request with the NHPUC for a rate increase of 21.05% over its current rates for the test year 2019, effective December 24, 2020, for which 15.0% of this increase is related to a request for a temporary rate increase effective for services rendered on or after December 24, 2020. The temporary rate increase is subject to approval by the Commission which is separate and distinct from the final rate increase approval, as the Commission's final determination on the permanent rate increase request is processed to completion. The 15.0% temporary rate increase would be inclusive of a 2.98% QCPAC surcharge which was approved on December 6, 2019 in Order No. 26,313 and a 1.97% QCPAC surcharge which is currently pending in DW 20-019.

In addition to the rate increase requested, Pennichuck East has requested certain modifications to its ratemaking structure which were similarly approved for Pennichuck Water on July 24, 2020 by NHPUC Order No. 26,383. These modifications would include:

- creating a MOEF, an expense factor on top of its material operating expenses to cover inflationary increases between rate filings, as a component of that portion of its allowed revenues in determining permanent rates;
- inclusion of actual NHBET cash payments in its revenue requirement calculation;
- reprioritizing the use of DSRR 0.1 funds;



- recovery of State Revolving Loan Fund and Drinking Water Groundwater Trust Fund debt issuance costs; and
- re-establishment of imprest levels of the components of the RSF account and the retention of a previously approved reconciliation mechanism.

***Pittsfield Aqueduct***

On November 16, 2020, PAC filed a request with the NHPUC for a rate increase of 11.18% over its current rates for the test year 2019, effective December 17, 2020. 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, with final approval by the NHPUC in the Fall of 2021.

The request for the overall permanent rate increase was based upon increased PAC operating expenses since the last allowed rate increase in 2014 (for the 2012 test year), and to provide sufficient revenues to pay for investments made in its treatment systems to ensure its continued compliance with the Safe Drinking Water Act.

In addition to the rate increase requested, PAC is requesting certain modifications to its ratemaking structure which were similarly approved for Pennichuck Water on November 7, 2017 by the NHPUC in Order No. 26,070 and July 24, 2020 by Order No. 26,383. These modifications would include:

- use of a five-year trailing average of revenues and expenses as a test period;
- creating an MOERR RSF, a DSRR RSF, and a City Bond Fixed Revenue Requirement Rate Stabilization Fund (CBFRR) RSF to provide rate stabilization and cash flow coverage for operating expenses, debt service, and the CBFRR portion of revenues, between permanent rate filings;
- creating three “buckets” of allowed revenues comprising the allowed revenues for the Company, in their component levels, including:
  - OERR
    - Comprised of the MOERR and the NOERR
  - DSRR
    - Comprised of the DSRR 1.0 and DSRR 0.1
  - CBFRR
    - Which already existed in PAC’s rate structure, but is being redefined as an overall component in determining allowed revenues;
- creating a MOEF, an expense factor on top of its test year material operating expenses, in defining the overall value of the MOERR portion of allowed revenues, and to cover inflationary increases between rate filings, as a component of that portion of its allowed revenues in determining permanent rates;

- inclusion of actual NHBET cash payments in its revenue requirement calculation; and
- the establishment of a revenue requirement structure, and the mechanics and methodology for its approval, resetting and funding, inclusive of the RSFs and allowed revenue “buckets” shown above, which is the same as approved for Pennichuck Water by NHPUC Order Nos. 26,070, and 26,383

#### ***Qualified Capital Project Adjustment Charge***

On February 19, 2020, Pennichuck Water filed a petition with the NHPUC for a 3.83% QCPAC surcharge on all capital improvements completed and placed in service by Pennichuck Water in 2019. The Commission has not issued an Order approving this requested surcharge. When the Commission issues the Order, the surcharge will become effective retroactively on a service rendered basis back to April 30, 2020. The Order will allow recoupment of the surcharge from all its customers based on their actual bills incurred between April 30, 2020 and the final effective date of the Order.

On February 13, 2020, Pennichuck East filed a petition with the NHPUC for a 1.97% surcharge on all capital improvements completed and placed in service by Pennichuck East in 2019. The Commission has not issued an Order approving this requested surcharge. When the Commission issues the Order the surcharge will become effective retroactively on a service rendered basis back to November 23, 2020. The Order will allow recoupment of the surcharge from all its customers based on their actual bills incurred between November 23, 2020 and the final effective date of the Order.

### **17. COVID-19 Pandemic Impact**

In March 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic and the President of the United States of America declared the COVID-19 outbreak in the United States a national emergency. This prompted many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary business closures, and wide-sweeping quarantines and stay-at-home orders.

During the COVID-19 pandemic, the Company’s services have generally been considered essential in nature and have not been materially interrupted. As the situation continues to evolve, management is closely monitoring the impact of the COVID-19 pandemic on all aspects of the Company’s business, including how it impacts customers, subcontractors, suppliers, vendors, and employees, in addition to how the COVID-19 pandemic impacts the Company’s ability to provide services to customers. We believe the ultimate impact of the COVID-19 pandemic on operating results, cash flows and financial condition is likely to be determined by factors which are uncertain, unpredictable, and outside of our control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially adversely impact our business.

## **18. Subsequent Events**

The Company has evaluated the events and transactions that have occurred through March 23, 2021, the date that these consolidated financial statements were available for issuance.

**Nashua Airport Authority**  
Notes to Financial Statements

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**NASHUA AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2021

**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, 2021 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, 2021.

***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. 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.

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

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 Postemployment 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

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

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, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 541,873
Investments	<u>237,378</u>
Total deposits and investments	<u>\$ 779,251</u>

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

Cash on hand	\$ 200
Deposits with financial institutions	<u>779,051</u>
Total deposits and investments	<u>\$ 779,251</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.

The Authority's entire balance of deposits with financial institutions at year end was covered by federal depository insurance.

**NOTE 3—CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended June 30, 2021:

	Balance <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2021</u>
Capital assets not being depreciated:				
Land	\$ 4,026,795			\$ 4,026,795
Construction in progress	<u>212,886</u>	<u>\$ 2,165,536</u>		<u>2,378,422</u>
Total capital assets not being depreciated	<u>4,239,681</u>	<u>2,165,536</u>	<u>\$ -</u>	<u>6,405,217</u>



**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

Other capital assets:			
Land improvements	30,946,937		30,946,937
Buildings and improvements	1,524,854		1,524,854
Equipment	3,244,353		3,244,353
Total other capital assets at historical cost	<u>35,716,144</u>	<u>-</u>	<u>35,716,144</u>
Less accumulated depreciation for:			
Land improvements	(13,064,575)	(1,392,571)	(14,457,146)
Buildings and improvements	(1,092,537)	(38,978)	(1,131,515)
Equipment	<u>(1,268,841)</u>	<u>(189,899)</u>	<u>(1,458,740)</u>
Total accumulated depreciation	<u>(15,425,953)</u>	<u>(1,621,448)</u>	<u>(17,047,401)</u>
Total other capital assets, net	<u>20,290,191</u>	<u>(1,621,448)</u>	<u>18,668,743</u>
Total capital assets, net	<u>\$ 24,529,872</u>	<u>\$ 544,088</u>	<u>\$ 25,073,960</u>

**NOTE 4—OTHER POSTEMPLOYMENT 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.

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Funding Policy***

Per RSA-100-A: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 rate for the covered payroll of employees was 0.29% for the year ended June 30, 2021. Contributions to the OPEB plan for the Authority were \$814 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

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

At June 30, 2021, the Authority reported a liability of \$7,214 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by a roll forward of the actuarial valuation from June 30, 2019. The 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, 2020, the Authority's proportion was approximately 0.0016 percent, which was approximately the same as its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Authority recognized OPEB expense of \$780. At June 30, 2021, 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>
Differences between expected and actual experience		\$ 21
Net difference between projected and actual earnings on OPEB plan investments	\$ 27	
Changes of assumptions	46	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	13	
Authority contributions subsequent to the measurement date	<u>814</u>	
Totals	<u>\$ 900</u>	<u>\$ 21</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 \$879. The Authority reported \$814 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

<u>June 30,</u>	
2021	\$ 41
2022	8
2023	10
2024	6
	<u>\$ 65</u>

***Actuarial Assumptions***

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

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

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

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

The following assumptions were changed in the current year:

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

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

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

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

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

***Sensitivity of the 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 6.75 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>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Net OPEB liability	\$ 7,834	\$ 7,214	\$ 6,676

**NOTE 5—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.

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Benefits Provided***

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

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:

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

***Changes in Benefits***

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

***Funding Policy***

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 rate for the covered payroll of general employees was 10.88% for the year ended June 30, 2021. The Authority contributes 100% of the employer cost.

Per RSA-100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. Contributions to the pension plan for the Authority were \$30,550 for the year ended June 30, 2021.

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

At June 30, 2021, the Authority reported a liability of \$413,263 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2019. The 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

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2020, the Authority's proportion was approximately 0.0064 percent, which is an increase of .0001 percentage points from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Authority recognized pension expense of \$54,593. At June 30, 2021, 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	\$ 11,160	\$ 4,437
Changes of assumptions	40,880	
Net difference between projected and actual earnings on pension plan investments	25,561	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	23,982	2,001
Authority contributions subsequent to the measurement date	<u>30,550</u>	
Totals	<u>\$ 132,133</u>	<u>\$ 6,438</u>

The net amount of deferred outflows of resources and deferred inflows of resources related to pension is reflected as an increase to unrestricted net position in the amount of \$125,695. The Authority reported \$30,550 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, 2021. 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>	
2021	\$ 30,122
2022	21,616
2023	22,745
2024	<u>20,662</u>
	<u>\$ 95,145</u>

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

***Actuarial Assumptions***

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

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

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

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

The following assumptions were changed in the current year:

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

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

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

***Discount Rate***

The discount rate used to measure the collective pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current

**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

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

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Authority's proportionate share of the net pension liability	\$ 535,007	\$ 413,263	\$ 313,782

**NOTE 6—LONG-TERM OBLIGATIONS**

***Changes in Long-Term Obligations***

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

<u>Type</u>	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 18,187	\$ 6,051	\$ (959)	\$ 23,279	\$ -

**NOTE 7—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. The Authority also leases the control tower under terms of a lease, which expires July 31, 2024. The base rent for the control tower is adjusted annually at a rate of 2.25%. For the year ended June 30, 2021, lease income was \$415,153.



**NASHUA AIRPORT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2021

**NOTE 8—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 9—RISK MANAGEMENT**

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

*Property and Liability Insurance*

The Authority obtained commercial insurance coverage to manage risks related to property and liability. The coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

**NOTE 10—IMPLEMENTATION OF FUTURE ACCOUNTING STANDARDS**

The Government Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, which the Authority is required to implement in the fiscal year ending June 30, 2022. Management believes that this pronouncement will have a potentially significant impact on the Authority's financial statements, wherein the Authority will be required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term for all of its subleased land agreements.

## **Required Supplementary Information**

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**CITY OF NASHUA, NEW HAMPSHIRE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**

(Unaudited)

New Hampshire Retirement System						
Fiscal <u>Year</u>	Measurement <u>Date</u>	Proportion of the Net Pension <u>Liability</u>	Proportionate Share of the Net Pension <u>Liability</u>	<u>Covered Payroll</u>	Proportionate Share of the Net Pension Liability as a <u>Percentage of Covered Payroll</u>	Plan Fiduciary Net Position Percentage of the Total <u>Pension Liability</u>
June 30, 2021	June 30, 2020	5.00%	\$ 320,002,458	\$ 146,299,488	218.73%	58.72%
June 30, 2020	June 30, 2019	5.02%	\$ 241,474,378	\$ 141,519,997	170.63%	65.59%
June 30, 2019	June 30, 2018	5.09%	\$ 244,946,874	\$ 139,528,277	175.55%	64.73%
June 30, 2018	June 30, 2017	4.97%	\$ 244,236,535	\$ 128,054,908	190.73%	62.66%
June 30, 2017	June 30, 2016	5.02%	\$ 267,201,666	\$ 130,717,303	204.41%	58.30%
June 30, 2016	June 30, 2015	5.01%	\$ 198,484,550	\$ 129,016,789	153.84%	65.47%
June 30, 2015	June 30, 2014	4.93%	\$ 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 notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**CITY OF NASHUA, NEW HAMPSHIRE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS**

(Unaudited)

New Hampshire Retirement System					
Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 23,356,118	\$ (23,356,118)	\$ -	\$ 147,787,954	15.80%
June 30, 2020	\$ 22,184,819	\$ (22,184,819)	\$ -	\$ 146,299,488	15.16%
June 30, 2019	\$ 21,854,348	\$ (21,854,348)	\$ -	\$ 141,519,997	15.44%
June 30, 2018	\$ 23,924,823	\$ (23,924,823)	\$ -	\$ 139,528,277	17.15%
June 30, 2017	\$ 21,281,680	\$ (21,281,680)	\$ -	\$ 128,054,908	16.62%
June 30, 2016	\$ 21,048,967	\$ (21,048,967)	\$ -	\$ 130,717,303	16.10%
June 30, 2015	\$ 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 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**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>								
Service cost	\$ 1,194,402	\$ 1,159,613	\$ 1,159,714	\$ 1,125,936	\$ 1,102,415	\$ 1,070,306	\$ 833,083	\$ 801,041
Interest	3,546,569	3,438,385	3,413,621	3,302,509	3,317,923	3,201,701	3,165,454	3,056,600
Differences between expected and actual experience	(933,080)	-	(794,224)	-	(262,266)	-	84,012	-
Changes of assumptions	1,910,247	-	(466,050)	-	24,291	-	(1,231,934)	-
Benefit payments, including refunds of member contributions	(3,179,286)	(2,998,396)	(2,921,280)	(2,830,049)	(2,752,954)	(2,650,932)	(2,526,991)	(2,255,102)
Net change in total pension liability	2,538,852	1,599,602	391,781	1,598,396	1,429,409	1,621,075	323,624	1,602,539
Total pension liability - beginning	51,033,623	49,434,021	49,042,240	47,443,844	46,014,435	44,393,360	44,069,736	42,466,375
Total pension liability - ending (a)	53,572,475	51,033,623	49,434,021	49,042,240	47,443,844	46,014,435	44,393,360	44,068,914
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	907,292	852,993	832,686	823,768	795,263	794,440	772,343	743,527
Contributions - member	907,292	852,993	832,686	823,768	795,263	794,440	772,343	742,704
Net investment income	11,103,338	1,909,696	2,871,652	3,290,484	3,956,902	115,127	1,104,870	3,478,296
Benefit payments, including refunds of member contributions	(3,179,286)	(2,998,396)	(2,921,280)	(2,830,049)	(2,752,954)	(2,650,932)	(2,526,991)	(2,254,280)
Administrative expense	(61,626)	(51,616)	(2,580)	(2,569)	(2,904)	(2,903)	(2,359)	(14,809)
Net change in plan fiduciary net position	9,677,010	565,670	1,613,164	2,105,402	2,791,570	(949,828)	120,206	2,695,438
Plan fiduciary net position - beginning	43,638,120	43,072,450	41,459,286	39,353,884	36,562,314	37,512,143	37,391,937	34,696,499
Plan fiduciary net position - ending (b)	53,315,130	43,638,120	43,072,450	41,459,286	39,353,884	36,562,315	37,512,143	37,391,937
Net pension liability (asset) - ending (a-b)	\$ 257,345	\$ 7,395,503	\$ 6,361,571	\$ 7,582,954	\$ 8,089,960	\$ 9,452,120	\$ 6,881,217	\$ 6,676,977

*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**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF NET PENSION LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS

(Unaudited)

<b>Schedule of Net Pension Liability</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 53,572,475	\$ 51,033,623	\$ 49,434,021	\$ 49,042,240	\$ 47,443,844	\$ 46,014,435	\$ 44,393,360	\$ 44,068,914
Plan fiduciary net position	<u>53,315,130</u>	<u>43,638,120</u>	<u>43,072,450</u>	<u>41,459,286</u>	<u>39,353,884</u>	<u>36,562,315</u>	<u>37,512,143</u>	<u>37,391,115</u>
Net pension liability	<u>\$ 257,345</u>	<u>\$ 7,395,503</u>	<u>\$ 6,361,571</u>	<u>\$ 7,582,954</u>	<u>\$ 8,089,960</u>	<u>\$ 9,452,120</u>	<u>\$ 6,881,217</u>	<u>\$ 6,677,799</u>
Plan fiduciary net position as a percentage of the total pension liability	99.52%	85.51%	87.13%	84.54%	82.95%	79.46%	84.50%	84.85%
Covered payroll	\$ 9,412,440	\$ 9,630,921	\$ 9,350,409	\$ 9,033,764	\$ 8,770,645	\$ 8,701,590	\$ 8,448,146	\$ 7,937,797
Participating employer net pension liability (asset) as a percentage of covered payroll	2.73%	76.79%	68.04%	83.94%	92.24%	108.63%	81.45%	84.13%
 <b>Schedule of Contributions</b>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>	 <u>2014</u>
Actuarially determined contribution	\$ 907,292	\$ 852,993	\$ 832,686	\$ 823,768	\$ 795,263	\$ 794,440	\$ 772,343	\$ 743,527
Contributions in relation to the actuarially determined contribution	<u>(907,292)</u>	<u>(852,993)</u>	<u>(832,686)</u>	<u>(823,768)</u>	<u>(795,263)</u>	<u>(794,440)</u>	<u>(772,343)</u>	<u>(743,527)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,412,440	\$ 9,630,921	\$ 9,350,409	\$ 9,033,764	\$ 8,770,645	\$ 8,701,590	\$ 8,448,146	\$ 7,937,797
Contributions as a percentage of covered payroll	9.64%	8.86%	8.91%	9.12%	9.07%	9.13%	9.14%	9.37%
 <b>Schedule of Investment Returns</b>								
<i>Year Ended June 30</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expense	25.65%	4.38%	7.02%	8.47%	10.97%	0.31%	2.99%	10.13%

*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**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF PROPORTIONATE SHARE AND CONTRIBUTIONS**  
**OF THE TOTAL OPEB LIABILITY**

(Unaudited)

**Schedule of Proportionate Share**

New Hampshire Retirement System Medical Subsidy						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total OPEB Liability</u>
June 30, 2021	June 30, 2020	5.35%	\$23,435,551	\$146,299,488	16.02%	7.74%
June 30, 2020	June 30, 2019	5.42%	\$23,774,444	\$141,519,997	16.80%	7.75%
June 30, 2019	June 30, 2018	5.51%	\$25,221,940	\$139,528,277	18.08%	7.53%
June 30, 2018	June 30, 2017	5.22%	\$23,859,048	\$128,054,908	18.63%	7.91%

**Schedule of Contributions**

New Hampshire Retirement System Medical Subsidy					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relative to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2021	\$ 2,631,411	\$ (2,631,411)	\$ -	\$147,787,954	1.78%
June 30, 2020	\$ 2,485,438	\$ (2,485,438)	\$ -	\$146,299,488	1.70%
June 30, 2019	\$ 2,475,017	\$ (2,475,017)	\$ -	\$141,519,997	1.75%
June 30, 2018	\$ 2,436,719	\$ (2,436,719)	\$ -	\$139,528,277	1.75%

*Schedules are 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**  
**OTHER POST-EMPLOYMENT BENEFITS (OPEB)**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF CHANGES IN THE TOTAL OPEB LIABILITY

(Unaudited)

**City of Nashua OPEB Plan\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 3,169,049	\$ 2,730,983	\$ 2,412,885	\$ 2,526,279
Interest	1,504,631	1,798,307	1,777,895	1,645,880
Differences between expected and actual experience	(4,278,544)	(462,851)	1,068,607	(3,613,115)
Changes of assumptions	2,181,485	2,780,057	1,506,786	1,309,808
Benefit payments	<u>(1,916,517)</u>	<u>(1,985,541)</u>	<u>(1,598,222)</u>	<u>(1,978,182)</u>
Net change in total OPEB liability	660,104	4,860,955	5,167,951	(109,330)
Total OPEB liability - beginning	<u>54,347,990</u>	<u>49,487,035</u>	<u>44,319,084</u>	<u>44,428,414</u>
Total OPEB liability - ending	<u>\$ 55,008,094</u>	<u>\$ 54,347,990</u>	<u>\$ 49,487,035</u>	<u>\$ 44,319,084</u>

\* 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 and Economic Development Projects: to account for Community and Economic Development Department Capital Projects.
- Property Revaluation Projects: to account for City-wide property revaluations and appraisals.
- 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.
- Police Projects: to account for capital projects related to the police department.

## **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, 2021

	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	-	-	-	-
Intergovernmental	142,420	174,493	465,188	-
Loans	-	-	-	-
Due from other funds	-	-	-	11,762
Total Assets	<u>\$ 142,420</u>	<u>\$ 174,493</u>	<u>\$ 465,188</u>	<u>\$ 11,762</u>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued liabilities	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-
Due to other funds	<u>101,311</u>	<u>174,493</u>	<u>335,477</u>	<u>-</u>
Total Liabilities	101,311	174,493	335,477	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	41,109	-	129,711	11,762
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>41,109</u>	<u>-</u>	<u>129,711</u>	<u>11,762</u>
Total Liabilities and Fund Balance	<u>\$ 142,420</u>	<u>\$ 174,493</u>	<u>\$ 465,188</u>	<u>\$ 11,762</u>

Special Revenue Funds

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<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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
38,938	15,100	-	-	-
350,396	375,820	171,683	1,351,164	-
-	-	-	-	-
<u>581,849</u>	<u>-</u>	<u>160,828</u>	<u>5,728,944</u>	<u>3,824</u>
<u>\$ 971,183</u>	<u>\$ 390,920</u>	<u>\$ 332,511</u>	<u>\$ 7,080,108</u>	<u>\$ 3,824</u>
-	-	-	-	-
-	-	-	6,873,769	-
<u>-</u>	<u>315,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	315,725	-	6,873,769	-
-	-	-	-	-
971,183	75,195	332,511	206,339	3,824
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>971,183</u>	<u>75,195</u>	<u>332,511</u>	<u>206,339</u>	<u>3,824</u>
<u>\$ 971,183</u>	<u>\$ 390,920</u>	<u>\$ 332,511</u>	<u>\$ 7,080,108</u>	<u>\$ 3,824</u>

(continued)

**CITY OF NASHUA, NEW HAMPSHIRE**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**June 30, 2021**

(continued)

	Special Revenue Funds			
	<u>Food Services</u>	<u>School Grants</u>	<u>City Revolving Funds</u>	<u>School Revolving Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other	-	-	47,022	-
Intergovernmental	210,274	4,114,379	-	773
Loans	-	-	1,003,995	-
Due from other funds	<u>23,100</u>	<u>-</u>	<u>12,025,585</u>	<u>2,039,103</u>
Total Assets	<u>\$ 233,374</u>	<u>\$ 4,114,379</u>	<u>\$ 13,076,602</u>	<u>\$ 2,039,876</u>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued liabilities	\$ 821	\$ 406,063	\$ 23,480	\$ 1,572
Unearned revenue	-	-	-	2,760
Due to other funds	<u>-</u>	<u>3,708,314</u>	<u>-</u>	<u>-</u>
Total Liabilities	821	4,114,377	23,480	4,332
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	232,553	2	841,408	-
Committed	-	-	12,211,714	2,035,544
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>232,553</u>	<u>2</u>	<u>13,053,122</u>	<u>2,035,544</u>
Total Liabilities and Fund Balance	<u>\$ 233,374</u>	<u>\$ 4,114,379</u>	<u>\$ 13,076,602</u>	<u>\$ 2,039,876</u>

Special Revenue Funds		Capital Project Funds				
Other Trust Funds	Subtotal	Fire Projects	Public Works Projects	Community and Economic Development Projects	Property Revaluation Projects	School Department Projects
\$ 4,477,319	\$ 4,477,319	\$ -	\$ -	\$ -	\$ -	\$ -
3,230,483	3,230,483	-	-	-	-	-
-	101,060	-	-	-	-	-
-	7,356,590	-	93,028	-	-	-
-	1,003,995	-	-	-	-	-
-	20,574,995	-	-	397,926	-	-
<u>\$ 7,707,802</u>	<u>\$ 36,744,442</u>	<u>\$ -</u>	<u>\$ 93,028</u>	<u>\$ 397,926</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-	-
\$ -	\$ 431,936	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,876,529	-	-	-	-	-
1,428,883	6,064,203	1,293,023	856,383	-	621,844	8,195,489
1,428,883	13,372,668	1,293,023	856,383	-	621,844	8,195,489
-	-	-	-	-	-	-
-	2,845,597	-	4,085,181	10,569	-	380,000
6,278,919	20,526,177	-	-	387,357	-	-
-	-	(1,293,023)	(4,848,536)	-	(621,844)	(8,575,489)
6,278,919	23,371,774	(1,293,023)	(763,355)	397,926	(621,844)	(8,195,489)
<u>\$ 7,707,802</u>	<u>\$ 36,744,442</u>	<u>\$ -</u>	<u>\$ 93,028</u>	<u>\$ 397,926</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)



CITY OF NASHUA, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2021

(continued)

Capital Project Funds

	Technology Projects	City Building Projects	City-wide Communications Projects	Hydroelectric Projects	Police Projects	Subtotal
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables, net of allowance for uncollectibles:						
Departmental and other	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	93,028
Loans	-	-	-	-	-	-
Due from other funds	158,283	-	97,295	3,534,809	2,344,501	6,532,814
Total Assets	\$ 158,283	\$ -	\$ 97,295	\$ 3,534,809	\$ 2,344,501	\$ 6,625,842
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	685,614	-	-	-	11,652,353
Total Liabilities	-	685,614	-	-	-	11,652,353
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	158,283	-	97,295	3,534,809	2,344,501	10,610,638
Committed	-	32,976	-	-	-	420,333
Unassigned	-	(718,590)	-	-	-	(16,057,482)
Total Fund Balance	158,283	(685,614)	97,295	3,534,809	2,344,501	(5,026,511)
Total Liabilities and Fund Balance	\$ 158,283	\$ -	\$ 97,295	\$ 3,534,809	\$ 2,344,501	\$ 6,625,842

Permanent Funds

Cemetery Permanent Funds	Library Permanent Funds	Other Permanent Funds	Subtotal	Total Nonmajor Governmental Funds
\$ 827,179	\$ 300,800	\$ -	\$ 1,127,979	\$ 5,605,298
22,401,143	7,067,140	266,826	29,735,109	32,965,592
-	-	-	-	101,060
-	-	-	-	7,449,618
-	-	-	-	1,003,995
-	-	-	-	27,107,809
<u>\$ 23,228,322</u>	<u>\$ 7,367,940</u>	<u>\$ 266,826</u>	<u>\$ 30,863,088</u>	<u>\$ 74,233,372</u>
-	-	-	-	-
-	-	-	-	431,936
-	-	-	-	6,876,529
462,443	4,896	-	467,339	18,183,895
<u>462,443</u>	<u>4,896</u>	<u>-</u>	<u>467,339</u>	<u>25,492,360</u>
21,616,894	6,337,944	249,292	28,204,130	28,204,130
1,148,985	1,025,100	17,534	2,191,619	15,647,854
-	-	-	-	20,946,510
-	-	-	-	(16,057,482)
<u>22,765,879</u>	<u>7,363,044</u>	<u>266,826</u>	<u>30,395,749</u>	<u>48,741,012</u>
<u>\$ 23,228,322</u>	<u>\$ 7,367,940</u>	<u>\$ 266,826</u>	<u>\$ 30,863,088</u>	<u>\$ 74,233,372</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, 2021**

	Special Revenue Funds			
	<u>Police Grants</u>	<u>Fire Grants</u>	<u>Community Health &amp; Services Grants</u>	<u>Parks &amp; Recreation Grants</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Auto permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	565,439	459,147	1,585,223	-
Investment income (loss)	-	-	-	-
Contributions	90,271	-	204,338	2,930
Cable TV franchise fees	-	-	-	-
Rentals and lease income	-	-	-	-
Miscellaneous	-	-	-	-
	655,710	459,147	1,789,561	2,930
<b>Total Revenues</b>				
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Police	732,557	-	-	-
Fire	-	459,147	-	-
Education	-	-	-	-
Public works	-	-	-	-
Health and human services	-	-	1,671,513	-
Culture and recreation	-	-	-	738
Community development	-	-	-	-
Communications	-	-	-	-
Hydroelectric	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	732,557	459,147	1,671,513	738
<b>Total Expenditures</b>				
Excess (Deficiency) of Revenues Over Expenditures	(76,847)	-	118,048	2,192
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	76,824	-	-	-
Transfers out	(393)	-	-	-
	76,431	-	-	-
<b>Total Other Financing Sources (Uses)</b>				
Change in Fund Balance	(416)	-	118,048	2,192
Fund Balance at Beginning of Year	41,525	-	11,663	9,570
Fund Balance at End of Year	\$ 41,109	\$ -	\$ 129,711	\$ 11,762

Special Revenue Funds

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<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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
345,163	-	-	-	-
2,794,536	2,900,097	47,703	2,577,304	150,235
-	-	-	-	-
-	-	-	6,000	-
-	-	-	-	-
-	-	-	-	-
<u>112,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,016</u>
3,251,900	2,900,097	47,703	2,583,304	194,251
-	-	-	-	194,251
-	-	-	2,062,510	-
-	-	-	598,210	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,426,715	2,916,994	120,509	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,426,715</u>	<u>2,916,994</u>	<u>120,509</u>	<u>2,660,720</u>	<u>194,251</u>
(174,815)	(16,897)	(72,806)	(77,416)	-
-	-	-	-	-
-	-	-	-	-
538,352	11,975	64,518	250,000	-
(30)	-	-	-	-
<u>538,322</u>	<u>11,975</u>	<u>64,518</u>	<u>250,000</u>	<u>-</u>
363,507	(4,922)	(8,288)	172,584	-
<u>607,676</u>	<u>80,117</u>	<u>340,799</u>	<u>33,755</u>	<u>3,824</u>
<u>\$ 971,183</u>	<u>\$ 75,195</u>	<u>\$ 332,511</u>	<u>\$ 206,339</u>	<u>\$ 3,824</u>

(continued)

CITY OF NASHUA, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2021

(continued)

	Special Revenue Funds			
	Food Services	School Grants	City Revolving Funds	School Revolving Funds
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 1,069,415	\$ -
Auto permits	-	-	700,000	-
Charges for services	8,159	-	1,123,181	409,593
Intergovernmental	2,857,568	15,347,997	1,845,908	19,280
Investment income (loss)	15	-	8,596	-
Contributions	-	-	81,440	-
Cable TV franchise fees	-	-	421,894	-
Rentals and lease income	-	-	16,800	-
Miscellaneous	40,156	-	40,169	1,260
Total Revenues	2,905,898	15,347,997	5,307,403	430,133
<b>Expenditures</b>				
Current:				
General government	-	-	463,304	-
Police	-	-	1,087,572	-
Fire	-	-	13,720	-
Education	2,925,243	15,429,299	-	326,343
Public works	-	-	2,525	-
Health and human services	-	-	720	-
Culture and recreation	-	-	100,976	-
Community development	-	-	1,005,979	-
Communications	-	-	-	-
Hydroelectric	-	-	-	-
Debt service:				
Principal	-	-	965,000	-
Interest	-	-	695,189	-
Total Expenditures	2,925,243	15,429,299	4,334,985	326,343
Excess (Deficiency) of Revenues Over Expenditures	(19,345)	(81,302)	972,418	103,790
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(38,510)	(127,519)	-
Total Other Financing Sources (Uses)	-	(38,510)	(127,519)	-
Change in Fund Balance	(19,345)	(119,812)	844,899	103,790
Fund Balance at Beginning of Year	251,898	119,814	12,208,223	1,931,754
Fund Balance at End of Year	\$ 232,553	\$ 2	\$ 13,053,122	\$ 2,035,544

Special Revenue Funds		Capital Project Funds				
Other Trust Funds	Subtotal	Fire Projects	Public Works Projects	Community and Economic Development Projects	Property Revaluation Projects	School Department Projects
\$ -	\$ 1,069,415	\$ -	\$ -	\$ -	\$ -	\$ -
-	700,000	-	-	-	-	-
50,220	1,936,316	-	-	-	-	-
-	31,150,437	-	431,420	-	-	-
785,339	793,950	-	-	-	-	-
1,257,530	1,642,509	-	-	3,068,745	-	-
-	421,894	-	-	-	-	-
-	16,800	-	-	-	-	-
1,798	239,600	-	55,000	-	-	-
2,094,887	37,970,921	-	486,420	3,068,745	-	-
193,172	850,727	-	-	-	435,733	-
9,097	3,891,736	-	-	-	-	-
3,149	1,074,226	1,341,342	-	-	-	-
97,641	18,778,526	-	-	-	-	15,490,158
1,995,000	1,997,525	-	7,433,232	-	-	-
-	1,672,233	-	-	-	-	-
10,859	112,573	-	-	-	-	-
-	7,470,197	-	-	21,036,314	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	965,000	-	-	-	-	-
-	695,189	-	-	-	-	-
2,308,918	37,507,932	1,341,342	7,433,232	21,036,314	435,733	15,490,158
(214,031)	462,989	(1,341,342)	(6,946,812)	(17,967,569)	(435,733)	(15,490,158)
-	-	-	6,569,500	20,860,000	-	6,400,000
-	-	-	930,500	140,000	-	-
256,751	1,198,420	-	75,000	325,000	31,652	-
(150,000)	(316,452)	-	(325,000)	-	-	-
106,751	881,968	-	7,250,000	21,325,000	31,652	6,400,000
(107,280)	1,344,957	(1,341,342)	303,188	3,357,431	(404,081)	(9,090,158)
6,386,199	22,026,817	48,319	(1,066,543)	(2,959,505)	(217,763)	894,669
\$ 6,278,919	\$ 23,371,774	\$ (1,293,023)	\$ (763,355)	\$ 397,926	\$ (621,844)	\$ (8,195,489)

(continued)

CITY OF NASHUA, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2021

(continued)

Capital Project Funds

	Technology Projects	City Building Projects	City-wide Communications Projects	Hydroelectric Projects	Police Projects	Subtotal
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	431,420
Investment income (loss)	-	-	-	-	-	-
Contributions	-	-	-	-	-	3,068,745
Cable TV franchise fees	-	-	-	-	-	-
Rentals and lease income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	55,000
Total Revenues	-	-	-	-	-	3,555,165
<b>Expenditures</b>						
Current:						
General government	7,250	24,573	-	-	-	467,556
Police	-	-	-	-	241,363	241,363
Fire	-	-	-	-	-	1,341,342
Education	-	-	-	-	-	15,490,158
Public works	-	-	-	-	-	7,433,232
Health and human services	-	3,083,375	-	-	-	3,083,375
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	21,036,314
Communications	-	-	216,480	-	-	216,480
Hydroelectric	-	-	-	1,838,006	-	1,838,006
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	7,250	3,107,948	216,480	1,838,006	241,363	51,147,826
Excess (Deficiency) of Revenues Over Expenditures	(7,250)	(3,107,948)	(216,480)	(1,838,006)	(241,363)	(47,592,661)
<b>Other Financing Sources (Uses)</b>						
Issuance of bonds	-	1,914,000	-	6,085,000	-	41,828,500
Bond premiums	-	588,000	-	115,000	-	1,773,500
Transfers in	-	-	-	-	-	431,652
Transfers out	-	(231)	-	-	-	(325,231)
Total Other Financing Sources (Uses)	-	2,501,769	-	6,200,000	-	43,708,421
Change in Fund Balance	(7,250)	(606,179)	(216,480)	4,361,994	(241,363)	(3,884,240)
Fund Balance at Beginning of Year	165,533	(79,435)	313,775	(827,185)	2,585,864	(1,142,271)
Fund Balance at End of Year	\$ 158,283	\$ (685,614)	\$ 97,295	\$ 3,534,809	\$ 2,344,501	\$ (5,026,511)

Permanent Funds

Cemetery Permanent <u>Funds</u>	Library Permanent <u>Funds</u>	Other Permanent <u>Funds</u>	<u>Subtotal</u>	Interfund <u>Activity</u>	Total Nonmajor Governmental <u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,069,415
-	-	-	-	-	700,000
-	-	-	-	-	1,936,316
-	-	-	-	-	31,581,857
5,527,124	1,493,432	45,354	7,065,910	-	7,859,860
109,672	-	-	109,672	-	4,820,926
-	-	-	-	-	421,894
-	-	-	-	-	16,800
-	-	-	-	-	294,600
<u>5,636,796</u>	<u>1,493,432</u>	<u>45,354</u>	<u>7,175,582</u>	-	<u>48,701,668</u>
88,100	-	966	89,066	-	1,407,349
-	-	-	-	-	4,133,099
-	-	-	-	-	2,415,568
-	-	-	-	-	34,268,684
-	-	-	-	-	9,430,757
-	-	296	296	-	4,755,904
-	64,388	-	64,388	-	176,961
-	-	-	-	-	28,506,511
-	-	-	-	-	216,480
-	-	-	-	-	1,838,006
-	-	-	-	-	965,000
-	-	-	-	-	695,189
<u>88,100</u>	<u>64,388</u>	<u>1,262</u>	<u>153,750</u>	-	<u>88,809,508</u>
5,548,696	1,429,044	44,092	7,021,832	-	(40,107,840)
-	-	-	-	-	41,828,500
-	-	-	-	-	1,773,500
-	-	-	-	(581,750)	1,048,322
(683,168)	-	-	(683,168)	581,750	(743,101)
<u>(683,168)</u>	<u>-</u>	<u>-</u>	<u>(683,168)</u>	<u>-</u>	<u>43,907,221</u>
4,865,528	1,429,044	44,092	6,338,664	-	3,799,381
<u>17,900,351</u>	<u>5,934,000</u>	<u>222,734</u>	<u>24,057,085</u>	<u>-</u>	<u>44,941,631</u>
<u>\$ 22,765,879</u>	<u>\$ 7,363,044</u>	<u>\$ 266,826</u>	<u>\$ 30,395,749</u>	<u>\$ -</u>	<u>\$ 48,741,012</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, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	Adjusted <u>Actual</u>	Variance With <u>Final Budget</u>
Property Tax	\$ 227,770,371	\$ 227,770,371	\$ 227,468,312	\$ (302,059)
Auto permits	10,645,000	10,645,000	16,216,065	5,571,065
Penalties, interest and other taxes:				
Interest and cost on redemption	300,000	300,000	370,243	70,243
Payments in lieu of taxes	405,788	405,788	547,314	141,526
Interest on taxes	<u>300,000</u>	<u>300,000</u>	<u>322,282</u>	<u>22,282</u>
Total Penalties, interest and other taxes	1,005,788	1,005,788	1,239,839	234,051
Charges for services:				
Income from departments	<u>1,236,875</u>	<u>1,236,875</u>	<u>889,849</u>	<u>(347,026)</u>
Total Charges for services	1,236,875	1,236,875	889,849	(347,026)
Intergovernmental:				
Municipal State Aid	1,888,892	1,888,892	1,888,892	-
State Catastrophic Aid	1,050,000	1,050,000	1,616,001	566,001
State adequacy grant	38,819,849	38,819,849	38,825,766	5,917
State aid - buildings	2,211,432	2,211,432	2,211,432	-
Vocational Education	200,000	200,000	232,574	32,574
Medicaid	1,471,250	1,471,250	1,290,798	(180,452)
Meals and room tax	4,497,164	4,497,164	4,497,164	-
Other	<u>95,813</u>	<u>95,813</u>	<u>88,156</u>	<u>(7,657)</u>
Total Intergovernmental	50,234,400	50,234,400	50,650,783	416,383
Licenses and permits:				
Building permits	453,750	453,750	629,027	175,277
Business licenses and permits	162,000	162,000	153,744	(8,256)
Other licenses and permits	<u>621,350</u>	<u>621,350</u>	<u>728,462</u>	<u>107,112</u>
Total Licenses and permits	1,237,100	1,237,100	1,511,233	274,133
Interest	350,000	350,000	83,696	(266,304)
Miscellaneous:				
Hydroelectric power generation	1,012,000	1,012,000	1,026,971	14,971
Cable TV franchise	839,473	839,473	876,241	36,768
Fines and forfeits	405,300	405,300	425,156	19,856
Sale of property	8,500	8,500	44,709	36,209
Rental of property	611,842	611,842	722,137	110,295
Reimbursements and other	<u>216,764</u>	<u>216,764</u>	<u>318,338</u>	<u>101,574</u>
Total Miscellaneous	3,093,879	3,093,879	3,413,552	319,673
Transfers In:				
Transfers from other funds	<u>703,609</u>	<u>1,354,025</u>	<u>1,372,711</u>	<u>18,686</u>
Total Transfers In	703,609	1,354,025	1,372,711	18,686
Other Financing Sources:				
Bond premiums	-	-	286,987	286,987
Use of unassigned fund balance	4,500,000	4,500,000	4,500,000	-
Use of assigned fund balance	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing Sources	4,750,000	4,750,000	5,036,987	286,987
Total	<u>\$ 301,027,022</u>	<u>\$ 301,677,438</u>	<u>\$ 307,883,027</u>	<u>\$ 6,205,589</u>

CITY OF NASHUA, NEW HAMPSHIRE

Detail Schedule of Expenditures and Other Financing Uses  
Budget and Actual - General Fund

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Adjusted Actual	Variance With Final Budget
<b>General Government:</b>				
Mayor	\$ 497,862	\$ 483,287	\$ 482,870	\$ 417
Board of Aldermen	240,442	233,797	230,211	3,586
Legal	696,270	763,571	728,001	35,570
Administrative services	291,748	284,279	283,269	1,010
City Clerk	642,657	610,730	538,472	72,258
Energy Management	101,706	110,411	110,362	49
Civic and Community activities	829,844	854,844	853,355	1,489
Human resources	850,806	815,695	794,217	21,478
Insurance - Benefits	85,000	85,000	-	85,000
Telecommunications	145,820	145,820	120,436	25,384
Information technology	2,996,879	2,944,346	2,905,240	39,106
Financial services	2,330,675	2,269,702	2,259,649	10,053
Risk Management	4,050,000	4,050,000	4,050,000	-
Building maintenance	746,334	728,200	725,637	2,563
Purchasing	334,410	346,573	346,487	86
Assessors	823,374	793,865	708,853	85,012
GIS	215,656	214,615	205,292	9,323
Cemeteries	851,662	817,761	775,701	42,060
Parking Enforcement	317,425	296,102	211,322	84,780
Parking Operations	399,101	379,397	378,615	782
Contingencies	2,969,709	569,909	564,709	5,200
Capital	<u>1,825,556</u>	<u>2,710,556</u>	<u>2,500,000</u>	<u>210,556</u>
Total General Government	22,242,936	20,508,460	19,772,698	735,762
Police	33,134,789	33,595,657	33,507,696	87,961
Fire	26,881,070	27,210,181	27,049,600	160,581
Water fire protection	3,200,000	3,200,000	3,172,523	27,477
Education	155,626,160	157,482,380	157,276,238	206,142
<b>Public Works:</b>				
PW Division and Engineering				-
Street department	1,677,266	1,663,899	1,610,932	52,967
Street lighting	7,814,884	7,727,926	7,411,103	316,823
Parking lots	525,000	525,000	428,559	96,441
Solid waste	<u>5,748,376</u>	<u>5,748,376</u>	<u>5,748,376</u>	<u>-</u>
Total Public Works	15,765,526	15,665,201	15,198,970	466,231
<b>Health and Human Services:</b>				
Community services	364,918	368,832	325,632	43,200
Community health	614,202	610,564	579,657	30,907
Environmental health	550,652	525,661	514,875	10,786
Welfare administration	468,568	458,908	456,028	2,880
Welfare costs	<u>540,500</u>	<u>540,500</u>	<u>359,279</u>	<u>181,221</u>
Total Health and Human Services	2,538,840	2,504,465	2,235,471	268,994
<b>Culture and Recreation:</b>				
Arlington Street Community Center	82,939	81,107	81,027	80
Hunt building	31,232	30,105	30,091	14
Parks and recreation	3,630,067	3,627,967	3,476,932	151,035
Public libraries	<u>3,594,936</u>	<u>3,478,948</u>	<u>3,443,444</u>	<u>35,504</u>
Total Culture and Recreation	7,339,174	7,218,127	7,031,494	186,633
Community Development	3,310,371	3,232,394	3,129,161	103,233
Communications	569,776	567,193	553,155	14,038
Hydroelectric	455,220	455,220	434,240	20,980
<b>Debt Service:</b>				
Principal	12,064,500	12,064,500	12,064,500	-
Interest and cost	<u>4,739,740</u>	<u>4,739,740</u>	<u>4,517,383</u>	<u>222,357</u>
Total Debt Service	16,804,240	16,804,240	16,581,883	222,357
Intergovernmental	11,993,150	11,993,150	11,993,150	-
Transfers out	<u>1,165,770</u>	<u>1,240,770</u>	<u>1,240,770</u>	<u>-</u>
Total	<u>\$ 301,027,022</u>	<u>\$ 301,677,438</u>	<u>\$ 299,177,049</u>	<u>\$ 2,500,389</u>

## **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, 2021

	Governmental Activities Internal Service Fund		
	Employee Benefits Fund	Property & Casualty Fund	Total
<b>Assets</b>			
Current:			
Due from other funds	\$ 12,990,869	\$ 4,655,665	\$ 17,646,534
Other assets	2,583,055	-	2,583,055
<b>Total Assets</b>	15,573,924	4,655,665	20,229,589
<b>Liabilities</b>			
Current:			
Salaries payable	3,609	7,745	11,354
Accrued liabilities	3,966,679	4,597,261	8,563,940
Other liabilities	889,042	-	889,042
<b>Total Liabilities</b>	4,859,330	4,605,006	9,464,336
<b>Net Position</b>			
Unrestricted	10,714,594	50,659	10,765,253
<b>Total Net Position</b>	\$ 10,714,594	\$ 50,659	\$ 10,765,253

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, 2021

	Governmental Activities Internal Service Fund		
	Employee Benefits Fund	Property & Casualty Fund	Total
<b>Operating Revenues</b>			
Employer contributions	\$ 34,926,218	\$ 4,050,000	\$ 38,976,218
Employee and retiree contributions	12,192,953	-	12,192,953
Other	2,663,911	139,512	2,803,423
Total Operating Revenues	49,783,082	4,189,512	53,972,594
<b>Operating Expenses</b>			
Salaries and benefits	366,333	575,538	941,871
Other operating expenses	111,058	255,028	366,086
Claims and policy costs	48,351,202	4,158,511	52,509,713
Total Operating Expenses	48,828,593	4,989,077	53,817,670
Operating Income (Loss)	954,489	(799,565)	154,924
<b>Nonoperating Revenues</b>			
Investment income	12,556	4,501	17,057
Total Nonoperating Revenues, Net	12,556	4,501	17,057
Gain (Loss) Before Transfers	967,045	(795,064)	171,981
Transfers in	-	150,000	150,000
Change in Net Position	967,045	(645,064)	321,981
Net Position at Beginning of Year	9,747,549	695,723	10,443,272
Net Position at End of Year	\$ 10,714,594	\$ 50,659	\$ 10,765,253

See notes to financial statements.



CITY OF NASHUA, NEW HAMPSHIRE  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Fund		
	Employee Benefits <u>Fund</u>	Property & Casualty <u>Fund</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 14,856,864	\$ 139,512	\$ 14,996,376
Receipts from interfund services provided	34,926,218	4,050,000	38,976,218
Payments to vendors	(48,952,118)	(3,872,187)	(52,824,305)
Payments to employees	<u>(366,285)</u>	<u>(573,988)</u>	<u>(940,273)</u>
Net Cash Provided By (Used for) Operating Activities	464,679	(256,663)	208,016
<b>Cash Flows From Noncapital Financing Activities</b>			
Proceeds from (payments for) interfund loan agreements	(477,235)	102,162	(375,073)
Transfers	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Net Cash Provided By (Used for) Noncapital Financing Activities	(477,235)	252,162	(225,073)
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>12,556</u>	<u>4,501</u>	<u>17,057</u>
Net Cash Provided By Investing Activities	12,556	4,501	17,057
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 Provided By (Used For) Operating Activities</b>			
Operating income (loss)	\$ 954,489	\$ (799,565)	\$ 154,924
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Other assets	258,960	-	258,960
Accrued liabilities	(765,770)	541,352	(224,418)
Other liabilities	<u>17,000</u>	<u>1,550</u>	<u>18,550</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 464,679</u>	<u>\$ (256,663)</u>	<u>\$ 208,016</u>

See notes to financial statements.

# 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.

	<b><u>Page</u></b>
<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.	187
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	193
<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.	199
<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.	202
<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.	204

City of Nashua, New Hampshire

**Net Position by Component**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017	2018 <sup>(2)</sup>	2019	2020	2021
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 119,796,245	\$ 133,385,506	\$ 139,619,179	\$ 158,392,742	\$ 180,254,617	\$ 189,557,227	\$ 204,799,330	\$ 216,707,625	\$ 224,165,501	\$ 235,153,904
Restricted	24,925,380	32,456,683	43,985,208	35,756,406	29,482,972	32,793,067	33,289,682	40,381,569	41,309,434	49,918,492
Unrestricted	41,041,536	30,724,278	28,043,671	(154,754,432)	(156,261,032)	(172,627,360)	(221,732,030)	(233,172,887)	(236,489,507)	(276,008,230)
Total governmental activities net position	185,763,161	196,566,467	211,648,058	39,394,716	53,476,557	49,722,934	16,356,982	23,916,307	28,985,428	9,064,166
<b>Business-type activities</b>										
Net investment in capital assets	105,608,828	105,525,905	93,304,028	94,936,719	95,928,488	101,398,038	97,329,930	103,191,712	102,881,854	106,737,012
Restricted	3,863,829	4,270,548	4,472,662	4,473,789	4,953,019	5,216,670	6,223,823	6,597,212	6,561,263	7,427,685
Unrestricted	(8,272,538)	(6,549,015)	6,653,484	2,348,049	1,257,219	(3,430,629)	1,952,490	(2,194,866)	(482,555)	(2,282,651)
Total business-type activities net position	101,200,119	103,247,438	104,430,174	101,758,557	102,138,726	103,184,079	105,506,243	107,594,058	108,960,562	111,882,046
<b>Primary government</b>										
Net investment in capital assets	225,405,073	238,911,411	232,923,207	253,329,461	276,183,105	290,955,265	302,129,260	319,899,337	327,047,355	341,890,916
Restricted	28,789,209	36,727,231	48,457,870	40,230,195	34,435,991	38,009,737	39,513,505	46,978,781	47,870,697	57,346,177
Unrestricted	32,768,998	24,175,263	34,697,155	(152,406,383)	(155,003,813)	(176,057,989)	(219,779,540)	(235,367,753)	(236,972,062)	(278,290,881)
Total primary government net position	\$ 286,963,280	\$ 299,813,905	\$ 316,078,232	\$ 141,153,273	\$ 155,615,283	\$ 152,907,013	\$ 121,863,225	\$ 131,510,365	\$ 137,945,990	\$ 120,946,212

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*.
- 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government <sup>(2)</sup>	\$ 12,928,348	\$ 13,356,892	\$ 14,868,698	\$ 14,671,209	\$ 14,188,911	\$ 16,439,022	\$ 17,266,517	\$ 20,314,302	\$ 19,569,699	\$ 19,911,586
Police	27,563,038	27,321,535	28,778,248	30,448,888	30,929,494	35,886,974	35,258,730	38,376,236	38,627,667	42,242,068
Fire	21,696,948	21,094,654	21,098,266	22,657,301	23,741,032	27,710,416	26,374,113	26,981,791	28,322,944	33,207,366
Water Fire Protection Services	2,611,535	2,591,814	2,576,767	2,607,342	2,646,887	2,681,492	2,869,869	2,956,563	3,052,774	3,172,524
Education	146,755,939	149,765,273	153,294,183	153,499,901	156,246,648	169,485,517	169,231,339	173,171,018	177,229,356	190,034,232
Public Works	11,378,882	10,644,976	11,330,904	11,816,177	12,264,049	13,190,525	12,299,594	12,593,588	14,058,404	14,346,518
Health and Human Services	3,217,342	3,137,470	3,235,196	3,271,988	3,190,488	3,336,193	3,207,058	3,501,269	3,595,757	4,074,319
Culture and Recreation	7,593,302	7,181,489	7,166,496	7,123,288	7,231,779	7,899,430	7,538,581	8,024,166	7,601,759	6,569,655
Community Development	7,165,410	9,266,113	10,179,583	7,580,687	8,620,194	8,356,340	8,279,260	9,885,193	10,907,339	35,385,849
Communications	1,170,742	515,783	630,134	526,204	540,143	828,663	1,379,479	1,054,961	1,117,002	1,270,939
Hydroelectric	-	-	-	-	164,023	346,390	597,861	751,931	827,647	729,151
Interest, costs and amortization <sup>(1)</sup>	5,279,022	13,927,637	13,232,729	13,650,683	13,739,466	11,915,120	12,836,345	12,428,861	12,429,388	12,512,911
Total governmental activities expenses	247,360,508	258,803,636	266,391,204	267,853,668	273,503,114	298,076,082	297,138,746	310,039,879	317,339,736	363,457,118
Business-type activities:										
Wastewater services	10,840,594	10,897,541	11,548,040	12,931,195	13,460,701	13,158,556	14,276,433	15,183,762	14,738,950	15,588,780
Solid waste services	5,554,950	6,730,422	6,023,797	6,766,342	6,533,084	6,690,214	7,098,224	7,286,191	8,858,014	8,697,455
Total business-type activities expenses	16,395,544	17,627,963	17,571,837	19,697,537	19,993,785	19,848,770	21,374,657	22,469,953	23,596,964	24,286,235
Total primary government expenses	\$ 263,756,052	\$ 276,431,599	\$ 283,963,041	\$ 287,551,205	\$ 293,496,899	\$ 317,924,852	\$ 318,513,403	\$ 332,509,832	\$ 340,936,700	\$ 387,743,353
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 1,822,436	\$ 2,478,975	\$ 3,112,192	\$ 685,849	\$ 538,460	\$ 2,177,399	\$ 4,023,809	\$ 2,893,210	\$ 1,908,550	\$ 6,641,023
Police	931,703	747,150	1,050,173	1,026,770	972,912	1,254,913	1,149,458	1,142,259	936,544	938,791
Fire	95,041	131,744	114,823	105,110	101,673	121,971	97,189	99,068	441,857	490,858
Education	3,860,116	3,529,902	3,206,524	3,180,186	3,309,792	3,234,910	3,246,307	3,331,855	2,640,564	433,543
Public Works	841,118	527,491	499,116	480,655	529,297	517,712	895,996	908,837	778,661	646,989
Health and Human Services	188,493	165,273	170,721	161,729	167,592	172,563	173,166	180,333	164,126	156,333
Culture and Recreation	580,426	685,656	783,194	486,871	347,096	937,266	815,812	944,283	839,766	1,962,052
Community Development	1,389,901	1,467,693	1,705,084	1,525,076	1,580,857	1,647,744	1,501,588	1,553,672	1,205,464	1,269,584
Hydroelectric	-	-	-	-	210,793	436,813	1,250,101	1,755,223	1,302,615	1,026,971
Total charges for services	9,709,234	9,733,884	10,641,827	7,652,246	7,758,472	10,501,291	13,153,426	12,808,740	10,218,147	13,566,144
Operating grants and contributions	61,098,263	63,830,475	63,496,397	64,217,133	64,494,438	63,241,241	63,751,085	67,164,696	68,807,548	78,522,241
Capital grants and contributions	8,473,140	9,255,920	15,561,488	19,443,198	11,047,038	8,655,967	11,724,485	10,191,698	9,766,880	10,831,560
Total governmental activities program revenues	79,280,637	82,820,279	89,699,712	91,312,577	83,299,948	82,398,499	88,628,996	90,165,134	88,792,575	102,919,945
Business-type activities:										
Wastewater services	10,182,311	10,208,509	10,849,984	11,804,073	11,631,724	12,377,696	13,394,083	13,384,020	13,015,710	14,258,627
Solid Waste services	2,393,635	2,744,245	2,632,259	2,800,729	3,415,207	3,530,241	4,767,621	4,423,119	4,248,721	4,424,195
Total charges for services	12,575,946	12,952,754	13,482,243	14,604,802	15,046,931	15,907,937	18,161,704	17,807,139	17,264,431	18,682,822
Capital grants and contributions	1,255,104	696,256	526,173	460,422	413,223	762,890	855,412	591,095	531,954	888,291
Total business-type activities program revenues	13,831,050	13,649,010	14,008,416	15,065,224	15,460,154	16,670,827	19,017,116	18,398,234	17,796,385	19,571,113
Total primary government program revenues	\$ 93,111,687	\$ 96,469,289	\$ 103,708,128	\$ 106,377,801	\$ 98,760,102	\$ 99,069,326	\$ 107,646,112	\$ 108,563,368	\$ 106,588,960	\$ 122,491,058
<b>Net (Expenses)Revenue</b>										
Governmental activities	\$ (168,079,871)	\$ (175,983,357)	\$ (176,691,492)	\$ (176,541,091)	\$ (190,203,166)	\$ (215,677,583)	\$ (208,509,750)	\$ (219,874,745)	\$ (228,547,161)	\$ (260,537,173)
Business-type activities	(2,564,494)	(3,978,953)	(3,563,421)	(4,632,313)	(4,533,631)	(3,177,943)	(2,357,541)	(4,071,719)	(5,800,579)	(4,715,122)
Total primary government net expense	\$ (170,644,365)	\$ (179,962,310)	\$ (180,254,913)	\$ (181,173,404)	\$ (194,736,797)	\$ (218,855,526)	\$ (210,867,291)	\$ (223,946,464)	\$ (234,347,740)	\$ (265,252,295)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property tax <sup>(2)</sup>	\$ 165,341,867	\$ 170,240,742	\$ 173,463,006	\$ 178,911,745	\$ 183,020,234	\$ 189,459,163	\$ 195,210,940	\$ 202,500,356	\$ 209,040,153	\$ 216,376,307
Auto Permits	11,077,345	11,422,224	12,352,468	13,157,966	14,310,889	14,816,739	15,255,808	15,982,066	16,073,406	16,916,065
Penalties, interest and other taxes	1,425,762	1,660,906	1,555,955	1,466,734	1,907,231	1,688,167	1,798,343	2,083,974	1,264,103	1,239,839
Grants and contributions not restricted to specific	5,599,971	5,453,477	4,890,823	5,957,113	5,038,876	5,590,537	5,720,113	6,470,744	9,112,362	9,216,815
Investment income	1,297,950	1,042,839	1,356,452	1,777,712	1,164,879	1,094,638	1,494,164	3,675,711	2,864,640	1,890,023
Miscellaneous	1,410,241	2,273,681	2,233,187	3,098,340	3,002,462	2,782,994	1,037,463	887,431	520,725	952,420
Transfers, net	(3,543,251)	(5,385,555)	(4,149,363)	(4,300,133)	(4,253,536)	(3,601,543)	(3,877,315)	(4,277,321)	(5,346,232)	(6,085,231)
Permanent fund contributions	100,140	78,349	70,555	68,585	93,972	93,265	92,362	111,109	87,125	109,673
Total governmental activities	182,710,025	186,786,663	191,773,083	198,538,062	204,285,007	211,923,960	216,731,878	227,434,070	233,616,282	240,615,911
Business-type activities:										
Grants and contributions not restricted to specific										
programs	610,336	618,567	581,824	540,023	621,536	525,105	1,308,208	1,289,177	1,379,438	1,514,628
Investment income	36,104	22,150	14,970	5,349	38,728	96,648	254,088	593,036	441,413	36,747
Transfers, net	3,543,251	5,385,555	4,149,363	4,300,133	4,253,536	3,601,543	3,877,315	4,277,321	5,346,232	6,085,231
Total business-type activities	4,189,691	6,026,272	4,746,157	4,845,505	4,913,800	4,223,296	5,439,611	6,159,534	7,167,083	7,636,606
Total primary government	\$ 186,899,716	\$ 192,812,935	\$ 196,519,240	\$ 203,383,567	\$ 209,198,807	\$ 216,147,256	\$ 222,171,489	\$ 233,593,604	\$ 240,783,365	\$ 248,252,517
<b>Change in Net Position</b>										
Governmental activities	\$ 14,630,154	\$ 10,803,306	\$ 15,081,591	\$ 21,996,971	\$ 14,081,841	\$ (3,753,623)	\$ 8,222,128	\$ 7,559,325	\$ 5,069,121	\$ (19,921,262)
Business-type activities	1,625,197	2,047,319	1,182,736	213,192	380,169	1,045,353	3,082,070	2,087,815	1,366,504	2,921,484
Total primary government	\$ 16,255,351	\$ 12,850,625	\$ 16,264,327	\$ 22,210,163	\$ 14,462,010	\$ (2,708,270)	\$ 11,304,198	\$ 9,647,140	\$ 6,435,625	\$ (16,999,778)

Data Source:  
 Audited Financial Statements

Notes:  
<sup>(1)</sup> Beginning in FY13, interest, costs and amortization includes the amortization of the investment in Pennichuck Corporation.  
<sup>(2)</sup> FY2012 through FY2020 has been restated to conform with GASB 84

**City of Nashua, New Hampshire**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 226,123	\$ 214,361	\$ 214,361	\$ 191,877	\$ 173,710	\$ 173,710	\$ 488,116	\$ 488,116	\$ 331,942	\$ 331,942
Committed	13,352,749	11,834,058	12,342,869	9,051,500	9,326,543	8,754,406	13,044,794	17,456,560	18,208,407	20,989,808
Assigned	9,738,926	8,907,711	11,009,824	9,677,264	10,523,462	13,444,947	12,157,462	12,876,332	13,814,674	17,187,807
Unassigned	25,940,691	26,570,103	27,350,130	27,729,910	28,021,501	28,338,600	29,110,930	30,039,098	30,698,236	31,693,902
<b>Total General Fund</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>\$ 60,860,106</b>	<b>\$ 63,053,259</b>	<b>\$ 70,203,459</b>
<b>Other Governmental Funds</b>										
Nonspendable	\$ 16,380,114	\$ 16,751,522	\$ 18,477,710	\$ 20,304,610	\$ 19,974,564	\$ 21,522,571	\$ 23,007,283	\$ 23,283,735	\$ 22,192,141	\$ 28,204,130
Restricted	11,785,274	12,327,951	20,633,754	26,041,685	13,510,027	16,651,715	14,322,842	15,706,890	17,531,918	19,119,447
Committed	9,063,280	10,160,993	10,193,612	12,915,004	12,225,319	12,708,583	13,145,852	16,470,657	20,357,777	21,787,918
Unassigned	(947,259)	(224)	(851,798)	(1,304,664)	(1,700,000)	(1,702,414)	(6,551,434)	(7,558,399)	(10,826,914)	(16,057,482)
<b>Total Other Governmental Funds</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>	<b>\$ 47,902,883</b>	<b>\$ 49,254,922</b>	<b>\$ 53,054,013</b>

Data Source:  
Audited Financial Statements

**City of Nashua, New Hampshire**

**Change in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes <sup>(1)</sup>	\$ 164,806,251	\$ 170,395,482	\$ 174,024,893	\$ 178,986,960	\$ 183,027,538	\$ 187,573,167	\$ 194,625,086	\$ 201,892,435	\$ 206,527,685	\$ 216,544,577
Licenses and Permits <sup>(2)</sup>	11,805,705	12,794,538	13,867,699	14,538,140	15,757,256	16,354,790	16,634,864	17,474,925	17,383,793	18,427,299
Penalties, interest and other taxes	1,425,762	1,660,906	1,555,955	1,466,734	1,907,231	1,688,167	1,798,343	2,083,974	1,264,103	1,239,839
Charges for services	7,813,660	5,973,297	6,022,688	5,872,118	6,258,235	6,768,517	6,537,798	6,172,397	5,188,104	2,827,664
Intergovernmental	66,239,007	67,730,460	73,373,088	78,695,688	69,787,963	66,429,861	69,956,923	70,469,165	73,876,206	82,232,641
Interest earnings	1,812,632	2,769,585	4,192,046	254,684	922,649	2,988,313	3,579,260	4,441,193	2,908,224	7,964,284
Contributions	7,068,853	9,323,019	9,364,136	9,471,751	10,247,890	9,583,563	10,197,512	11,564,288	11,189,221	13,587,227
Hydroelectric power generation	-	-	-	-	-	436,813	1,250,101	1,755,223	1,302,615	1,026,971
Cable TV franchise fees	1,145,886	1,202,354	1,216,960	1,302,789	1,555,757	1,486,576	1,430,865	1,344,611	1,332,953	1,298,135
Miscellaneous	990,630	1,240,986	1,282,603	2,067,816	1,687,685	1,124,623	1,181,237	1,857,772	1,336,351	1,820,240
<b>Total revenues</b>	<b>263,108,386</b>	<b>273,090,627</b>	<b>284,900,068</b>	<b>292,656,680</b>	<b>291,152,204</b>	<b>294,434,390</b>	<b>307,191,989</b>	<b>319,055,983</b>	<b>322,309,255</b>	<b>346,968,877</b>
<b>Expenditures by Function</b>										
General Government <sup>(3)</sup>	63,115,094	62,840,355	14,444,055	14,325,858	14,428,240	16,361,566	15,981,751	15,920,715	17,095,864	18,132,764
Public safety	34,474,733	34,242,016	48,920,203	55,413,117	53,494,202	54,789,614	58,552,665	59,263,973	62,659,486	68,488,357
Water supply/hydrants	2,611,535	2,591,814	2,576,767	2,607,342	2,646,887	2,681,492	2,869,869	2,956,563	3,052,774	3,172,524
Education	118,234,670	114,855,962	150,005,656	155,393,270	162,136,297	156,632,041	159,132,186	163,239,626	167,157,715	194,294,603
Public Works	11,822,833	15,807,593	24,212,322	32,002,905	33,627,376	15,182,696	15,659,968	25,016,782	20,987,770	20,438,810
Health and human services	2,595,897	2,601,117	3,191,206	3,300,614	3,402,629	3,192,830	3,082,118	3,346,664	3,572,529	6,950,843
Culture and recreation	5,581,693	5,400,579	6,753,340	6,965,269	7,584,864	8,094,970	7,386,324	7,489,494	7,545,411	7,223,911
Community development	6,607,068	7,610,838	11,429,576	6,976,564	8,549,603	7,649,824	14,761,235	10,483,003	12,348,251	32,056,039
Communications	364,299	1,980,823	1,454,151	3,680,775	1,672,699	1,030,784	638,803	558,299	600,576	767,763
Hydroelectric	-	-	-	-	-	4,032,866	1,138,081	911,961	1,428,555	2,340,880
Debt service										
Principal	12,259,833	16,364,611	16,496,389	16,365,778	16,553,750	15,535,000	14,990,000	15,093,000	15,512,500	16,719,500
Interest	5,796,412	10,308,650	10,209,365	10,450,189	10,393,660	10,211,172	10,182,947	9,756,438	9,791,400	9,759,162
<b>Total expenditures</b>	<b>263,464,067</b>	<b>274,604,358</b>	<b>289,693,030</b>	<b>307,481,681</b>	<b>314,654,230</b>	<b>295,394,855</b>	<b>304,375,947</b>	<b>314,036,518</b>	<b>321,752,831</b>	<b>380,345,156</b>
<b>Excess of revenues</b>										
Over (under) expenditures	(355,681)	(1,513,731)	(4,792,962)	(14,825,001)	(23,502,026)	(960,465)	2,816,042	5,019,465	556,424	(33,376,279)
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds	164,030,000	7,136,000	19,480,000	21,888,749	14,010,500	12,308,000	-	9,650,000	10,242,000	41,828,500
Issuance of refunding bonds	-	-	-	4,760,000	27,164,500	-	-	-	-	1,444,000
Pennichuck acquisition	(150,011,079)	-	-	-	-	-	-	-	-	-
Bond premiums	-	1,054,848	2,068,011	2,488,519	1,369,723	196,000	-	750,000	1,098,000	2,060,487
Bond premiums on refunding bonds	-	-	-	610,993	1,943,902	-	-	-	-	289,231
Payment to refunded escrow agent	-	-	-	(5,386,403)	(29,180,123)	-	-	-	-	(1,733,231)
Issuance of Capital Lease	-	-	-	-	-	-	-	-	-	6,671,814
Transfers in	2,649,793	4,087,955	1,041,003	2,256,555	2,087,353	3,165,805	1,577,295	2,353,383	4,349,359	1,791,422
Transfers out	(6,193,044)	(9,538,495)	(5,192,065)	(6,556,688)	(6,445,889)	(6,872,348)	(5,559,610)	(7,735,704)	(12,700,591)	(8,026,653)
<b>Total other financing sources (uses)</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>(3,982,315)</b>	<b>5,017,679</b>	<b>2,988,768</b>	<b>44,325,570</b>
<b>Net Change in fund balances</b>										
	\$ 10,119,989	\$ 1,226,577	\$ 12,603,987	\$ 5,236,724	\$ (12,552,060)	\$ 7,836,992	\$ (1,166,273)	\$ 10,037,144	\$ 3,545,192	\$ 10,949,291
<b>Debt Service as a percentage of non-capital outlay expenditures</b>										
	7.40%	10.44%	10.20%	10.03%	9.88%	9.46%	8.94%	8.60%	8.51%	8.06%
Data Source: Audited Financial Statements										
Notes:										
<sup>(1)</sup> FY2012 through FY2020 has been restated to conform with GASB 84										
<sup>(2)</sup> Includes Auto Permits.										
<sup>(3)</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.										

## City of Nashua, New Hampshire

### Expenditures and Other Financing Uses by Department and Budget Category, General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenditures and Other Financing Uses by Department</b>										
Financial Services	\$ 2,785,087	\$ 2,767,961	\$ 3,622,100	\$ 3,891,072	\$ 3,711,551	\$ 3,946,503	\$ 4,100,341	\$ 4,331,422	\$ 2,136,425	\$ 2,259,649
Administrative Services	-	-	-	-	-	-	-	-	9,508,908	10,200,332
Information Technology	1,534,232	2,031,718	2,334,058	2,441,848	2,621,375	2,621,174	2,672,404	2,683,646	-	-
General Government <sup>(1)</sup>	54,103,026	54,753,971	7,261,566	7,102,983	7,334,142	7,476,041	7,539,267	8,155,316	3,803,223	3,948,561
Police	17,753,964	17,954,600	26,394,497	29,200,580	28,584,029	29,198,949	30,449,350	31,643,935	32,886,322	34,012,596
Fire	14,148,512	14,312,925	20,534,919	21,920,727	22,180,905	22,810,280	24,279,282	24,580,117	25,055,563	27,927,094
Water Supply/Hydrants	2,611,535	2,591,814	2,576,767	2,607,342	2,646,887	2,681,492	2,869,869	2,956,563	3,052,774	3,172,524
Community Health and Welfare	1,673,763	1,755,105	2,178,171	2,192,487	2,259,909	2,066,913	2,101,913	2,181,326	2,291,083	2,194,939
Street Department	6,891,075	8,556,496	8,262,774	9,985,150	7,828,905	7,331,846	6,612,874	8,659,582	7,686,150	8,863,465
Parks and Recreation	2,767,434	2,862,915	3,373,369	3,681,695	3,592,263	3,821,450	3,844,024	3,721,681	3,746,388	3,776,584
Other Public Works	2,340,871	1,847,306	2,163,812	2,225,745	2,433,332	2,195,594	2,417,542	2,310,700	2,175,140	2,572,579
Community Development Division	1,545,458	1,416,358	1,993,206	2,116,217	2,035,767	2,288,038	2,445,154	2,768,377	2,891,488	3,549,528
Public Libraries	2,320,114	2,195,853	2,959,337	2,914,767	3,030,523	2,975,120	3,102,268	3,184,726	3,215,388	3,159,248
Communications	280,075	425,232	302,102	299,615	300,515	293,524	514,449	479,209	526,413	551,283
Hydroelectric	-	-	-	-	164,023	255,514	727,710	911,961	589,093	502,874
Total City Departments	110,755,146	113,472,254	83,956,678	90,580,228	88,724,126	89,962,438	93,676,447	98,568,561	99,564,358	106,691,256
Education (includes transfers out)	93,475,962	97,637,607	130,325,123	133,844,372	136,164,461	139,291,004	143,866,888	146,757,826	152,439,672	160,025,919
Debt service										
Principal	12,199,833	12,914,611	13,186,389	13,025,778	13,168,934	12,105,000	11,500,000	11,530,000	11,402,500	12,064,500
Interest	5,200,837	4,897,909	4,664,660	4,938,213	4,921,776	4,794,290	4,828,818	4,478,722	4,164,993	3,987,382
Total Debt Service	17,400,670	17,812,520	17,851,049	17,963,991	18,090,710	16,899,290	16,328,818	16,008,722	15,567,493	16,051,882
Transfers Out	4,231,574	6,450,979	4,685,182	5,226,209	5,264,158	4,546,835	4,948,805	6,719,490	9,587,121	7,283,552
Total expenditures (includes transfers out)	\$ 225,863,353	\$ 235,373,360	\$ 236,818,032	\$ 247,614,800	\$ 248,243,455	\$ 250,699,567	\$ 258,820,958	\$ 268,054,599	\$ 277,158,644	\$ 290,052,609
<b>Expenditures as a percentage of total</b>										
City Departments	49.0%	48.2%	35.5%	36.6%	35.7%	35.9%	36.2%	36.8%	35.9%	36.8%
Education	41.4%	41.5%	55.0%	54.1%	54.9%	55.6%	55.6%	54.7%	55.0%	55.2%
Debt service	7.7%	7.6%	7.5%	7.3%	7.3%	6.7%	6.3%	6.0%	5.6%	5.5%
Transfers Out	1.9%	2.7%	2.0%	2.1%	2.1%	1.8%	1.9%	2.5%	3.5%	2.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Expenditure Percentage Change</b>										
City Departments	-3.7%	2.5%	-26.0%	7.9%	-2.0%	1.4%	4.1%	5.2%	1.0%	7.2%
Education	-0.1%	4.5%	33.5%	2.7%	1.7%	2.3%	3.3%	2.0%	3.9%	5.0%
Debt service	0.7%	2.4%	0.2%	0.6%	0.7%	-6.6%	-3.4%	-2.0%	-2.8%	3.1%
Transfers out	-32.8%	52.4%	-27.4%	11.5%	0.7%	-13.6%	8.8%	35.8%	42.7%	-24.0%
Total	-1.8%	4.2%	0.6%	4.6%	0.3%	1.0%	3.2%	3.6%	3.4%	4.7%

Data Source:

Audited internal City of Nashua Financial Statements and Audited Financial Statements

Notes:

<sup>(1)</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.

City of Nashua, New Hampshire

Combined Enterprise Funds Revenue, Expenses, Other Financing Sources and Uses and Change in Total Net Position  
Last Ten Fiscal Years

Fiscal Year	Revenue and Other Financing Sources					Expenses & Other Financing Uses					Increase (Decrease) Total Net Position <sup>(1)</sup>	Contributed Capital	Total Net Position
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total			
2021	\$ 1,514,628	\$ 18,380,137	\$ 339,432	\$ 6,235,231	\$ 26,469,428	\$ 13,625,735	\$ 8,729,023	\$ 1,931,477	\$ 150,000	\$ 24,436,235	\$ 2,033,193	\$ 888,291	\$ 111,882,046
2020	1,379,438	16,988,962	275,469	5,451,232	24,095,101	13,506,364	8,480,197	1,593,703	105,000	23,685,264	834,550	531,954	108,960,562
2019	1,289,177	17,459,020	348,119	4,382,321	23,478,637	12,960,123	7,919,613	1,548,448	105,000	22,533,184	1,496,720	591,095	107,594,058
2018	1,308,208	17,921,082	240,622	3,982,315	23,452,227	12,451,336	7,455,547	1,462,493	105,000	21,474,376	2,226,658	855,412	105,506,243
2017	525,105	15,673,578	234,359	3,706,543	20,139,585	10,992,070	7,314,250	1,534,482	105,000	19,945,802	282,463	762,890	103,184,079
2016	621,536	14,738,388	308,543	4,358,536	20,027,003	10,968,774	7,177,418	1,817,527	105,000	20,068,719	(33,054)	413,223	102,138,726
2015	540,023	14,284,435	325,716	4,355,133	19,505,307	11,396,186	6,707,836	1,593,515	-	19,752,537	(3,132,039)	460,422	101,758,557
2014	581,824	13,246,142	251,071	4,149,363	18,228,400	10,243,280	6,211,677	1,116,880	-	17,571,837	656,563	526,173	104,430,174
2013	618,567	12,732,254	242,650	5,385,555	18,979,026	10,134,405	6,258,987	1,234,571	-	17,627,963	1,351,063	696,256	103,247,438
2012	809,505	12,343,860	268,190	3,543,251	16,964,806	9,112,439	5,846,516	1,436,589	-	16,395,544	569,262	1,055,935	101,200,119

Wastewater Fund Revenue, Expenses, Other Financing Sources and Uses and Change in Net Position  
Last Ten Fiscal Years

Fiscal Year	Revenue and Other Financing Sources					Expenses & Other Financing Uses					Increase (Decrease) Total Net Position <sup>(1)</sup>	Contributed Capital	Total Net Position
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total			
2021	\$ 1,364,985	\$ 14,240,003	\$ 32,273	\$ -	\$ 15,637,261	\$ 7,702,571	\$ 6,461,810	\$ 1,424,399	\$ 150,000	\$ 15,738,780	\$ (101,519)	\$ 888,291	\$ 104,273,012
2020	1,227,200	13,013,975	1,735	-	14,242,910	7,170,987	6,273,727	1,294,236	105,000	14,843,950	(425,040)	531,954	103,486,240
2019	1,134,345	13,378,596	5,424	-	14,518,365	7,921,117	5,940,135	1,322,510	105,000	15,288,762	(473,280)	591,095	103,379,326
2018	1,115,199	13,394,083	-	-	14,509,282	7,385,978	5,648,557	1,236,617	105,000	14,376,152	298,550	855,412	103,261,511
2017	328,393	12,374,250	3,446	-	12,706,089	6,343,217	5,520,774	1,294,565	105,000	13,263,556	(492,319)	762,890	102,563,067
2016	421,121	11,562,724	69,000	-	12,052,845	6,497,886	5,404,702	1,552,114	105,000	13,559,702	(1,485,797)	413,223	102,292,496
2015	331,785	11,727,364	80,843	-	12,139,992	6,701,574	4,993,740	1,235,881	55,000	12,986,195	(2,468,908)	460,422	103,365,070
2014	373,201	10,849,064	4,112	-	11,226,377	6,300,878	4,468,223	778,939	-	11,548,040	(321,663)	526,173	105,373,556
2013	190,843	10,197,610	14,089	-	10,402,542	5,734,690	4,562,988	599,863	-	10,897,541	(494,999)	677,133	105,169,046
2012	199,169	10,161,716	31,258	-	10,392,143	5,697,549	4,401,079	741,966	-	10,840,594	(448,451)	930,935	104,986,912

Solid Waste Fund Revenue, Expenditures, Other Financing Sources and Uses and Change in Net Position  
Last Ten Fiscal Years

Fiscal Year	Revenue and Other Financing Sources					Expenses & Other Financing Uses					Increase (Decrease) Total Net Position <sup>(1)</sup>	Contributed Capital	Total Net Position
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total			
2021	\$ 149,643	\$ 4,140,134	\$ 307,159	\$ 6,235,231	\$ 10,832,167	\$ 5,923,164	\$ 2,267,213	\$ 507,078	\$ -	\$ 8,697,455	\$ 2,134,712	\$ -	\$ 7,609,034
2020	152,238	3,974,987	273,734	5,451,232	9,852,191	6,335,377	2,206,470	299,467	-	8,841,314	1,259,590	-	5,474,322
2019	154,832	4,080,424	342,695	4,382,321	9,060,272	5,039,006	1,979,478	225,938	-	7,244,422	1,970,000	-	4,214,732
2018	193,009	4,526,999	240,622	3,982,315	8,942,945	5,065,358	1,806,990	225,876	-	7,098,224	1,928,108	-	2,244,732
2017	196,712	3,299,328	230,913	3,706,543	7,433,496	4,648,853	1,793,476	239,917	-	6,682,246	774,782	-	621,012
2016	200,415	3,175,664	239,543	4,358,536	7,974,158	4,470,888	1,772,716	265,413	-	6,509,017	1,452,743	-	(153,770)
2015	208,238	2,557,071	244,873	4,355,133	7,365,315	4,694,612	1,714,096	357,634	-	6,766,342	(663,131)	-	(1,606,513)
2014	208,623	2,397,078	246,959	4,149,363	7,002,023	3,942,402	1,743,454	337,941	-	6,023,797	978,226	-	(943,382)
2013	427,724	2,534,644	228,561	5,385,555	8,576,484	4,399,715	1,695,999	634,708	-	6,730,422	1,846,062	19,123	(1,921,608)
2012	610,336	2,182,144	236,932	3,543,251	6,572,663	3,414,890	1,445,437	694,623	-	5,554,950	1,017,713	125,000	(3,786,793)

Data Source:  
Audited Financial Statements

Notes:

<sup>(1)</sup> Due to the implementation of GASB 68, the restatement of Net Position is not applied to FY2014, but rather to the Total Net Position Increase/(Decrease) in FY2015.



## City of Nashua, New Hampshire

### General Government Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	(1)	Property Taxes	Current Use Penalties	Yield Tax	Railroad Tax	Payment in Lieu of Tax	Excavation Tax	Tax Interest & Penalties	Total
2021		\$ 216,542,984	\$ -	\$ 1,593	\$ -	\$ 547,314	\$ -	\$ 692,525	\$ 217,784,416
2020		206,525,732	-	1,953	4,993	154,936	-	875,617	207,563,231
2019		201,891,508	800	127	3,913	377,032	-	1,298,627	203,572,007
2018		194,621,947	-	3,139	5,523	368,657	93	1,047,557	196,046,916
2017		187,371,445	200,000	1,722	-	365,141	-	905,001	188,843,309
2016		183,015,217	8,960	3,361	7,449	332,982	-	1,190,420	184,558,389
2015		178,735,290	251,000	670	3,500	325,289	-	774,951	180,090,700
2014		173,971,772	48,000	5,121	6,409	234,523	-	914,147	175,179,972
2013		170,032,720	372,500	2,032	407	429,355	-	836,626	171,673,640
2012		164,856,927	770	4,651	4,096	119,273	389	843,508	165,829,613

Data Source:

Audited Internal Financial Statements

Excludes Hillsborough County property taxes to conform with GASB84

(1) FY2012 through FY2020 restated to conform with GASB 84

## City of Nashua, New Hampshire

### Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Levy Year	Total Property Tax Levy	Collected within Fiscal Year of Levy	Percent of Levy Collected	Balance at Fiscal Year End of Levy Year	Collected in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Number of Parcels		
										in Levy	Liened	% Liened
2021	2020	\$ 232,514,446	\$ 230,168,271	99.0%	\$ 2,346,175	\$ -	\$ 230,168,271	99.0%	\$ 2,346,175	28,458	507	1.8%
2020	2019	221,632,964	219,129,102	98.9%	2,503,862	1,000,996	220,130,098	99.3%	1,502,866	28,379	608	2.1%
2019	2018	216,415,678	214,997,609	99.3%	1,418,069	791,030	215,788,639	99.7%	627,039	28,303	544	1.9%
2018	2017	208,199,062	206,703,848	99.3%	1,495,214	988,969	207,692,817	99.8%	506,245	27,893	555	2.0%
2017	2016	201,217,434	199,367,801	99.1%	1,849,633	1,417,787	200,785,588	99.8%	431,846	28,276	578	2.0%
2016	2015	196,246,981	194,644,255	99.2%	1,602,726	1,234,162	195,878,417	99.8%	368,564	28,226	629	2.2%
2015	2014	190,747,374	188,934,924	99.0%	1,812,450	1,524,872	190,459,796	99.8%	287,578	28,173	632	2.2%
2014	2013	185,563,420	183,811,843	99.1%	1,751,577	1,524,863	185,336,706	99.9%	226,714	28,082	640	2.3%
2013	2012	181,191,086	179,006,138	98.8%	2,184,948	1,998,074	181,004,212	99.9%	186,874	28,072	601	2.1%
2012	2011	180,052,101	177,874,377	98.8%	2,177,724	2,032,362	179,906,739	99.9%	145,362	28,010	685	2.4%

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Notes:

Once a lien is executed a taxpayer has 2 years and 1 day to redeem the taxes before a deed may be executed.

City of Nashua, New Hampshire

Assessed and Estimated Full Value of Real Property  
Last Ten Fiscal Years

Fiscal Year	Local Assessed Value <sup>(1)</sup>				Less Exemptions to Assessed Value <sup>(1)</sup>	Total Taxable Assessed Value <sup>(1)</sup>	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value <sup>(2)</sup>	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities	Total Assessed Value					
2021	\$ 6,779,840,162	\$ 3,371,370,817	\$ 394,203,000	\$ 10,545,413,979	\$ 162,185,226	\$ 10,383,228,753	\$ 21.45	\$ 12,642,325,712	83.4 %
2020	6,736,797,001	3,384,434,426	335,047,600	10,456,279,027	173,473,666	10,282,805,361	20.61	11,880,404,376	88.0
2019	6,710,042,204	3,353,611,930	396,915,688	10,460,569,822	151,131,343	10,309,438,479	20.04	10,982,386,438	95.2
2018	5,325,000,474	2,683,933,180	278,113,204	8,287,046,858	138,569,243	8,148,477,615	24.34	10,483,845,142	79.0
2017	5,293,016,454	2,674,969,959	278,114,700	8,246,101,113	135,463,827	8,110,637,286	23.65	9,622,829,137	85.7
2016	5,256,667,912	2,680,620,863	276,340,700	8,213,629,475	126,697,477	8,086,931,998	23.17	9,162,709,894	89.6
2015	5,232,018,998	2,650,084,562	267,676,980	8,149,780,540	129,962,577	8,019,817,963	22.76	8,684,907,808	93.8
2014	5,203,931,164	2,655,590,811	263,764,280	8,123,286,255	134,185,527	7,989,100,728	22.28	8,386,760,928	96.9
2013	5,737,764,215	2,647,698,426	259,493,680	8,644,956,321	147,079,600	8,497,876,721	20.38	7,949,863,821	108.7
2012	5,724,498,363	2,665,435,268	247,580,080	8,637,513,711	139,825,150	8,497,688,561	19.84	8,248,187,902	104.7

## City of Nashua, New Hampshire

### Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2021		Percentage of		Fiscal Year 2012		Percentage of	
		Assessed Value	Rank	Total Assessed Value	%	Assessed Value	Rank	Total Assessed Value	%
Pheasant Lane Realty Trust	Shopping Mall	\$ 148,056,400	1	1.43	%	\$ 144,717,704	1	1.70	%
Public Service Co of NH	Utility	128,585,600	2	1.24		91,891,500	3	1.08	
Energy North Natural Gas d/b/a Liberty Utilities	Utility	128,484,700	3	1.24		52,307,700	5	0.62	
Flatley, John J Company	Office/Land/Apts/Retail	123,255,900	4	1.19		39,182,400	7	0.46	
Aimco Royal Crest-Nashua LLC	Apartment Complex	118,500,000	5	1.14		81,595,500	4	0.96	
Pennichuck Water Works Inc	Water Distributor	107,064,900	6	1.03		97,597,700	2	1.15	
St. Joseph Hospital and Trauma Center	Hospital	73,456,200	7	0.71		-		-	
Southern New Hampshire Hospital	Hospital	65,103,500	8	0.63		-		-	
BAE Systems Info & Elec System	Electronics Manufacturer	55,892,500	9	0.54		43,073,700	6	0.51	
DSM MB I LLC	Real Estate/Grocers	55,336,900	10	0.53		-		-	
Nashua Oxford-Bay Associates	Real Estate	-		-		38,804,700	8	0.46	
John J Flatley	Real Estate	-		-		33,834,000	10	0.40	
OCW Retail-Nashua LLC	Real Estate Investment Co.	-		-		34,908,600	9	0.41	
Total Principal Taxpayers		1,003,736,600		8.24	%	657,913,504		6.04	%
Total Net Assessed Taxable Value		<u>\$ 10,383,228,753</u>				<u>\$ 8,497,688,561</u>			

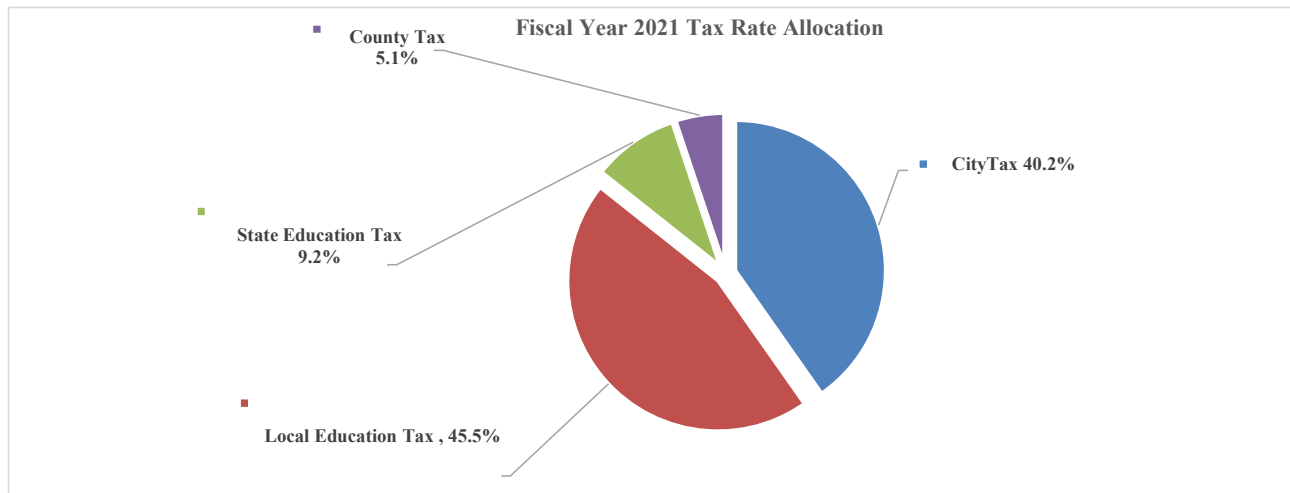
Data Source:  
City of Nashua Assessing Records and State MS-1 Report

## City of Nashua, New Hampshire

### Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates					Overlapping Rate		Estimated Full Value Rate
	City	Local School	State School	Total School	Total Direct	County	Total	
2021	\$ 9.10	\$ 10.27	\$ 2.08	\$ 12.35	\$ 21.45	\$ 1.16	\$ 22.61	\$ 18.40
2020	8.68	9.80	2.13	11.93	20.61	1.15	21.76	18.69
2019	8.31	9.67	2.06	11.73	20.04	1.17	21.21	19.76
2018	9.92	11.85	2.57	14.42	24.34	1.45	25.79	19.98
2017	9.75	11.36	2.54	13.90	23.65	1.42	25.07	21.06
2016	9.52	11.11	2.54	13.65	23.17	1.36	24.53	21.57
2015	9.28	11.00	2.48	13.48	22.76	1.29	24.05	22.13
2014	9.01	10.72	2.55	13.27	22.28	1.22	23.50	22.31
2013	8.56	9.39	2.43	11.82	20.38	1.11	21.49	22.89
2012	8.30	9.16	2.38	11.54	19.84	1.13	20.97	21.53

Data Source:  
NH State Department of Revenue Administration



## City of Nashua, New Hampshire

### Nashua's Share of the Hillsborough County Tax Apportionment

#### Last Ten Fiscal Years

(based on percentage of equalized value)

Total Equalized Values				Apportionment of County Tax Levy					
Fiscal Year	Nashua	County	Nashua's %	Fiscal Year	County Tax Levy	Nashua's Share %	Nashua's Share \$	Nashua's Share \$ Change	Nashua's Share % Change
2021	\$ 10,543,704,419	\$ 47,317,539,672	22.283 %	2021	\$ 53,921,321	22.24%	\$ 11,993,150	\$ 182,996	0.02 %
2020	11,880,404,376	53,414,410,320	22.242	2020	53,414,410	22.11%	11,810,154	(224,424)	(0.02)
2019	10,982,386,438	50,142,003,784	21.903	2019	53,921,321	22.32%	12,034,578	213,783	0.02
2018	10,483,845,142	46,973,213,021	22.319	2018	54,113,661	21.84%	11,820,795	343,005	0.03
2017	9,622,829,137	44,051,733,277	21.844	2017	53,086,847	21.62%	11,477,790	457,573	0.04
2016	9,162,709,894	42,379,187,890	21.621	2016	51,063,836	21.58%	11,020,217	637,166	0.06
2015	8,684,907,808	40,242,829,534	21.581	2015	48,074,150	21.60%	10,383,051	619,156	0.06
2014	8,386,760,928	38,831,207,211	21.598	2014	46,213,110	21.13%	9,763,895	343,708	0.04
2013	7,949,863,821	37,627,191,420	21.128	2013	44,109,420	21.36%	9,420,187	(149,119)	(0.02)
2012	8,248,187,902	38,621,608,517	21.356	2012	44,109,421	21.69%	9,569,306	152,683	0.02

Data Source:

NH Department of Revenue Administration

City of Nashua, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits  
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Issued Debt at June 30</b>										
<b>Governmental Activities:</b>										
City Departments (includes unamortized bond premiums)	\$ 33,709,247	\$ 35,856,708	\$ 50,161,880	\$ 60,724,460	\$ 59,909,512	\$ 68,195,428	\$ 64,544,913	\$ 62,492,184	\$ 62,523,952	\$ 87,830,337
School Department (includes unamortized bond premiums)	88,662,534	81,345,462	74,986,901	75,220,291	76,753,489	67,054,955	58,464,492	51,281,483	43,311,060	41,529,060
School Capital Lease	45,339	23,083	-	-	537,962	445,937	361,658	275,066	185,928	6,765,999
Pennichuck Acquisition	150,570,000	147,180,000	143,930,000	140,650,000	137,330,000	133,960,000	130,530,000	127,025,000	123,435,000	119,745,000
Citywide Paving Programs	-	-	-	-	-	-	-	7,329,258	13,897,285	19,793,489
<b>Total Governmental Activities</b>	<b>272,987,120</b>	<b>264,405,253</b>	<b>269,078,781</b>	<b>276,594,751</b>	<b>274,530,963</b>	<b>269,656,320</b>	<b>253,901,063</b>	<b>248,402,992</b>	<b>243,353,225</b>	<b>275,663,885</b>
<b>Business Type Activities:</b>										
Solid Waste Fund	18,808,268	17,017,759	15,061,012	14,034,083	12,218,460	11,398,186	9,527,912	10,395,007	15,548,919	14,253,335
Wastewater Fund (includes unamortized bond premiums)	18,168,324	30,087,099	42,397,151	44,190,049	55,196,158	51,472,186	47,748,212	49,882,335	51,009,409	47,423,197
<b>Total Business-Type Activities</b>	<b>36,976,592</b>	<b>47,104,858</b>	<b>57,458,163</b>	<b>58,224,132</b>	<b>67,414,618</b>	<b>62,870,372</b>	<b>57,276,124</b>	<b>60,277,342</b>	<b>66,558,328</b>	<b>61,676,532</b>
<b>Total Issued Debt at June 30</b>	<b>309,963,712</b>	<b>311,510,111</b>	<b>326,536,944</b>	<b>334,818,883</b>	<b>341,945,581</b>	<b>332,526,692</b>	<b>311,177,187</b>	<b>308,680,334</b>	<b>309,911,553</b>	<b>337,340,417</b>
<b>Authorized Unissued Debt at June 30</b>										
City Depts	61,945,000	35,725,700	42,985,700	30,875,450	28,540,800	53,732,800	69,232,800	71,674,800	71,612,800	46,055,400
School Dept	2,000,000	2,637,200	9,342,450	13,153,950	119,000	1,319,000	1,319,000	567,000	118,187,000	124,589,200
Solid Waste Fund	-	-	-	70,750	1,000,000	18,000	2,593,000	7,441,000	2,676,000	3,837,500
Wastewater Fund	52,117,453	41,487,428	31,364,489	39,064,412	28,590,798	28,590,798	36,290,798	35,390,486	33,327,486	31,153,950
Pennichuck Acquisition	69,430,000	69,430,000	69,430,000	69,430,000	-	-	-	-	-	-
<b>Total Authorized Unissued Debt</b>	<b>185,492,453</b>	<b>149,280,328</b>	<b>153,122,639</b>	<b>152,594,562</b>	<b>58,250,598</b>	<b>83,660,598</b>	<b>109,435,598</b>	<b>115,073,286</b>	<b>225,803,286</b>	<b>205,636,050</b>
<b>Total Debt at June 30</b>	<b>\$ 495,456,165</b>	<b>\$ 460,790,439</b>	<b>\$ 479,659,583</b>	<b>\$ 487,413,445</b>	<b>\$ 400,196,179</b>	<b>\$ 416,187,290</b>	<b>\$ 420,612,785</b>	<b>\$ 423,753,620</b>	<b>\$ 535,714,839</b>	<b>\$ 542,976,467</b>
<b>Base Value for Debt Limits <sup>(1)</sup></b>	<b>\$ 8,247,999,918</b>	<b>\$ 7,947,891,505</b>	<b>\$ 8,377,389,979</b>	<b>\$ 8,675,523,269</b>	<b>\$ 9,152,672,919</b>	<b>\$ 9,612,119,743</b>	<b>\$ 10,472,564,508</b>	<b>\$ 10,970,554,041</b>	<b>\$ 11,880,200,037</b>	<b>\$ 12,642,325,712</b>
<b>Legal Debt Limits (% of Base Value)</b>										
City - 2% <sup>(2)</sup>	164,959,998	158,957,830	167,547,800	173,510,465	183,053,458	192,242,395	209,451,290	219,411,081	237,604,001	252,846,514
School - 6% <sup>(2)</sup>	494,879,995	476,873,490	502,643,399	520,531,396	549,160,375	576,727,185	628,353,870	658,233,242	712,812,002	758,539,543
<b>Debt Against Legal Debt Limits</b>										
City Depts.	95,654,247	71,582,408	93,147,580	91,599,910	88,450,312	121,928,228	133,777,713	141,496,243	148,034,037	153,679,226
School Dept.	90,662,534	83,982,662	84,329,351	88,374,241	76,872,489	68,373,955	59,783,492	51,848,483	161,498,060	166,118,260
<b>Exempt from Legal Debt Limits</b>	<b>309,139,384</b>	<b>305,225,369</b>	<b>302,182,652</b>	<b>307,439,294</b>	<b>234,873,378</b>	<b>225,885,107</b>	<b>227,051,580</b>	<b>230,408,894</b>	<b>226,182,742</b>	<b>223,178,981</b>
<b>Total Debt at June 30</b>	<b>\$ 495,456,165</b>	<b>\$ 460,790,439</b>	<b>\$ 479,659,583</b>	<b>\$ 487,413,445</b>	<b>\$ 400,196,179</b>	<b>\$ 416,187,290</b>	<b>\$ 420,612,785</b>	<b>\$ 423,753,620</b>	<b>\$ 535,714,839</b>	<b>\$ 542,976,467</b>
<b>Unused Capacity of Legal Debt Limits</b>										
City Depts.	\$ 69,305,751	\$ 87,375,422	\$ 74,400,220	\$ 81,910,556	\$ 94,603,146	\$ 70,314,167	\$ 75,673,577	\$ 77,914,838	\$ 89,569,963	\$ 99,167,289
School Dept.	404,217,461	392,890,828	418,314,047	432,157,155	472,287,887	508,353,230	568,570,379	606,384,759	551,313,943	592,421,282
<b>% of Legal Debt Limits Used</b>										
City Depts.	58.0%	45.0%	55.6%	52.8%	48.3%	63.4%	63.9%	64.5%	62.3%	60.8%
School Dept.	18.3%	17.6%	16.8%	17.0%	14.0%	11.9%	9.5%	7.9%	22.7%	21.9%

Data Source:  
Audited Financial Statements  
N.H. Department of Revenue Administration

Notes:

- <sup>(1)</sup> Base Value for Debt Limits computed by the NH Department of Revenue Administration.
- <sup>(2)</sup> The City has imposed more restrictive limits (2% City; 6% School) than state statute allows (3% City; 7% School).

# City of Nashua, New Hampshire

## Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

### Governmental Activities - General Obligation Debt

Fiscal Year	City Departments	School Department	Pennichuck Acquisition	Citywide Paving Program	Total	Debt per Capita	% of Debt to Personal Income
2021	\$ 87,830,337	\$ 41,529,060	\$ 119,745,000	\$ 19,793,489	\$ 268,897,886	\$ 2,945	7.3%
2020	62,523,952	43,311,060	123,435,000	13,897,285	243,167,297	2,736	6.7%
2019	62,492,184	51,281,483	119,745,000	7,329,258	240,847,926	2,715	6.4%
2018	64,544,913	58,464,492	130,530,000		253,539,405	2,876	7.7%
2017	68,195,428	67,054,955	133,960,000		269,210,383	3,074	9.0%
2016	59,909,512	76,753,489	137,330,000		273,993,001	3,130	9.1%
2015	60,724,460	75,220,291	140,650,000		276,594,751	3,178	9.3%
2014	50,161,880	74,986,901	143,930,000		269,078,781	3,101	10.2%
2013	35,856,708	81,345,462	147,180,000		264,382,170	3,067	9.5%
2012	33,709,247	88,662,534	150,570,000		272,941,781	3,160	10.2%

### Business-Type Activities - General Obligation Debt and State Revolving Loan Funds

Fiscal Year	Solid Waste Fund	Wastewater Fund	Total	Debt per Capita	% of Debt to Personal Income
2021	\$ 14,253,335	\$ 47,423,197	\$ 61,676,532	\$ 675	1.7%
2020	15,548,921	51,009,413	66,558,334	749	1.8%
2019	10,395,007	49,882,335	60,277,342	680	1.6%
2018	9,527,912	47,748,212	57,276,124	650	1.7%
2017	11,398,186	51,472,186	62,870,372	718	2.1%
2016	12,218,460	55,196,158	67,414,618	770	2.2%
2015	14,034,083	44,190,049	58,224,132	669	2.0%
2014	15,061,012	42,397,151	57,458,163	662	2.2%
2013	17,017,759	30,087,099	47,104,858	546	1.7%
2012	18,808,268	18,168,324	36,976,592	428	1.4%

Fiscal Year	Total Debt Primary Government	Debt per Capita	% of Debt to Personal Income
2021	\$ 330,574,418	\$ 3,620	9.0%
2020	309,725,631	3,485	8.5%
2019	301,125,268	3,395	8.0%
2018	310,815,529	3,526	9.4%
2017	332,080,755	3,791	11.1%
2016	341,407,619	3,900	11.3%
2015	334,818,883	3,847	11.2%
2014	326,536,944	3,763	12.4%
2013	311,487,028	3,613	11.1%
2012	309,918,373	3,588	11.6%

Data Source:  
Audited Financial Statements  
U.S. Census Bureau



**City of Nashua, New Hampshire**

**Computation of Overlapping Debt  
Hillsborough County Long Term Debt  
Last Ten Fiscal Years**

<b>End of Fiscal Year</b>	<b>Net General Obligation Debt Outstanding<sup>(1)</sup></b>	<b>Percentage Applicable to Government<sup>(2)</sup></b>	<b>Amount Applicable to Government</b>
2021	-	22.242%	-
2020	-	22.110%	-
2019	-	22.319%	-
2018	-	21.844%	-
2017	-	21.621%	-
2016	-	21.581%	-
2015	-	21.598%	-
2014	-	21.128%	-
2013	-	21.356%	-
2012	-	21.694%	-

Data Sources:

<sup>(1)</sup> Hillsborough County Audited Financial Statements at fiscal year end including interest, does not include leases.

<sup>(2)</sup> NH Department of Revenue Administration.

## City of Nashua, New Hampshire

### Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population <sup>(1)</sup>	Median Family Income <sup>(2)</sup>	Personal Income	Per Capita Income <sup>(2)</sup>	City <sup>(3)</sup>		Unemployment Rates		
					Unemployed	Labor Force	City <sup>(3)</sup>	State of NH <sup>(3)</sup>	US <sup>(3)</sup>
2021	91,322	\$ 95,241	\$ 3,663,016,742	\$ 40,111	4,090	51,100	8.0 %	6.7 %	8.1 %
2020	88,872	95,241	3,644,285,232	41,006	1,510	51,280	3.0	2.5	3.7
2019	88,706	92,839	3,781,802,898	42,633	1,470	50,300	2.9	2.5	3.9
2018	88,143	87,393	3,309,240,792	37,544	1,620	49,670	3.3	2.7	4.4
2017	87,590	81,820	3,003,548,690	34,291	1,650	49,480	3.3	2.7	4.9
2016	87,551	80,813	3,015,694,195	34,445	1,950	48,660	4.0	3.4	5.3
2015	87,029	77,923	2,981,613,540	34,260	2,470	48,850	5.1	4.3	6.2
2014	86,766	77,441	2,639,074,656	30,416	2,950	50,140	5.9	5.3	7.4
2013	86,211	81,905	2,794,184,721	32,411	3,030	50,030	6.1	5.5	8.1
2012	86,366	76,612	2,671,904,942	30,937	3,040	49,370	6.1	5.5	8.9

#### Data Sources:

<sup>(1)</sup> Population Estimates - New Hampshire Office of Energy and Planning (calendar year data), <http://www.nh.gov/oep/data-center/population-estimates.htm>

<sup>(2)</sup> U.S. Census Bureau, American Community Survey (calendar year data), DP03, 1-year

estimates, [https://data.census.gov/cedsci/table?q=dp03%20nashua%20city,%20new%20hampshire&lastDisplayedRow=29&table=DP03&tid=ACSDP1Y2018.DP03&g=1600000US3350260&vintage=2018&layer=state&cid=DP03\\_0001E](https://data.census.gov/cedsci/table?q=dp03%20nashua%20city,%20new%20hampshire&lastDisplayedRow=29&table=DP03&tid=ACSDP1Y2018.DP03&g=1600000US3350260&vintage=2018&layer=state&cid=DP03_0001E)

<sup>(3)</sup> New Hampshire Employment Security, Economic & Labor Market Information Bureau (calendar year data), [www.nhes.nh.gov/elmi/statistics/laus-arch.htm](http://www.nhes.nh.gov/elmi/statistics/laus-arch.htm)

## City of Nashua, New Hampshire

### Principal Employers Current Year and Nine Years Ago

Employer	Type of Business	2021			2012		
		Employee	Rank	Percentage of Total City Employment	Employee	Rank	Percentage of Total City Employment
BAE Systems <sup>(1)</sup>	Aerospace/Electronics	3,700	1	7.24 %	2,860	1	5.79 %
Southern New Hampshire Medical Center	Hospital	2,236	2	4.38	1,782	2	3.61
Nashua School District	Schools	1,751	3	3.43	1,599	4	3.24
St. Joseph Hospital and Trauma Center <sup>(2)</sup>	Hospital	1,500	4	2.94	1,777	3	3.60
City of Nashua	City Government	819	5	1.60	777	5	1.57
Oracle Corporation	Software	758	6	1.48	571	7	1.16
US Post Office	Postal Service	667	7	1.31	468	9	0.95
Federal Aviation Administration	Air Traffic Control	461	8	0.90	600	6	1.22
Amphenol <sup>(3)</sup>	Backplane Connection Systems	290	9	0.57	536	8	1.09
Benchmark Electronics	Hi-tech manufacturing	207	10	0.41	342	10	0.69
Total Principal Employers		12,389		24.24 %	11,312		22.91 %
Total City Employment		51,100			49,370		

Data Source:  
Various Human Resources Departments

- Notes:
- (1) Previously identified as Sanders, a Lockheed Martin Company.
  - (2) Totals previously included Per Diem employees.
  - (3) Previously identified as Teradyne Connection Systems Inc. (TER).

## City of Nashua, New Hampshire

### Operating Indicators by Function Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Finance										
Taxable property parcels assessed	28,010	28,072	28,082	28,173	28,226	28,273	27,893	28,303	28,453	28,455
Property transfers processed <sup>(1)</sup>	1,943	2,192	2,310	2,288	2,615	2,659	2,662	2,706	2,572	2,656
Motor vehicles registered	87,575	87,932	89,364	90,924	94,839	93,861	93,818	95,250	93,606	97,608
Parking violations	21,799	20,899	22,205	19,547	23,503	22,165	17,029	20,807	20,027	16,911
Planning - Inspection Division										
Building inspections	6,329	6,442	7,571	8,362	9,171	9,320	8,732	8,929	7,175	6,081
Estimated construction value in millions	61	98	112	88	89	88	89	95	67	146
Police <sup>(2)</sup>										
Physical arrests	4,731	4,616	4,511	4,476	4,414	4,555	4,189	4,075	4,213	2,954
Traffic violations	35,518	31,596	31,616	28,430	25,087	20,302	20,221	24,609	21,889	12,040
Fire and Rescue										
Calls answered <sup>(3)</sup>	29,599	29,296	30,422	30,061	30,903	32,948	36,838	34,018	46,814	53,063
Emergency responses	5,914	6,052	5,985	8,927	9,592	11,131	13,985	12,305	10,064	9,633
Fires extinguished	778	934	1,121	1,983	1,834	1,879	223	227	261	285
Number of inspections conducted	1,848	2,050	2,103	1,556	1,753	1,841	2,115	1,856	889	2,076
Emergency medical responses	5,100	5,079	5,338	4,186	5,172	7,656	8,399	7,270	5,754	5,421
Public Works										
Refuse collected (tons) <sup>(4)</sup>	50,456	52,440	52,098	51,230	54,193	59,500	63,032	62,247	61,426	64,566
Recycling (tons) <sup>(5)</sup>	12,578	12,122	12,103	12,375	13,442	14,137	13,835	12,709	12,985	12,868
Streets resurfaced (miles)	9.9	7.7	4.5	7.8	8.22	7.6	26	26.2	25	21
Potholes repaired	853	945	1,310	1,151	1,060	1,125	4,295	1,294	1,610	1,138
Wastewater System										
Daily average treatment (millions of gallons)	11.2	10.8	10.5	10.9	10.9	11	11	13	11	11
Public Library										
Items in collection	254,104	243,281	230,321	201,678	193,933	181,822	176,348	175,270	145,661	123,004
Items circulated	709,322	640,353	599,881	519,346	523,246	463,561	424,227	429,250	312,663	314,598
Public Health-Environmental Health										
Food service establishment inspections <sup>(6)</sup>	1,395	1,732	1,692	1,145	1,494	1,712	1,307	1,434	1,105	180
Residential inspections	248	115	390	363	78	233	19	24	40	21
Pools/spas sampled	81	108	84	46	166	102	120	105	228	0
Public Health-Welfare/Assistance										
General assistance	602,989	620,190	605,677	559,665	538,730	490,248	414,325	459,702	429,110	359,279
Number of contacts	10,146	9,181	8,490	8,115	9,259	8,603	7,410	7,787	6,681	9,016
Applicants	1,857	1,695	1,540	1,371	1,094	924	788	902	741	607
Interviews	3,111	2,888	2,673	2,362	1,990	1,500	1,592	1,526	1,333	913
Assisted cases	1,996	1,868	1,641	1,385	1,215	1,012	863	870	894	539
Public Health-Community Health/Clinic Services										
Childhood immunizations	1,971	2,116	1,741	1,900	1,820	1,782	1,602	1,412	1,078	2,050
Adult influenza vaccinations	768	1,370	1,523	978	1,045	1,144	1,050	1,274	973	1,064
Outreach clients	133	182	182	262	605	621	627	464	2,772	2,148
Clinic counseling and testing	101	58	112	312	532	467	537	374	422	200

Data Source:  
Various city departments

Notes:

- <sup>(1)</sup> Based on prior calendar year(Tax year) per the City of Nashua, Assessing Department.
- <sup>(2)</sup> Police data for physical arrests and traffic violations is based on the previous calendar year.
- <sup>(3)</sup> In FY2016, Nashua Fire Rescue restated all prior year numbers to include all calls for service. Prior CAFR's counted only "red light" incidents.
- <sup>(4)</sup> Refuse consists of residential, commercial, and industrial municipal solid waste (MSW) by calendar year
- <sup>(5)</sup> Recycling consists of mixed paper, mixed containers, scrap metal, soft yard waste, auto tires and batteries by calendar year.
- <sup>(6)</sup> Public Health Environmental Health decrease in food establishment inspections is COVID related, based on shutdowns and reallocation of staff resources.

# City of Nashua, New Hampshire

## Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	25	25	25	25	25	27	27	27	27	28
Fire and Rescue										
Number of stations	7	7	7	7	7	7	7	7	7	7
Number of ladder trucks	4	4	4	4	4	4	4	4	4	5
Number of pumpers	8	8	8	8	8	8	8	8	8	8
Number of support vehicles	25	25	25	25	25	25	25	25	23	23
Public Works										
Miles of streets	344	344	344	344	344	344	344	344	344	344
Miles of storm drains	135	135	135	135	135	135	135	135	135	135
Number of traffic lights	92	92	91	94	94	94	94	94	94	94
Number of bridges	19	19	19	19	22	22	22	22	22	22
Culture and Recreation										
Number of Parks	53	53	53	53	53	53	53	53	53	53
Park acreage	932	932	932	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Playgrounds	25	25	25	25	26	27	27	27	27	27
Baseball fields	27	27	27	27	27	27	27	27	27	27
Softball fields	12	12	12	12	12	12	11	11	11	11
Football fields	3	1	1	2	2	2	2	2	2	2
Soccer fields	14	14	14	14	14	14	16	16	16	16
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	17	17	17	15	14	14	13	13	13	11
Pickle Ball courts							4	4	4	10
Sewage System										
Miles of sanitary sewers	286	286	286	286	286	286	286	286	286	286
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	23,107	23,117	23,246	23,311	23,355	23,430	23,492	23,564	23,577	24,143
Average Daily Flow (MGD)	11	11	11	11	11	11	11	12.6	11	11
Maximum daily capacity of treatment (MGD) dry weather	16	16	16	16	16	16	16	16	50	50
Maximum daily capacity of treatment (MGD) wet weather	110	110	110	110	110	110	110	110	110	110
Education										
Elementary School Buildings	12	12	12	12	12	12	12	12	12	12
Middle School Buildings	3	3	3	3	3	3	3	3	3	3
High School Buildings	2	2	2	2	2	2	2	2	2	2

Data Source:

Various city departments

**City of Nashua, New Hampshire**

**City Government Employees by Division - Full Time Equivalents**  
Last Ten Fiscal Years

Division	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government Division</b>										
Mayor's Office	6.0	6.0	5.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Legal	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Board of Aldermen	1.8	1.8	1.8	1.7	1.7	1.7	1.6	1.6	1.6	1.6
Citistat <sup>(1)</sup>	2.0	2.0	2.0	-	-	-	-	-	-	-
Hunt Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Energy Management	-	-	-	-	-	-	-	-	-	1.0
Office of the City Clerk	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Parking Enforcement & Operations	3.1	3.1	3.1	3.1	3.1	3.0	3.0	2.8	2.8	7.6
Office of Economic Development	1.5	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5
<b>Total General Government</b>	<b>25.8</b>	<b>26.3</b>	<b>26.1</b>	<b>23.3</b>	<b>23.3</b>	<b>23.7</b>	<b>23.6</b>	<b>23.4</b>	<b>23.4</b>	<b>29.2</b>
<b>Administrative Services Division</b>										
Administrative Services	-	-	-	-	-	-	-	-	1.5	2.5
Human Resources <sup>(2),(4)</sup>	3.7	3.4	3.5	3.4	6.4	7.4	7.5	7.5	7.5	7.5
Arlington Street Community Center	-	-	-	-	-	-	-	-	1.0	1.0
Employee Benefits	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Information Technology	13.0	13.0	13.0	13.0	13.0	12.8	12.8	12.8	13.0	13.0
Government & Education Access Channels <sup>(3)</sup>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Risk Management	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0
Building Maintenance	4.6	4.6	4.6	4.6	4.6	4.6	4.6	5.6	6.6	5.6
Purchasing	4.0	4.0	4.0	4.0	4.0	3.0	3.6	3.5	3.5	3.5
Assessing/GIS	10.0	10.0	10.0	10.0	10.0	10.6	10.6	10.6	9.0	10.0
<b>Total Administrative Services</b>	<b>45.5</b>	<b>45.1</b>	<b>45.3</b>	<b>45.1</b>	<b>48.1</b>	<b>49.5</b>	<b>50.2</b>	<b>51.2</b>	<b>53.3</b>	<b>53.2</b>
<b>Financial Services Division</b>										
	32.0	30.4	30.5	32.7	27.8	27.8	27.3	26.3	23.1	23.1
<b>Public Safety Division</b>										
Police	245.9	245.9	247.7	247.7	246.0	247.0	246.2	246.2	244.0	244.3
Fire	175.0	175.0	176.0	176.0	176.0	176.0	176.0	180.0	180.0	180.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	1.3	1.7	1.6	1.9	2.0
Communications	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Total Public Safety</b>	<b>423.7</b>	<b>423.7</b>	<b>426.5</b>	<b>426.5</b>	<b>424.8</b>	<b>426.1</b>	<b>425.7</b>	<b>429.5</b>	<b>427.7</b>	<b>428.1</b>
<b>Public Health &amp; Community Services Division</b>										
Community Services	6.1	7.2	7.2	7.4	7.6	7.5	7.1	7.0	7.0	7.0
Community Health	8.9	8.3	8.3	8.0	7.5	7.5	9.4	9.1	9.1	9.7
Environmental Health	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Welfare	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0
<b>Total Health &amp; Comm. Services</b>	<b>28.0</b>	<b>28.5</b>	<b>28.5</b>	<b>28.4</b>	<b>28.1</b>	<b>28.0</b>	<b>28.5</b>	<b>28.1</b>	<b>28.1</b>	<b>28.7</b>
<b>Public Works Division</b>										
Admin/Engineering	14.0	15.3	13.6	13.6	13.6	14.1	13.7	13.9	14.3	13.8
Parks & Recreation	27.0	27.0	25.0	25.0	25.0	27.0	25.0	26.0	26.0	26.0
Streets	55.5	59.8	60.8	60.7	59.7	58.7	57.7	57.7	57.7	57.7
Traffic <sup>(3)</sup>	9.5	-	-	-	-	-	-	-	-	-
Wastewater	35.0	37.0	40.5	40.3	40.3	43.8	44.2	43.9	45.5	47.0
Solid Waste	30.0	30.0	32.3	33.5	33.5	33.5	33.5	33.6	34.2	34.6
<b>Total Public Works</b>	<b>171.0</b>	<b>169.0</b>	<b>172.1</b>	<b>173.1</b>	<b>172.1</b>	<b>177.1</b>	<b>174.1</b>	<b>175.1</b>	<b>177.7</b>	<b>179.1</b>
<b>Community Development Division</b>										
Community Development	2.2	2.2	2.5	2.5	4.5	4.5	4.5	4.5	4.5	4.5
Planning	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.1
Urban Programs	3.5	6.0	6.8	6.9	7.1	7.2	6.9	7.0	7.0	6.0
Building	8.2	8.2	7.8	7.8	7.8	7.8	7.8	8.0	8.0	8.0
Code Enforcement	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5	4.0
Transit	-	-	-	-	-	-	-	10.2	10.0	10.0
<b>Total Community Development</b>	<b>24.9</b>	<b>27.4</b>	<b>28.0</b>	<b>28.2</b>	<b>29.4</b>	<b>29.4</b>	<b>29.6</b>	<b>40.2</b>	<b>39.9</b>	<b>39.5</b>
<b>Public Services</b>										
Edgewood Cemetery	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Woodlawn Cemetery	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Total Public Services</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
<b>Library Department</b>										
	41.5	43.0	43.0	42.9	43.4	43.0	42.3	43.8	42.7	44.2
<b>School Department</b>										
Teachers	798.0	797.3	801.7	803.9	827.6	830.0	829.5	874.7	881.8	879.4
Other staff	864.2	865.7	870.3	875.4	861.9	861.0	862.6	849.6	876.0	872.1
<b>Total School Department</b>	<b>1,662.2</b>	<b>1,663.0</b>	<b>1,672.0</b>	<b>1,679.3</b>	<b>1,689.5</b>	<b>1,691.0</b>	<b>1,692.1</b>	<b>1,724.3</b>	<b>1,757.8</b>	<b>1,751.5</b>
<b>Total All Functions</b>	<b>2,462.5</b>	<b>2,464.4</b>	<b>2,480.0</b>	<b>2,487.4</b>	<b>2,494.4</b>	<b>2,503.6</b>	<b>2,501.5</b>	<b>2,549.8</b>	<b>2,581.6</b>	<b>2,584.5</b>
<b>Percent of Total</b>										
General Government Division	1.0%	1.1%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.1%
Administration Services Division									2.1%	2.1%
Financial Services Division	1.3%	1.2%	1.2%	1.3%	1.1%	1.1%	1.1%	1.0%	0.9%	0.9%
Public Safety Division	17.2%	17.2%	17.2%	17.1%	17.0%	17.0%	17.0%	16.8%	16.6%	16.6%
Public Health & Community Services Division	1.1%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Public Works Division	6.9%	6.9%	6.9%	7.0%	6.9%	7.1%	7.0%	6.9%	6.9%	6.9%
Community Development Division	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.6%	1.5%	1.5%
Public Services Division	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Library Department	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
School Department	67.5%	67.5%	67.4%	67.5%	67.7%	67.5%	67.6%	67.6%	68.1%	67.8%
	98.2%	98.2%	98.2%	98.2%	98.1%	98.0%	98.0%	98.0%	100.0%	100.0%

Data Source  
City of Nashua Budget. Full time equivalent based on 40 hours per week.

- Notes:
- <sup>(1)</sup> CitiStat was dissolved in FY2015 with departmental functions reassigned to the Financial Services Division.
  - <sup>(2)</sup> In FY2016 the Payroll department was organizationally reassigned to the Human Resources Department.
  - <sup>(3)</sup> Traffic Department was merged with the Street Department in FY2013.
  - <sup>(4)</sup> In FY2020 the Human Resource department was reassigned to Administrative Services Division.

**City of Nashua, New Hampshire**

**Student/Teacher Statistical Information**

Last Ten Fiscal Years

	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Student Enrollment:<sup>(1)</sup></b>										
Elementary	5,633	5,587	5,644	5,433	5,335	5,340	5,203	5,147	5,053	4,397
Middle School	2,646	2,557	2,508	2,425	2,435	2,373	2,392	2,418	2,454	2,318
High School	3,887	3,752	3,750	3,642	3,598	3,707	3,593	3,655	3,547	3,450
Total	12,166	11,896	11,902	11,500	11,368	11,420	11,188	11,220	11,054	10,165
<b>Teacher FTEs:<sup>(2)</sup></b>										
Elementary	327	326	329	344	347	348	347	376	376	376
Middle School	193	193	194	193	191	192	192	194	194	195
High School	243	243	244	215	240	239	239	253	254	252
District-wide	35	35	35	51	51	51	51	52	57	57
Total	798	797	802	803	828	830	830	875	882	879

Data Source:  
Nashua School District

Notes:

<sup>(1)</sup> Enrollment was restated in FY2020 to reflect the correct measurement period.

<sup>(2)</sup> The distribution among teachers by grade level is an estimate.

**City of Nashua, New Hampshire**

**School Department Operating Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Budget <sup>(1)</sup></b>	<b>Debt Service</b>	<b>Total Budget</b>	<b>Enrollment</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>
2021	\$ 155,626,160	\$ 9,349,939	\$ 164,976,099	10,165	\$ 16,230	11.4 %	879	11.6
2020	151,226,367	9,890,314	161,116,681	11,054	14,575	4.1	882	12.5
2019	146,931,260	10,096,672	157,027,932	11,220	13,995	1.7	875	12.8
2018	143,380,073	10,579,275	153,959,348	11,188	13,761	5.3	829	13.5
2017	137,871,592	11,326,924	149,198,516	11,420	13,065	0.4	830	13.8
2016	136,234,102	11,748,448	147,982,550	11,368	13,017	2.8	828	13.7
2015	133,799,926	11,776,596	145,576,522	11,500	12,659	5.8	803	14.3
2014 <sup>(2)</sup>	130,031,022	12,401,961	142,432,983	11,902	11,967	30.8	802	14.8
2013	95,713,047	13,090,777	108,803,824	11,896	9,146	4.3	797	14.9
2012	93,386,383	13,274,475	106,660,858	12,166	8,767	1.3	798	15.2

Budget information from City Adopted Budget and enrollment/teaching staff information provided by the School Department.

<sup>(1)</sup> Budget is for the General Fund only and excludes special revenue funds and grants

<sup>(2)</sup> Beginning in FY2014, employee health and pension costs previously budgeted in General Government are allocated to the School operating budget.



## **MAYOR'S STATE OF THE CITY ADDRESS**

I'm Mayor Jim Donchess. I'm pleased to talk about Nashua – the accomplishments we achieved in 2021, and our City's planned progress through 2022.

Before we talk about our vision for the future of Nashua, let's review this past year.

### **COVID CONCERNS**

During my last State of the City update in 2021, we were one year into a public health crisis unlike any our nation had faced since 1918.

We are still battling that pandemic today. We're all tired of Covid. Covid-19 has ebbed and flowed; last summer, it seemed that the virus had nearly disappeared, and we were able to resume most of our normal activities in safety. Then came the Delta variant, and Omicron followed.

We are grateful for the vaccines which provide excellent protection against the virus. However, last month the number of new cases and the rate of infection reached its highest levels ever. There is reason for hope – infections are now on the decline.

Tragically 137 Nashuans have died from Covid, including one of our own City employees, Andre Pelletier. Our heartfelt condolences go out to all of the families who have lost a loved one.

I am proud of the way our City has responded to this public health crisis. Our Public Health Department, under the leadership of Director Bobbie Bagley and Chief Public Health Nurse Kim Bernard, has worked tirelessly.

Our medical community – nurses, doctors, and hospitals – have given their all. In recent weeks, hospitals have operated at capacity, despite the exhaustion and burnout caused by two years of Covid-19.

### **COVID AND BUSINESS**

Back in the spring of 2020, together with the Board of Aldermen, we responded quickly to help small business get through the pandemic.

First, we established a Covid-19 Impact Fund, which has helped small businesses and nonprofits with low-interest loans and grants. Then we expanded downtown outdoor dining to save our restaurants and their workers.

In spite of Covid-19, Nashua has fought back from the closures of 2020. Since then, thousands of patrons have come downtown to enjoy expanded outdoor dining; our locally owned businesses, restaurants, and bars have found new ways to thrive. Some have reported to me that they saw record sales during the pandemic.

New businesses have opened – new restaurants like Empanellie’s and Raga Contemporary Kitchen; and a new men’s boutique named CasaNova. Longtime favorite City Room Café has reopened with a new menu and new format.

Spyglass Brewery is expanding and moving from Amherst Street to Gateway Hills. The Lucky Moose casino has opened at the Nashua Mall at Exit 6. Boston Billiard has bought the Radisson Hotel at Exit 1.

The owner of Nashua Paint and Wallpaper and Ace Hardware has acquired more property downtown. And a group of investors has committed \$30 million in private capital to build 150 units of new housing on School Street.

In the coming year we will continue moving the City forward despite the pandemic.

### **EFFECTIVE, EFFICIENT CITY GOVERNMENT**

Nashua’s hardworking taxpayers want, and deserve, a government that is effective and efficient. We have been recognized by WalletHub as having the 4<sup>th</sup> Best-Run City in the United States. We are proud that we now have two AAA bond ratings.

The WalletHub rating judges the effectiveness of City government by comparing the cost of government against the quality of City services. WalletHub’s rating says Nashua citizens are getting excellent services at a reasonable cost, and it applauds us for our productivity.

I am committed to keeping property tax increases to a minimum.

For example, I have used my veto power four times trying to limit spending specifically in two areas. First, on operating budgets for independent departments which exceed the cost-of-living year after year.

I have flagged these increases as creating unsustainable budgets. Second, I have vetoed all proposals to increase the City’s unfunded obligation to pay for unused sick time when an employee retires. I remain committed to reining in spending in these areas.

For the current Fiscal Year 2022 which began last July 1, we cut the budget for the departments which reside in City Hall as well as Public Health by almost 3 percent from Fiscal Year 2021, not including a State-imposed pension increase that I will talk about in a moment. We cut the budgets for these departments by \$534,000. When was the last time that City Hall actually reduced its own budget?

I also proposed a Public Works budget that cut spending by 1 percent before the pension increase.

In the coming fiscal year, it is again my intention to propose department budgets which are in line with the cost of living. Hopefully our Board of Aldermen will back me up in keeping increases to a reasonable level.

We have reduced costs through innovation, by developing a reformed HMO plan for employees. Thank you to Administrative Services Director Kim Kleiner for spearheading this initiative.

In FY 20 and FY 21, rising health care costs were a major driver of increased budgets.

Over those two years, City costs for employee health care rose 20 percent, or over \$6 million per year. In order to save costs, we devised changes to the City's basic HMO plan. We have achieved results. Seven employee groups have agreed to adopt the reformed HMO. As a result, we are saving, so far, \$1.3 million per year.

Unfortunately, Covid-19 is now pushing health care costs up. Over the past seven months the City has spent \$1.5 million just for Covid testing. We are watching the trends carefully to make sure our employees are as safe as possible.

### **STATE PROPERTY TAXES**

When the State of New Hampshire mandates new costs, or cuts the limited aid the State sends to our cities and towns, this is commonly called "downshifting." This way State politicians claim "no new taxes" while forcing local governments to raise property taxes in order to meet the need for local services.

For the current FY 22, the State downshifted by raising the City's forced contribution to the State pension system by more than \$4 million. This single State action increased property taxes here in Nashua by 2 percent.

Decades ago the State of New Hampshire persuaded Nashua and all other cities and towns to join the State pension system by committing in law that it would always pay 35 percent of City pension costs. However, the State broke this commitment several years back, and so far, that broken pledge has cost City taxpayers \$74 million in hard earned tax dollars.

Our legislative delegation led by Chair Jan Schmidt, and including three members from the Board of Aldermen – Mike O'Brien, Trish Klee, and Melbourne Moran – are joined with us in the fight to stop more downshifting.

### **INFRASTRUCTURE**

When it comes to our infrastructure, we have achieved real, measurable results. Lisa Fauteux, Director of Public Works, and her engineering staff have effectively overseen this transformation of our infrastructure.

Through the end of 2021, our Paving Plan of Action has paved 114 miles of streets and preserved another 103 miles with crack sealing. All of this work is based upon the analysis of every street, which we have scored according to a 100-point Paving Condition Index, or PCI.

When I came into office as Mayor, everywhere I went, people complained about the condition of our streets. “Kinsley Street is terrible.” “Concord Street is a minefield.” “Are you letting Main Dunstable Road go back to dirt?” “Broad Street has never been in worse shape.”

I often rode my bike on Pine Hill Road and I couldn’t believe how many patches there were.

Now, we have paved Kinsley Street, Concord Street, Main Dunstable Road, Broad Street, Amherst Street, Somerset Parkway, Pine Hill Road, and many more smaller neighborhood streets. In the coming paving seasons, we will continue with our Plan of Action and keep improving our City’s basic transportation infrastructure.

During the last several years, we have replaced or lined more than 20 miles of our sewer pipes – some of which date back to the 1800s, and we have rehabilitated the wastewater treatment plant which is heavily regulated by the federal EPA and New Hampshire DES.

We have expanded our City landfill so that it will have 10 to 15 more years of life. And we are seeking to permit Phase 4 which will give us a total of 40 to 50 years of life.

Our investments in infrastructure pay dividends because they help us build a stronger, healthier economy, and improve our day-to-day lives.

## **REVALUATION**

For the past year we have been conducting a revaluation of all Nashua properties. Periodic revaluations are required by the State of New Hampshire.

We have hired an expert firm, Vision Government Solutions, to do the work. For the first time since 1991, we are doing what is called a “full measure and list” revaluation. This means that Vision appraisers will inspect each property from the outside, and will also offer every homeowner the option of an internal inspection.

Home values in Nashua, in New Hampshire, and across the country have skyrocketed over the past few years. For Nashua, Redfin reports that in December 2021 home prices were up 13 percent in one year, and homes were selling for a median price of \$387,000. According to home price industry expert Case-Shiller, home prices nationwide are up 22 percent since the beginning of the pandemic.

Covid-19 has accentuated the underlying trend, with more people working and spending time at home.

For homeowners, the good news that they have increased their wealth a lot.

But unfortunately, the dramatic increase in home prices will mean that this State-mandated revaluation will raise property taxes for our Nashua homeowners.

Our Assessing Department is committed to making sure that home values are fairly assessed. Any homeowner who believes their assessment is not correct will have the opportunity to talk with a Vision appraiser about the possibility of a correction.

## **AFFORDABLE HOUSING**

A major challenge we face is a lack of affordable housing.

As I discussed earlier, home prices have taken off, and so too have rents. Rent in Nashua has seen an 11 percent increase compared to the previous year, with the average 1-bedroom commanding \$1,600-\$1,800 per month.

We are taking dramatic steps to increase the supply of affordable housing in the City.

We allocated federal Home Funds to enable the development of 150 units of workforce housing on Marshall Street.

Nashua has been also remarkably successful in winning competitive grants for millions of dollars of de-leading money. These funds are used to help landlords de-lead their apartments to make them safe for kids. These projects help increase the supply of affordable housing, because every landlord, as a condition of accepting the funds, is required to reduce rents for 5 years. Over the past two years, we have de-leaded and rendered more affordable 77 apartments.

We are working with the Nashua Housing Authority to build Monahan Manor, 200 units of affordable housing on Central Street. These homes should be available by the fall of 2023. They will be on the site of the former Bronstein Apartments. All residents of Bronstein are guaranteed a return to a unit of an equal or larger size.

We have created an Affordable Housing Trust Fund. Based upon the input of the Board of Aldermen and of community advocates like Rabbi Spira-Savett, the Nashua Interfaith Council, and Bob Keating, I will propose that we fund the Trust with millions of dollars of American Rescue Plan money that we are getting from Washington.

And at the end of 2021, we passed an inclusionary zoning ordinance which requires that all new developments include a share of affordable housing. This applies to both apartment developments and new homes for sale.

## **SCHOOLS**

As the Covid-19 pandemic continues to challenge us, we need to focus on our schools. An excellent education is essential to the future success of our young people of and our community.

Our kids have been significantly affected by Covid-related disruptions, and we need to pay special attention to them. We must make sure classrooms for all students get what they need to ensure that every child gets an excellent education.

Our teachers, paraprofessionals, and other school staff have given their steadfast efforts to teach our kids under the difficult conditions – first, of online learning, and now with the challenging daily presence of Covid. Our teachers are inspiring, passionate, and effective.

They are showing every day in every school that they are committed to making sure that every child and every family have access to an excellent education.

Better pay for better teachers.

We must have competitive teachers' pay to retain and attract the best teachers to Nashua. Nashua ranks about 79th among the 160 or so school districts in New Hampshire in terms of average teachers' pay, which for Nashua is about \$61,000.

Nashua schools have had the problem of mid-level teachers, who have been trained and seasoned here in Nashua, leaving for neighboring districts which offer better pay.

The Board of Education and the teachers have successfully negotiated a new teachers' contract. During the negotiations, the teachers agreed to an important health care change that the City is seeking – that is, the reformed HMO plan which I spoke about earlier. This change for the teachers will save the City \$2.3 million per year. Given the need to become more competitive when it comes to teachers' pay and given this health care concession, I believe the teachers' position regarding raises was reasonable.

With respect to the school buildings themselves, we are in the midst of a citywide program to improve our middle school infrastructure led by Alderman Rick Dowd.

We have already upgraded Fairgrounds Middle School with new classrooms, new technology, and solar panels which provide all the electric power the school needs. Work is underway at Pennichuck Middle School, and when that is done, we will begin the construction of a new middle school in the southwest neighborhood of the City to replace the aging Elm Street Middle School.

## **DOWNTOWN**

We cannot have a successful City without a thriving, active downtown. Downtown must be a place where people gather, where people want to be, and where they feel a sense of vitality and life. When I meet with Mayors from across the country as part of the US Conference of Mayors, and when I meet with New Hampshire mayors, all are focused on their downtowns.

All are trying to make their downtowns people-friendly, walkable, and bikeable. A city's downtown is the symbol of the community. A stagnant downtown signifies a declining, troubled city.

Thank you to Economic Development Director Tim Cummings for leading our efforts to grow a stronger, healthier downtown and City economy – and with it a bigger tax base.

What do we need to make a vital, active downtown a reality? Measures like enticing more people to live near Main Street with new housing; a beautiful Nashua River waterfront; our upcoming Nashua Center for the Arts; and expanded outdoor dining. A downtown renaissance relies upon entrepreneurs, chefs, and artists.

By attracting restaurant goers and art lovers – along with more downtown residents – we build the clientele to grow retail; not only the creative shops we already have, but new entrepreneurs – perhaps a toy store, a bookshop, and a movie theater.

In order to increase downtown living opportunities, we are building new housing. We added Lofts 34 on Franklin Street, and we have 150 units of downtown housing coming on School Street. These new residences add to those already at Clocktower Place and Cotton Mill Square. And we are exploring even more opportunities to expand the supply of downtown housing.

We are creating a beautiful waterfront based upon our Riverfront Master Plan. We have already added lighting along the north river walk and have illuminated the Cotton Transfer Bridge. We have an expanded Renaissance Park, docks, landscaping, and suspended walkways in design right now. We expect work to begin on these new amenities by the fall.

The Nashua Center for the Arts – which will attract over 50,000 people to downtown each year – will be open this fall. It will provide entertainment to Nashuans and is already helping us grow the downtown tax base. Thank you to the anonymous donor who is giving \$1 million to the Center for the Arts and also to Philip Scentsas for his success in securing this generous donation.

Expanded outdoor dining from May through September has proven to be a boon to downtown businesses, to the many restaurant workers who depend on it for jobs and income, and to the City as a whole. Although we began the program as a way to save restaurants devastated by the Covid-19 pandemic, it has attracted thousands of people. It is clear that people love to sit outside for a beer or a meal in Nashua's downtown.

The positive economic impact of the expanded outdoor dining cannot be overstated. A 2021 study of visitors to our bars and restaurants during the summer months reveals that at least 400,000 patrons came downtown to enjoy the expanded outdoor dining. If we consider how much each person spends, this adds up to millions of dollars in additional revenue. A recent Economic Development survey revealed that 80 percent of visitors to Main Street come for the restaurants and bars.

Hundreds of Nashuans contributed to the recently adopted *Imagine Nashua* master plan. The Master Plan says:

“The temporary outdoor seating... along Main Street... presents the community with a vision of a new downtown... [T]he increased option of outdoor seating and reclamation of a significant slice of the street away from purely automotive traffic has shown that a dramatic rethinking of the public realm can work in Nashua...

It is the opinion of this planning group that the benefits of these temporary improvements should be made permanent and even expanded as the city looks forward to a broader reinvigoration of the downtown businesses.”

*Imagine Nashua* recommends that in the longer term, the City rebuild Main Street, narrowing it to one lane each way, and by adding trees, wider sidewalks, and more public pedestrian space.

With the expanded outdoor dining, there are some valid concerns about traffic congestion and removal of parking spaces.

Last year, the expanded outdoor dining removed some 70 parking spaces, but remember that there are a total of more than 3,000 parking spaces downtown.

I am proposing to the Board of Aldermen a compromise to address concerns about congestion and parking. I am proposing that we shorten the outdoor dining season from 8 to 5 ½ months. We will have outdoor dining on fewer blocks, where there is a high concentration of restaurants and lower traffic impacts. And I have proposed that we reduce the expansion on the west side of one block, where two of our businesses have objected. But we must keep in mind that other retailers, like DesignWares, Scentsas, and Camaraderie have indicated that the additional foot traffic resulting from the outdoor dining helped enable them to grow their sales and strengthen their businesses.

I believe that the Board of Aldermen will approve a modified outdoor dining plan so that we can retain the many benefits while alleviating concerns.

## **COMMUTER RAIL**

Our citizens, our business community, and our Board of Aldermen are solidly behind our efforts to bring commuter rail from Boston to Nashua and Manchester. Connecting us by another mode of transportation to the largest economy in New England will help us add jobs and grow opportunity, and it will help us attract the young families we need to ensure our future success.

Our employers often have jobs without people to fill them. These job creators tell me that when they are trying to attract qualified applicants from outside the area, a common question they get is, “Does Nashua have commuter rail?” Young people often see the train as an attribute that they want in a community in which they choose to live.

We are making progress. The State of New Hampshire Department of Transportation has hired engineering firm AECOM to perform the required final planning phase of the Capitol Corridor Rail Project. Also, former Mayor Pete Buttigieg, now the Secretary of Transportation in Washington, has shown an interest in considering commuter rail here as a potential project to be funded by the Infrastructure and Jobs Act passed in DC.



There is one dark cloud on the horizon when it comes to commuter rail. There is a bill in the legislature – HB 1432 – that would prohibit the State of New Hampshire from spending one dime on commuter rail. Some State funds will be required to make commuter rail a reality.

## **MASTER PLAN**

As I mentioned, during this past year the City completed our first Master Plan in twenty years. A citizen's advisory group from across our City chaired by Amber Morgan helped lead this effort.

We focused on a number of areas, particularly the South End commercial district, the Amherst Street corridor, Daniel Webster College, and downtown.

These are areas where we see future development that can strengthen Nashua's economy and tax base. I am excited about the opportunities to reimagine all these areas.

You can view the entire *Imagine Nashua* plan on the City website.

## **A GREENER NASHUA**

We have ambitious green goals to make our contribution to combating global warming. We are seeking to reduce the City's carbon footprint 25 percent by 2025.

We are well on the way to achieving this goal. We have reduced the energy consumption and carbon emissions of our Public Works and Nashua Transit vehicles by 40 percent.

We have incorporated solar arrays on the Fairgrounds Middle School, the Dr. Crisp Elementary School, the Lake Street Fire Station, and the transit garage.

We are working with the Chief Kevin Rourke of the Nashua Police Department to purchase hybrid cruisers.

We are looking to expand the number of charging stations for electric vehicles in our parking garages.

We are working with Dante Castellano and other students at Nashua South to provide hundreds of tree saplings to our residents.

And with the leadership of Energy Manager Doria Brown and Committee Chair Bob Blaisdell, we are working with Cheshire County, Portsmouth, Lebanon, Dover, and Hanover to adopt community power which will enable us to increase the proportion of green electric power supplied to Nashua residents.

Overall, there is much to be grateful for, living in our great City. We are hopeful, looking towards a future that is safe, healthy, and successful for all Nashuans and their families.

## **THANK YOU TO OUR CITY TEAM**

Before I close, I want to thank our 2,800 City employees – our City team, including my small and hardworking staff – for giving your all in navigating the headwinds of the last two years. I greatly admire you, and I am inspired by your commitment to our City and our citizens. Please don't forget that your efforts are appreciated by me and many others.

Thank you all, and God bless you and our fair City.

**CITY CLERK'S OFFICE**  
**Fiscal Year Ended June 30, 2021**

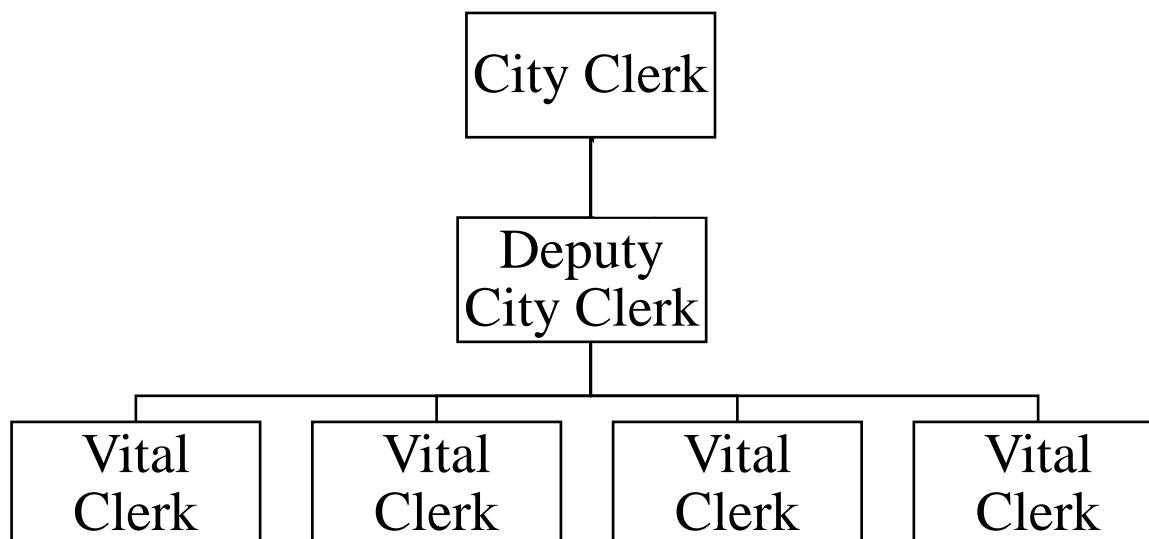
**MISSION STATEMENT**

The mission of the City Clerk's Office is to provide quality service to all residents, elected officials, other city departments and visitors to our city in a courteous, professional and unbiased manner; to keep and preserve the official public documents and records of the City of Nashua; to conduct and preserve the integrity of all local, state and national elections; to efficiently meet all statutory obligations with respect to licenses and as Clerk of the Board of Aldermen as required by law.

**SERVICES AND FUNCTIONS**

The City Clerk's Office is an information source and communication conduit for the general public in dealing with city government. The Office is responsible for the registration and management of all vital records involving birth, marriages and deaths occurring within the City; conducting all federal, state and local elections in accordance with all appropriate laws; preserving of official documents and minutes as well as notarization, certifications, recording of resolutions, codification of ordinances, oaths of offices, articles of agreement, liens, easements, bonds, maintenance of boards and commissions, articles of agreements, pole petitions, wetlands, street acceptances and discontinuances; issuing permits and licenses including dog licenses, taxi cabs, chauffeurs, pawnbrokers/secondhand dealers, vendors, street fairs, amusement devices, raffles, door-to-door, tag-days, walk-a-thons, runs, parades and special events.

**DIVISION ORGANIZATIONAL CHART**



<b><u>DEPARTMENT GOALS</u></b>		<b>Status</b>
1	Expand voter outreach	Ongoing
2	Publish Abbreviated Annual Report for FY 2015-2018 and FY2019 and FY2020	Ongoing
3	Pursuant to RSA 654:39, conduct and complete 10-year verification of checklist purge in FY2022	Ongoing
4	Upon completion of 2020 census, conduct and oversee ten-year redistricting of ward lines	FY2022

<b><u>PERFORMANCE MEASURES</u></b>	<b>FY19</b>	<b>FY20</b>
Absentee Ballots Requests	4,640	2,314
New Voter Registration	3,815	2,955
Changes to Voter Registration	14,313	23,419
Dog Licenses	9,811	8,075

### **FY2021 ACCOMPLISHMENTS**

- Formed partnership with public high schools and adopted Board of Education policy to allow annual voter registration events at both public high schools
- Conversion from ADMINS to CIVICGOV (new licensing and permitting application)
- Conversion from ADMINS to ClerkWorks (dog licensing application)

## ELECTIONS

The City conducted the State Primary Election on September 8, 2020 and the State General Election on November 3, 2020. The State Primary Election saw a voter turnout of 23% and the State General Election saw a voter turnout of 67%, among the highest turnouts in recent years. These elections presented new challenges in the wake of COVID-19. To reach voters during this challenging time, 25 temporary office employees were hired to support two remote locations opened for the processing of over 19,825 absentee ballot requests and 8,005 absentee and in-person voter registration information for the State Primary and State General elections. Alongside these remote locations, a call center was opened and a web-based spreadsheet was developed and implemented to address the spike in call volume. A total of 225 election workers and 19 police officers were present on Election Day to ensure a safe and secure election.

The City Clerk's Office worked collaboratively with the NH Secretary of State's office and the National Guard to delivery and distribute 126,524 pieces of PPE including masks, face shields, plastic table-top sneeze guard screens, gowns, gloves, hand sanitizer, single-use pens and pencils, and writing mats for voting surfaces, for all 9 polling locations within the city. Additionally, the City Clerk's Office applied for and was awarded \$44,016 in Center for Tech and Civic Life (CTCL) and \$148,709 in federal Cares Act monies for the processing and postage for mailing over 15,500 eligible absentee ballots for the state primary and general elections.



City Clerk Susan Lovering at the off-site voter registration and absentee ballot location.

City of Nashua, NH

9/8/20

Unofficial Results, State Primary Election, Wards 1 - 9

Includes write-in candidates who received at least 35 votes (RSA 659:88)

**Republican**

<b>Governor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Nobody	8	5	6	2	6	4	9	11	8	59
Chris Sununu	866	615	617	244	852	446	514	651	777	5582
Karen Testerman	91	76	69	48	114	65	56	63	72	654
										<b>6295</b>

<b>United States Senator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Gerard Beloin	19	6	16	7	14	6	4	6	20	98
Don Bolduc	395	248	258	117	320	189	213	265	348	2353
Andy Martin	25	27	27	17	36	31	24	23	36	246
Corky Messner	479	385	362	142	561	272	302	391	420	3314
										<b>6011</b>

<b>Representative in Congress</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Steven Negrón	569	372	398	169	673	300	395	454	627	3957
Matthew D. Bjelobrk	34	43	28	12	18	23	19	19	33	229
Lynne Ferrari Blankenbeker	275	209	205	81	211	139	110	187	148	1565
Eli D. Clemmer	31	25	25	15	36	24	19	26	21	222
										<b>5973</b>

<b>Executive Councilor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Bob Clegg	385	249	258	123	345	201	222	290	357	2430
Dave Wheeler	514	387	375	154	552	280	314	359	418	3353
										<b>5783</b>

City of Nashua, NH

9/8/20

Unofficial Results, State Primary Election, Wards 1 - 9

Includes write-in candidates who received at least 35 votes (RSA 659:88)

<b>State Senator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Kevin Avard - District 12	863	607			836					2306
Mariellen MacKay - District 13			510	231		396	434	546	656	2773

<b>Sheriff</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
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Christopher Connelly	591	428	435	189	679	319	331	451	526	<b>3949</b>
Joshua Holmes	216	127	115	55	153	108	136	128	170	<b>1208</b>
<b>County Attorney</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
John J. Coughlin	474	306	342	159	530	282	286	357	441	<b>3177</b>
Dan Hynes	342	264	230	94	311	147	193	217	265	<b>2063</b>
<b>County Treasurer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
David G. Fredette	803	567	553	239	785	420	445	555	691	<b>5058</b>
<b>Register of Deeds</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Jack Flanagan	406	370	348	160	544	257	256	327	447	<b>3115</b>
Edward J. Sapienza	361	177	191	86	241	163	206	212	235	<b>1872</b>
<b>Register of Probate</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
David Salvatore Recupero	175	177	189	88	232	126	181	154	183	<b>1505</b>
Elizabeth Ann Moreau	588	357	317	150	528	293	260	366	481	<b>3340</b>
<b>County Commissioner</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Michael Soucy	767	555	513	235	776	410	432	527	657	<b>4872</b>
<b>State Representatives</b>										
<b>3 nominated per ward</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	
Tom Lanzara	732									<b>732</b>
Rosemary Russell	624									<b>624</b>
Elizabeth Ferreira	634									<b>634</b>

**City of Nashua, NH** **9/8/20**  
**Unofficial Results, State Primary Election, Wards 1 - 9**

**Includes write-in candidates who received at least 35 votes (RSA 659:88)**

<b>State Representatives</b>										
<b>3 nominated per ward</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	

Brian Mercer	465			465
Julie Smith	413			413
Michael McCarthy	460			460
David Schoneman		503		503
Howard D. Coffman		327		327
Doris Hohensee		294		294
Amanda Reichert		273		273
Ryan Terrell		202		202
Elizabeth Van Twuyver		165		165
Joost Baumeister		141		141
Paula Johnson			653	653
Di Lothrop			548	548
Joseph Cole			618	618
Kevin Scully			416	416
Charlie Hall			426	426
Edith Hogan			336	336
Jacqueline Casey			316	316
Paul Hutsteiner			391	391
Peter L. Silva			506	506
Anthony DiPaolo			414	414

**City of Nashua, NH**

**9/8/20**

**Unofficial Results, State Primary Election, Wards 1 - 9**

**Includes write-in candidates who received at least 35 votes (RSA 659:88)**



**State Representatives**

**3 nominated per ward**

	1	2	3	4	5	6	7	8	9		
Bill Ohm	[Redacted]								528	528	
Tyler Gouveia	[Redacted]								453	453	
Paula Desjardins Moran	[Redacted]								393	393	
Bill O'Brien	[Redacted]								502	502	

**Delegates to State Convention**

**2 elected in Ward 4; 3 each in Wards 1 - 3 and 5 - 9**

	1	2	3	4	5	6	7	8	9		
Ronald F. Lanzara, Sr.	703	[Redacted]								703	
Marie Muller	598	[Redacted]								598	
Bob Duffy	611	[Redacted]								611	
Chris Buda	[Redacted]	537	[Redacted]							537	
Jeffrey Creem	[Redacted]		436	[Redacted]						436	
Doris Hohensee	[Redacted]		386	[Redacted]						386	
Tara Sennick	[Redacted]			226	[Redacted]					226	

**City of Nashua, NH**

**9/8/20**

**Unofficial Results, State Primary Election, Wards 1 - 9**

**Includes write-in candidates who received at least 35 votes (RSA 659:88)**

**Delegates to State Convention**

**2 elected in Ward 4; 3 each in Wards 1 - 3 and 5 - 9**

	1	2	3	4	5	6	7	8	9		
Theresa A. Negron	[Redacted]				676	[Redacted]					676
Paula Johnson	[Redacted]				556	[Redacted]					556
Chuck Lothrop	[Redacted]				474	[Redacted]					474

Di Lothrop		353		353
Teresa Scully		406		406
Timothy Twombly			346	346
Daniel T. Moriarty			342	342
Beth Scaer			242	242
Stephen Scaer			196	196
Write-in:			1	1
Karen Thoman			597	597
Paul Thoman			571	571
lang Jeon			517	517

**City of Nashua, NH**                      **9/8/20**  
**Unofficial Results, State Primary Election, Wards 1 - 9**

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<b>Democratic</b>										
<b>Governor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Andru Volinsky	413	290	314	192	296	242	305	352	318	<b>2722</b>
Dan Feltes	542	459	517	261	564	359	304	560	532	<b>4098</b>
										<b>6820</b>
<b>United States Senator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Paul J. Krautmann	47	33	33	36	31	32	31	41	39	<b>323</b>
Jeanne Shaheen	997	758	836	431	917	609	625	916	847	<b>6936</b>
Tom Alciere	17	15	25	17	20	21	12	11	24	<b>162</b>
										<b>7421</b>

<b>Representative in Congress</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Ann McLane Kuster	967	741	817	432	894	587	582	892	833	<b>6745</b>
Joseph Mirzoeff	83	61	71	49	63	74	73	65	75	<b>614</b>
										<b>7359</b>
<b>Executive Councilor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Debora B. Pignatelli	975	760	817	435	864	608	605	882	838	<b>6784</b>
										<b>6784</b>
<b>State Senator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Melanie Levesque - District 12	987	759			860					<b>2606</b>
Cindy Rosenwald - District 13			837	435		587	591	861	829	<b>4140</b>
<b>Sheriff</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Bill Barry	917	720	781	413	822	577	579	815	783	<b>6407</b>
<b>County Attorney</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Michael Conlon	891	704	756	411	788	561	569	807	778	<b>6265</b>
<b>City of Nashua, NH</b>	<b>9/8/20</b>									
<b><u>Unofficial Results, State Primary Election, Wards 1 - 9</u></b>										
<b>County Treasurer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
William Bryk	892	692	753	401	786	547	566	788	760	<b>6185</b>
<b>Register of Deeds</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Jim O'Connell	259	149	228	104	148	132	173	180	227	<b>1600</b>
Mary Ann Crowell	613	539	519	313	549	449	404	601	551	<b>4538</b>
<b>Register of Probate</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Elizabeth Ropp	891	703	745	410	793	565	569	793	769	<b>6238</b>
<b>County Commissioner</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
David Bernard Lisle	334	252	291	145	221	162	224	207	300	<b>2136</b>
Daniel C. Hansberry	526	406	449	268	576	410	343	589	464	<b>4031</b>

**State Representatives**

**3 nominated per ward**

	1	2	3	4	5	6	7	8	9	
Bruce Cohen	722									722
Jan Schmidt	921									921
William Bordy	690									690
Ray Newman		610								610
Sue Newman		681								681
Paul R. Bergeron		634								634
Patricia Klee			744							744
Suzanne Vail			707							707
Sherry Dutzy			675							675
Stacie-Marie Laughton				247						247
David E. Cote				307						307
Fred E. Davis Jr.				207						207
Manny Espitia				292						292

**City of Nashua, NH**

**9/8/20**

**Unofficial Results, State Primary Election, Wards 1 - 9**

**State Representatives**

**3 nominated per ward**

	1	2	3	4	5	6	7	8	9	
Michael Pedersen					671					671
Dan Toomey					697					697
Allison Nutting-Wong					707					707
Frances Nutter-Upham						423				423
Efstathia Booras						415				415
Ken Gidge						305				305
Mark King						351				351
Catherine Sofikitis							507			507

Deb Stevens		495		495
Melbourne Moran, Jr.		420		420
Latha Mangipudi			784	784
Laura Damphousse Telerski			761	761
Skip Cleaver			682	682
Marty Jack			636	636
Michael B. O'Brien, Sr.			697	697
Linda Harriott-Gathright			726	726

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
<b>Ballots Cast - Republican</b>	983	699	702	297	924	505	584	720	867	<b>6281</b>
<b>Ballots Cast - Democratic</b>	1109	825	908	503	984	651	676	972	926	<b>7554</b>
<b>Ballots Cast - Total</b>	2092	1524	1610	800	1908	1156	1260	1692	1793	<b>13835</b>
<b>Voter Registration - Ending</b>	7100	6977	6508	5077	7460	5908	5896	7745	7417	<b>60088</b>
<b>Turnout Percentage</b>	29.46%	21.84%	24.74%	15.76%	25.58%	19.57%	21.37%	21.85%	24.17%	23.02%
<b>Same Day Voter Registration</b>	70	55	87	55	66	48	58	91	91	<b>621</b>
<b>Absentee Ballots Cast</b>	590	445	454	164	568	260	321	476	589	<b>3867</b>

**City of Nashua, NH - Unofficial Results - State General Election, November 3, 2020 Wards 1-9**

<b>President</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Trump - Pence - R	2437	1996	1922	1176	2651	1644	1705	1931	2237	17699
Biden - Harris - D	3361	2940	2940	2122	3337	2528	2426	3345	3317	26316
Jorgensen - Cohen - L	90	86	64	70	79	84	58	84	82	697
<b>Governor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Chris Sununu - R	3627	3030	2870	1786	3824	2456	2492	3005	3493	26583
Dan Feltes - D	2134	1872	1890	1429	2087	1636	1576	2211	2036	16871
Darryl W. Perry - L	79	76	99	83	87	72	68	89	73	726
<b>United States Senator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Corky Messner - R	2180	1760	1702	973	2331	1387	1462	1753	1948	15496
Jeanne Shaheen - D	3515	3113	3069	2223	3356	2675	2586	3438	3530	27505
Justin O'Donnell - L	126	111	118	99	128	123	77	125	109	1016
<b>Representative in Congress</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Steven Negron - R	2462	1961	1892	1142	2631	1594	1630	2009	2296	17617
Ann McLane Kuster - D	3192	2858	2821	2004	3201	2450	2347	3148	3155	25176
Andrew Olding - L	128	116	117	101	124	98	94	109	101	988
<b>Executive Councilor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Dave Wheeler - R	2582	2093	1997	1199	2698	1706	1737	2067	2314	18393
Debora B. Pignatelli - D	3087	2705	2730	2003	3093	2340	2259	3070	3103	24390
<b>State Senator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Kevin Avard - R	2652	2115			2743					7510
Melanie Levesque - D	3059	2708			3088					8855

**City of Nashua, NH - Unofficial Results - State General Election, November 3, 2020 Wards 1 - 9**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Mariellen MacKay- R			1918	1191		1685	1727	2072	2359	10952
Cindy Rosenwald - D			2802	2005		2327	2239	3029	3032	15434
<b>Sheriff</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Christopher Connelly- R	2625	2148	2018	1231	2827	1732	1795	2157	2480	19013
Bill Barry - D	2911	2555	2614	1804	2844	2223	2103	2814	2790	22658
<b>County Attorney</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
John J. Coughlin - R	2521	2022	1899	1144	2690	1648	1737	2012	2306	17979
Michael Conlon- D	2749	2425	2450	1706	2704	2118	1994	2692	2728	21566
Nicholas Sarwark - L	231	194	238	167	237	169	147	262	205	1850
<b>County Treasurer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
David G. Fredette - R	2739	2178	2117	1253	2892	1777	1850	2139	2502	19447
William Bryk - D	2559	2241	2236	1587	2470	1974	1861	2525	2515	19968
Richard Manzo - L	250	216	236	183	258	185	159	278	203	1968
<b>Register of Deeds</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Jack Flanagan - R	2507	1980	1917	1144	2620	1598	1656	2007	2266	17695
Mary Ann Crowell - D	2941	2567	2648	1869	2969	2297	2184	2883	2929	23287
<b>Register of Probate</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Elizabeth Ann Moreau - R	2605	2101	1974	1239	2741	1719	1780	2074	2372	18605
Elizabeth Ropp - D	2845	2488	2549	1769	2825	2169	2054	2816	2803	22318
<b>County Commissioner</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
Michael Soucy - R	2636	2135	2022	1256	2890	1768	1822	2108	2462	19099
Daniel C. Hansberry - D	2854	2470	2535	1732	2749	2147	2036	2851	2758	22132

**City of Nashua, NH - Unofficial Results - State General Election, November 3, 2020 Wards 1 - 9**

**State Representatives**

**3 elected per ward**

**1**

Tom Lanzara - R 2642  
Rosemary Russell - R 2353  
Elizabeth Ferreira - R 2479  
Bruce Cohen - D 2720  
Jan Schmidt - D 2922  
William Bordy - D 2566



**State Representatives**

**2**

Ray Newman - D 2388  
Sue Newman - D 2571  
Paul R. Bergeron - D 2550  
Brian Mercer - R 1900  
Julie Smith - R 1925  
Michael McCarthy - R 1945



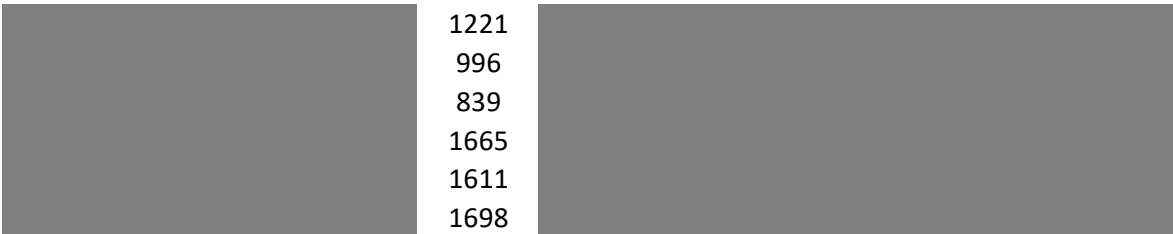
**3**

Doris Hohensee - R 1713  
David Schoneman - R 1951  
Howard D. Coffman - R 1685  
Patricia Klee - D 2661  
Suzanne Vail - D 2567  
Sherry Dutzy - D 2437



**4**

Ryan Terrell - R 1221  
Elizabeth Van Twuyver - R 996  
Joost Baumeister - R 839  
Manny Espitia - D 1665  
Stacie-Marie Laughton 1611  
David E. Cote 1698





City of Nashua, NH - Unofficial Results - State General Election, November 3, 2020 Wards 1 - 9

	<b>5</b>	
Michael Pedersen - D	2750	
Dan Toomey - D	2915	
Allison Nutting-Wong - D	2774	
Paula Johnson - R	2637	
Di Lothrop - R	2284	
Joseph Cole - R	2370	

	<b>6</b>	
Mark King - D	2050	
Frances Nutter-Upham - D	1887	
Efstathia Booras - D	1866	
Kevin Scully - R	1679	
Teresa Scully - R	1474	
Edward Decatur - R	1361	

	<b>7</b>	
Charlie Hall - R	1760	
Edith Hogan - R	1517	
Jacqueline Casey - R	1498	
Catherine Sofikitis - D	1979	
Deb Stevens - D	1995	
Melbourne Moran Jr. - D	1761	

	<b>8</b>	
Latha Mangipudi - D	2843	
Laura Damphousse Telerski - D	2847	

Skip Cleaver - D		2630	
Paul Hutsteiner - R		1761	
Peter L. Silva - R		2013	
Anthony DiPaolo - R		1841	

**City of Nashua, NH - Unofficial Results - State General Election, November 3, 2020 Wards 1 - 9**

		<b>9</b>
Marty Jack - D		2601
Michael B. O'Brien, Sr. - D		2734
Linda Harriott-Gathright - D		2685
Bill O'Brien - R		2272
Bill Ohm - R		2187
Tyler Gouveia		2061

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Total</b>
<b>Total Ballots Cast</b>	<b>5906</b>	<b>5067</b>	<b>5012</b>	<b>3459</b>	<b>5955</b>	<b>4373</b>	<b>4323</b>	<b>5568</b>	<b>5712</b>	<b>45375</b>
Absentee ballots cast	2037	1613	1598	808	1985	1118	1162	2118	2381	14820
<b>Same Day Voter Registration</b>	634	727	739	686	587	645	761	853	566	<b>6198</b>
<b>Closing voter registration</b>	7843	7810	7335	5823	8255	6608	6737	8718	8120	
REP	2044	1981	1682	1041	2175	1358	1402	1939	1832	
DEM	2568	2609	2633	2589	2555	2465	2354	2896	2437	
UND	3231	3220	3020	2193	3525	2785	2981	3883	3851	
<b>Total</b>	<b>7843</b>	<b>7810</b>	<b>7335</b>	<b>5823</b>	<b>8255</b>	<b>6608</b>	<b>6737</b>	<b>8718</b>	<b>8120</b>	<b>67249</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Overall</b>
<b>Turnout percentage</b>	<b>75.303%</b>	<b>64.878%</b>	<b>68.330%</b>	<b>59.402%</b>	<b>72.138%</b>	<b>66.177%</b>	<b>64.168%</b>	<b>63.868%</b>	<b>70.345%</b>	<b>67.473%</b>

# NASHUA FIRE RESCUE

## Fiscal Year Ended June 30, 2021

### Mission Statement

To create a safe and vibrant community through risk reduction, preparedness, and a proactive all hazards response plan.

#### *VISION:*

To be the premier emergency services provider in our region that is constantly striving for excellence in service delivery through education, innovation, teamwork and collaboration.

We place extreme value on continually evaluating NFR's policies, procedures, and training guidelines in order to provide our customers and personnel with the safest environment possible. Our core values are driven by:

Accountability	Personal; to each other and our community
Compassion	We demonstrate kindness and empathy
Dedication	We are committed to our organization and community
Ethics	We will consistently strive to do the right thing
Honesty	Truth and fairness in endeavors large and small
Integrity	We adhere to sound moral principles

### **Approved: Nashua Board of Fire Commissioners**

#### General

The primary responsibilities of the Department include suppression and prevention of fires, pre-hospital emergency medical care, rescue of persons from vehicle, water or ice related emergencies. Department members routinely participate in fire suppression and emergency medical training; also additional training is conducted in Homeland Security areas including technical and specialized equipment including Hazardous Materials. Fire personnel participate in city wide interagency drills to assure the coordination of the various resources in times of emergency conditions.

#### Accomplishments

- ❖ We received our 5<sup>th</sup> consecutive Gold Standard Award from American Heart Association
- ❖ We received authorization to fill the vacant Inspector/Investigator (K4) position in the Fire Marshal's Office.
- ❖ The Labor Group secured a four year agreement with City July 2019-June 2023.
- ❖ Took delivery of replacement of Ladder 3 2020 Pierce 105' Arrow XT.

- ❖ Maintained our ISO Class 2 rating while gaining on goal of ISO Class 1.

### **Personnel Changes**

During FY21 the following personnel changes occurred: Assistant Chief George Walker, retired, after 33 years of service; Deputy Chief Karl Gerhard, retired, after 28 years of service; Firefighters: Lt. John Frazier, retired, after 22 years of service; Lt. David Sassak, retired, after 20 years of service; Mark Carter, retired, after 20 years of service; Administrative Assistant Roberta Schelberg, retired, after 6 years

The following members resigned to pursue other opportunities: Phillip MacCallum, Wayne, Anderson, Ben Douglas, Brian House, Daniel Higgins, Nicholas Proulx and Justin Sbat

New personnel: Dispatcher, Lisa DiPrima

The following personnel were promoted: Steve M. Buxton, promoted to Assistant Chief; James Kirk and William Atkinson promoted to Deputy Chief; Glenn Telgen and Michael Curran promoted to Captain; Andrew Martineau, Timothy Farrar, Jonathan Curran, Bradley Keeler, Mike O'Brien and David Leblond promoted to Lieutenant; Sharyn Hill-Filteau, Kyle Ball, Amanda Cormier and Ray Anderson promoted to Dispatch Supervisor

# **TRAINING/SAFETY DIVISION**

## **OVERVIEW:**

The Training and Safety Division is responsible for:

- Assisting the Fire Chief as a regular member of his general staff, making recommendations on general policies, practices and procedures for the betterment and safety of the department
- Researching and evaluating trends and developments related to equipment, apparatus, training, EMS and other industry changes
- Development and coordination of training opportunities for a 152 firefighters as well as skill development, Training Bulletins, Standard Operating Procedures, and Standard Operating Guidelines
- Upkeep of training records for all members to maintain compliance with Local, State, and National standards
- Oversight of operational safety and daily incident investigations by responding and supporting personnel at various calls including emergency Fire, EMS and Special Operation Team activation incidents
- Administration of the NFR hiring process including applications, physical testing, and interviewing
- Administration of 5 week Recruit Training Academy done at the NFR Training Facility
- Overseeing of the 9 month Probationary Firefighter Training
- Organization and oversight of annual EMS training and recertification ensuring compliance with State and National Standards for EMS Standard of Care
- Working with the NFR Fire Marshal's Office to identify vacant property, or property under construction, that may be used for training out in the community

## **NEW RECRUIT TRAINING/HIRING**

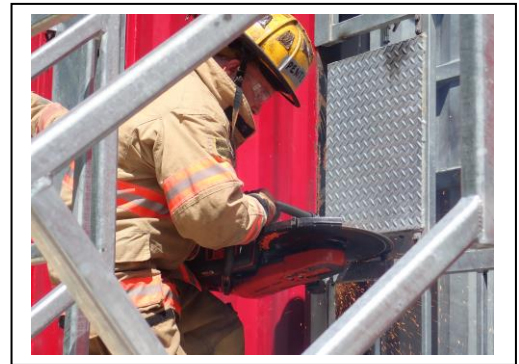
On an as needed basis for the department to remain full staffed, the Training & Safety Division conducts a unique recruit eligibility process to establish a new pool of qualified candidates. When the division is notified by the Chief that a hiring process can begin, names are taken from the New Hampshire State Eligibility list provided by the NH Fire Academy as to those candidates that meet NFR requirements. A formal invite letter is then distributed to these individuals to inform them that NFR will be hiring. Upon the receipt of complete application packets, applicants are scheduled to complete the physical portion of the test, which was conducted at Nashua High North. Candidates who pass the physical test are then moved on to the oral boards.

During FY 2021 the Training and Safety Division resumed the delay in hiring due to Covid. For the first time Nashua Fire accepted applications online through the City Applitrack system. The physical test was held at the Hampshire Dome in Milford. Candidates completed the 1.5 mile run, Aerial Ladder climb, and Claustrophobia test. Passing participants moved onto two rounds of interviews, background checks, medical screening and psychological screening. A list of 14 candidates was identified and notified of the start of recruit class 211 in July 2021.

## **MONTHLY TRAINING**

The Nashua Fire Rescue Training and Safety Division is responsible for providing manipulative training and classroom education for all 152 Nashua Fire Rescue Department personnel. This training is scheduled to allow firefighters on shift to train on a variety of differing subject matters of which they are required to perform during emergency calls. New skills, equipment as well as recertifying to ensure that state and federal mandates are being accomplished are also trained on. This includes the development, assigning, delivering, and evaluating all aspects of manipulative skills and classroom education. NFR Training is continuous throughout the year. All fire personnel are required to train while on shift. Examples of 2021 fiscal year training opportunities included:

- Emergency Medical Skills and Recertification
- Fire Prevention Procedures
- Fire Suppression Applications
- Firefighter Survival Abilities
- Hazardous Materials Mitigation
- Incident Command System Use
- Multi-Casualty Incident Exercises
- Multi-Company Training Drills
- Technical Rope Rescue
- Marine Sonar Training
- FAST Board RIT Training
- AMKUS Battery Powered Extrication Tool



Fire Department personnel receive on average, 8,300 hours of formal training per year. This training regiment is repeated annually as to maintain the needed skills for the required tasks.

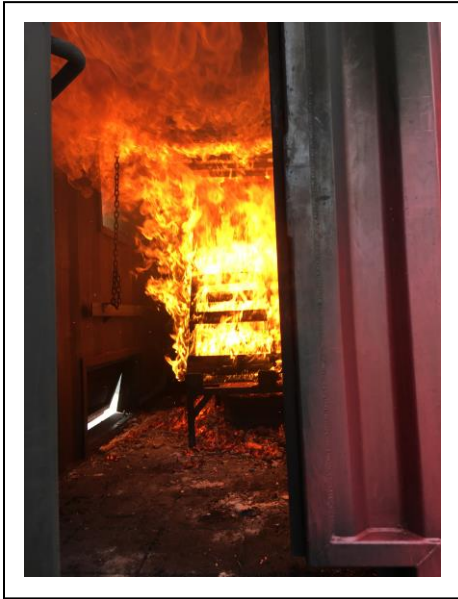
## **DEPARTMENT TRAINING:**

Training and Safety Division worked with AMR Ambulance to complete its annual CPR and EMT Recertifications. AMR provided CPR to all line personnel as well as the Recertification of the departments National Registry First Responders, EMT's, and AEMT's. All National Registry recertification training was completed by mid February through its continual contract with AMR. In total 79 First Responders, EMT's and Paramedics were re-certified this FY. This made up 44 training days and completing 2,816 hours of training. This was completed within the confines of CoVid precautions. A few days were cancelled due to quarantine and social distancing was enforced.

The division conducted annual SCBA Fit Test and SCBA confidence maze training. The division assisted in Hazmat refresher training, Dive Team trainings, forcible entry training, auto extrication, as well as other fire/rescue core skills.

Division personnel are expected and responsible for assisting Incident Commanders at emergency scenes and responded to other emergency calls throughout the year. Many of these incidents that involve the Training Division Captain and/or Lieutenant are dynamic and require the Safety Officer to become another set of eyes looking out for hazards while assisting the Incident Commander on scene.

## NEW EQUIPMENT:



Training and Safety was able to successful work with the administration and the city to obtain grants to enhance the training capability we have. Post Covid the wireless connectivity of all the Nashua Fire facilities was upgraded. iPads were purchased and Target Solutions Training Platform purchased. This new technology will enhance our training capability, reduce the number of contact hours our members will need to spend in the classroom out of service for EMS training and provide us the ability to continue training when the need to social distance happens again.

**NFR TRAINING FACILITIES:** The Training Ground Facility is located on West Hollis Street at the Four Hills Landfill. The live fire training building has proven to be invaluable resource for training and repetition of live fire training evolutions. The building also has the ability to incorporate other

training props and it continues to be utilized on a weekly basis. In addition to the use by NFR, the facility has continues to be utilized by numerous departments to conduct training evolutions as long as NFR Training and Safety Personnel are on staff to assist.

In addition to the NFR Training Grounds we had the opportunity to use various donated buildings for realistic onsite training.

The Training Division Classroom and Library/Conference rooms are located at 177 Lake Street. The Lake Street Firehouse hosts all classroom instruction throughout the course of the year. When not in use by NFR it serves as a meeting place for activities and training for regional fire service groups, Citizens Academy, Leadership Academy, Ambulance Advisory Committee, Active Shooter Work Group, and numerous other agencies.

The Training and Safety Division maintains a fleet consisting of a 2013 Ford F-150 and recently purchased 2020 Ford F-150.

Respectfully submitted,

## Glenn W. Nielsen

Captain Training and Safety  
Nashua Fire Rescue

## FIRE ALARM COMMUNICATIONS



Superintendent Jeremy Audette  
Assistant Superintendent David Robert

Fire Dispatch Supervisor Sharyn Hill  
Fire Dispatch Supervisor Kyle Ball  
Fire Dispatch Supervisor Amanda Cormier  
Fire Dispatch Supervisor Ray Anderson  
Fire Dispatcher Eric Murphy  
Fire Dispatcher Rebecca Govostes  
Fire Dispatcher Jeffrey Labrie  
Fire Dispatcher Jeffrey Sheltry  
Fire Dispatcher Christopher Jenkins  
Fire Dispatcher Charles Brisk Jr.  
Fire Dispatcher Christopher Carter  
Fire Dispatcher Lisa DiPrima

The Fire Alarm and Communications division act to further the goals of the Nashua Fire Rescue and the agency's mission. The scope of Fire Alarm and Communications division continues to increase as we respond to our many customers' needs. The division is staffed by twelve dispatchers, staffing one supervisor and two dispatchers on duty at all times 24 hours, 7 days a week. The communications division received over 8,513 911 calls from Concord and Laconia call centers. Overall Fire Alarm communications center handled 53,063 calls for service and 9,633 Fire Incident reports along with providing dispatch services to the City's contracted EMS transportation provider American Medical Response 11,734 calls for service.

The communications division handles all requests for services, emergency or non-emergent, dispatching Fire and Emergency Services. With advances in technology requests for services come in numerous ways from Enhanced 911, Municipal Fire Alarm boxes, Electronic Fire Alarm Boxes, Voice Over Internet Protocol [VOIP], Private Alarm monitoring companies and other agencies to name just a few. Dispatch has connectivity with responders providing preplan information, hazard alerts, past call activity, inspection and violation reports for every location in the city. Mobile Data Terminals provide shift commanders with real time status information in apparatus.

Nashua's Municipal Fire Alarm system is in its 135<sup>th</sup> year of service. The system has grown to over 131 miles of wire connecting 235 street boxes and 634 master boxes for a total of 869 fire alarm boxes on 21 separate circuits. Master Fire Alarm boxes are purchased by building owners and connect that location with direct reporting to Communications.

The municipal fire alarm provides immediate reporting for fire alarms and provides reporting protection to property totaling over 1.6 billion dollars. The current value of the fire alarm system nears two million dollars of infrastructure. This infrastructure figure is not including the city's expansive fiber optic network also installed in this municipal space on utility poles and underground conduits.



This year marks the fifteenth year of the Fire Alarm Lineman's position being vacant due to budgetary restraints. Technicians in the Fire Alarm division are the front line for troubleshooting network and computer problems, and triaging major problems and working with the City's IT department and other City departments to properly identify existing pathways and explore other possible routes. The municipal fire alarm system needs to be expanded to separate the number of boxes on one circuit. The Broad Street Parkway presents a new pathway opportunity to service the north end of the city and subdivide existing circuits nearing capacity. This division has, for the past six years, presented expansion plans for the northwest quadrant of the city to break up the dependency on one circuit. The northwest fire alarm circuit currently has over 100 boxes on the circuit.

This division also handles requests to move existing cables at the request of Eversource, Consolidated Communications and other third party attachers'. The Municipal Fire Alarm system is required to be tested and portions are tested each week until all circuits have been tested in accordance with National Fire Code.

The computer and data networking cable plant stretches over 130 miles connecting every municipal building in the City. This cable plant is the backbone of a data network, saving the City on having to rent or lease data lines. This fiber optic network is utilized for the citywide telephone VOIP system.

Fire Alarm headquarters at 38 Lake St also houses the City's Radio Technician. Fire Alarm provides assistance to this department to maintain and monitor the City of Nashua's citywide radio system. The RedNMX mobile data terminals operate over a cellular data network.

During the early stages of the Corona Virus Pandemic the Fire Alarm Division assisted in setting up data and logistical needs for the initial command center. When a larger Incident Management center was needed the division wired and set up a larger configuration at the Lake Street Community Fire Station.



## **Nashua Fire Rescue Fire Alarm Communications**

### Fire Alarm Communications:

- 8,513 – 911 Calls received
- 53,063 – Calls for service
- 9,633 – Fire Incident Reports
- 11,734 – Calls for Service for private contractor AMR
- Over a dozen incoming phone lines to communications center
- Monitors 35 Active radio channels 24 hours a day
- Monitors Citywide Radio System infrastructure

Fire Alarm Municipal Cable Plant:

- Over 131 miles
- 235 Street Fire Alarm Boxes
- 634 Master Fire Alarm Boxes
- 21 Separate circuits
- Connected to Communication providing real time alarm reporting
- Protecting over 1.6 Billion dollars in property value

City of Nashua Data Networking Cable Plant:

- Over 130 Miles
- Connecting all municipal buildings to IT using existing cable plant as backbone
- Traffic signaling
- Fiber Optic infrastructure

Respectfully Submitted,



Jeremy H. Audette  
Superintendent of Fire Alarm  
Nashua Fire Rescue

## **FIRE MARSHAL'S DIVISION**

Staff: Adam Pouliot, Fire Marshal  
Mark Rapaglia, Inspector/ Investigator.  
Dave Perault, Inspector/ Investigator.  
Public Education/ Prevention (position vacant since 2006)  
Roberta Schelberg, Administrative Assistant

The Nashua Fire Marshal's Office is responsible to review all plans and inspect work to see that it conforms to all relative Fire and Life Safety codes. The Fire Marshal's division is also tasked with fire investigation, fire and life safety inspectional services, fire plan review and public education and injury prevention programs.

The ultimate goal of the Nashua Fire Marshal's Office is to reduce the incidents of fire and the damage and injury that result. When fires do break out the origin and cause of the fire needs to be determined. The Nashua Fire Marshal's Office handles those investigations. All Fire Investigators are certified and receive extensive training in fire scene investigation. Fire Investigators work in conjunction with the Nashua Police Department and the State Fire Marshal's Office on building cases where criminal prosecution is sought. The Nashua Fire Marshal's Office investigated 41 building fires for the year. Unfortunately, one of the fires this year resulted in a civilian fatality.

Numerous large new construction projects are ongoing throughout the city as well as renovations of existing commercial space. Work continues on our public schools. A renovation to Fairgrounds Middle School was completed over the summer. Renovations and additions are ongoing at the Pennichuck Middle School, and renovations occurred at the newly acquired building on Franklin Street that will house the districts preschool program.

Below is a breakdown of the services provided by the Nashua Fire Marshal's Office for the year.

### Plans reviewed and permits issued:

151	Building Permit Applications/ plans reviewed
67	Site Plan Reviews
115	Fire alarm system permits/ plans reviewed
63	Sprinkler system permits/ plans reviewed
21	Commercial Kitchen Hood Suppression Systems permits
15	Building demolition permits
8	Fireworks permits
7	Hazardous Materials Storage permits
622	Place of Assembly permits
4	Above ground storage tank permits
13	Underground storage tank permits
5	Underground storage tank removal
33	Shows/ special events
1078	Burn Permits
4	Blasting Permits

Inspections Completed:

2076

Complaints investigated/ Fires Investigated

35 Fire and life safety (building) complaints investigated

41 Building Fires investigated.

Respectfully Submitted,

Adam Pouliot

Fire Marshal

# **MECHANICS DIVISION**

Superintendent /Mechanic  
Assistant Superintendent/Mechanic  
Mechanic

Nicholas Stepney  
Randy Catudal  
Richard Kelley

## **Introduction**

The mechanical division consists of 3 mechanics, (1 superintendent and 2 mechanics). They are responsible for the repairs and preventative maintenance of all pieces of equipment for Nashua Fire Rescue.

## **Vehicles**

### **Operations**

8 Engines  
4 Ladder Trucks  
2 Forestry Trucks  
1 Ford F550 -- CFR  
1 Ford F150 – Deputy Chief  
1 Chevy Tahoe – Deputy Spare  
1 Ford Explorer – Asst. Chief  
1 Ford Explorer – Chief  
1 Ford Explorer – Spare Department  
1 Ford Explorer – Spare chief

### **Fire Marshal's Office**

1 Ford Explorer – Fire Marshal  
1 Ford Explorer - Fire Inspector/Investigator  
1 Ford Explorer - Fire Inspector/Investigator  
1 Safety Trailer Education Trailer

### **Fire Alarm**

1 Ford Truck – System Maintenance  
1 Ford Pick-up  
1 Bucket Truck  
1 Cable Trailer

### **Building Maintenance**

### **Mechanics Division**

2 Ford Pick-Ups – Service/Fuel/Plowing  
1 Air Trailer

### **Training/Safety & Special Operations Division**

1 F150 Pick-up – Training Safety Officer  
1 F150 Pick-up – Field Safety Unit  
1 Cube Van – Dive Equipment  
1 Boat Trailer  
2 Dive Boats  
1 Special Hazards Vehicle  
1 Decon Trailer  
1 Below grade trailer

On a weekly basis the following is completed:

Operational checks on 7 generators throughout the department.

Perform as needed any repairs on the apparatus.

On a 3 month rotation the following is completed:

All 8 Engines and 4 Ladder Trucks come thru the mechanical division for preventative maintenance service. This requires 2 men, 6 to 8 hours per vehicle to complete. The division also handles all repairs as needed, (motor overhauls, brakes, fuel pump repairs, aerial ladder hydraulics, etc.)

Maintenance for 90 SCBA Units: (self-contained breathing apparatus). This involves replacement of batteries, visual inspection. A yearly service test is performed along with any repairs as needed.

On a yearly basis:

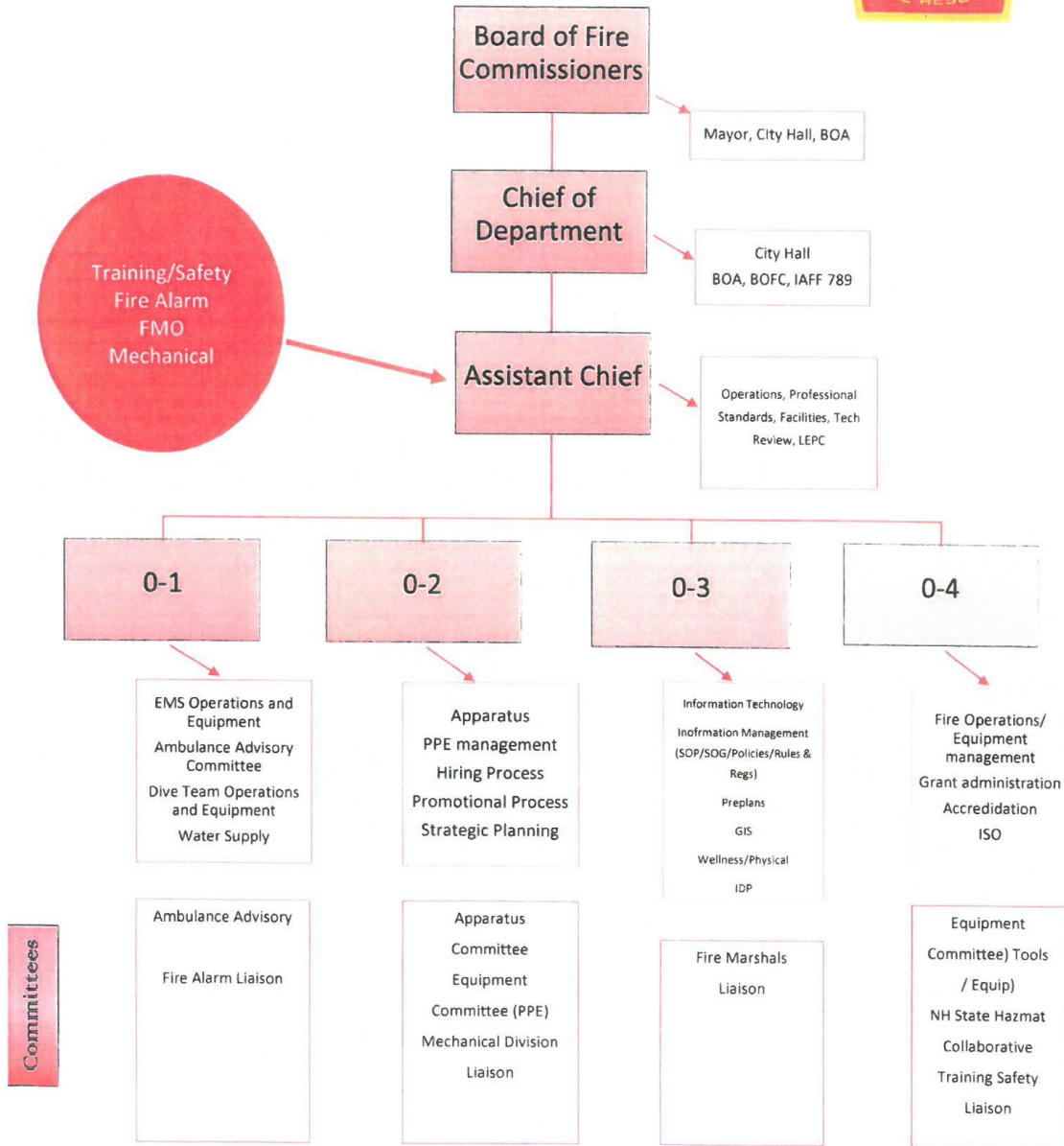
- All vehicles come through for inspections and registrations.
- Yearly preventative maintenance is performed on all generators.
- All lawn & snow blowers are serviced.
- Rescue tools, (nozzles, hand tools, Jaws of Life, etc, chainsaws, etc,).

Mechanical Division is also responsible to maintain and respond with the Air Unit Truck and Trailer to any fire or dive rescue to enable any repairs to equipment and to refill SCBA's for the firefighters.

During the winter months:

Mechanical division is responsible for the plowing and snow removal and sanding 7 buildings throughout the city.

# Nashua Fire Rescue Proposed Organizational Chart



# CONSERVATION COMMISSION

## Fiscal Year Ended June 30, 2021

### The Nashua Conservation Commission (NCC): Annual Report FY 2021

#### *Commissioners:*

##### **Chair**

**Sherry Dutzy Vice-Chair**

**Gene Porter Clerk**

**Richard Gillespie Treasurer**

**Brandon Pierotti Member**

**William Parker Member**

**Joel Ackerman Member**

**Joshua Hauser Member (Alternate)**

**Gloria McCarthy Member (Alternate)**

**Jed Crook Member (Alternate)**

**Carol Sarno Member Student Representative**

**Maya Friday Aldermanic Liaison**

**Ernest Jette Aldermanic Liaison (Alternate)**

**Elizabeth Lu**

#### **Revenue & Expenses:**

The Conservation Fund did not receive any funding via Land Use Change Tax transfers in FY2021, but did receive **\$800** from LCHIP for compliance reporting for the Northwest properties. The Commission expended funds for Maintenance of the Southwest Park Lands Conservation Area was **\$2,695**.

#### **Site Walks and Meetings:**

The Nashua Conservation Commission convened 22 times during the FY2021, including the site walks below. Nine (9) such site walks were completed related to active applications/projects:

- 1) 38 Bridge Street
- 2) Old Harris Road (Pennichuck Solar)
- 3) 67 and 73 Musket Drive
- 4) 2 White Oak Drive
- 5) South Main Street and Daniel Webster Highway Eversource Project
- 6) 2 East Spit Brook Road (Nashua Landing)
- 7) Yudicky Farm/Terrell Homestead
- 8) 2 East Spit Brook Road (Nashua Landing)
- 9) 19 Cheryl Street



## **Summary & Project Highlights**

The Commission continued its easement monitoring program and on-going maintenance of the Terrell & Southwest Park Lands Conservation Areas in FY2021. The Commission provided remote access options for Commissioners, applicants, and members of the public for all regular meetings. Agendas included informational presentations related to enforcement from the Londonderry Conservation Commission, the Riverfront Lighting Project, and Jackson Falls Turbine NHDES Permit Request.

The Commission contracted with Nashua Regional Planning Commission (NRPC) for technical assistance services to mapping and land management planning. As part of that contract, NRPC completed an update to the city's wetland and wetland buffer maps. NRPC will begin FY2022 by reviewing the existing Natural Resource Inventory (NRI) and begin a standardized mapping project and easement database compilation.

Additional Commission tasks included discussing updates to the Commission's City webpage, providing referral comments on amendments to the Land Use Code for conservation subdivisions and floodplain management, and support to/input on the Imagine Nashua Master Plan effort. Improvements to the Joyce Park Wildlife area trail were also contracted through the Student Conservation Association (including invasive spraying), which will be completed in FY2022. Lastly, the Commission's Easement Monitoring, Digital Marketing, and Land and Trail Management committees continued their diligent efforts.

Submitted by:

***Sherry Dutzy, Chair, Nashua Conservation Commission***

**NASHUA PUBLIC LIBRARY**  
**Fiscal Year Ended June 30, 2021**

The Honorable James Donchess,  
President Ex-Officio  
President of the Board of Aldermen Lori Wilshire,  
Trustee Ex-Officio

**BOARD OF TRUSTEES**

Linda LaFlamme, Chairman  
David K. Pinsonneault, Secretary  
Paul Bergeron  
Scott Jaquith  
Padmaja Kunapareddy  
Kristin Kane  
Manuel Espitia

**DIRECTOR**

Jennifer McCormack

**ASSISTANT DIRECTOR**

Jennifer Hosking

# Staff of the Nashua Public Library

## FY2021

### Administration

Jennifer McCormack, Director  
Jennifer Hosking, Assistant Director  
Elena Kolbenson, Admin. Asst. /  
Cost Accountant  
Weston Bent, IT Coordinator

### Collection Management

Linda Walker, Page Coordinator

### Community/Outreach Services

Carol L. Eyman, Librarian

### Youth Services

Kristin Murphy, Children's Librarian  
Ashlee Norwood, Teen Librarian  
Ashlee Lykansion, Library Assistant  
Lindsey K. Jackson, Library Assistant  
Meghan Cloutier, Library Assistant

### Circulation

Loren H. Rosson, Librarian  
Lea L. Touchette, Assistant Librarian  
Karen Beaver, Library Assistant  
Julianne Franzek, Library Assistant  
Santhi V. Ramaswamy, Library Assistant  
Mark King, Library Assistant  
George Demosthenes, Library Assistant  
Kylie Hargrove, Library Assistant  
Nicole Epperson, Library Assistant  
Dan Joseph, Library Assistant

### Emerging Technologies

Rachel Gualco, Assistant Librarian

### Information Services

Marita Klements, Librarian  
Julie Andrews, Reference Librarian  
Kersten Matera, Reference Librarian  
Alex Estabrook, Reference Librarian  
Mary Ellen Carter-Gilson, Reference Librarian  
Stephanie Rinehart, Reference Librarian

### Maintenance

Larry R. Case, Supervisor  
Brittany Ross, Janitor  
Desiree Carrier, Janitor

### Security

Ryan Curran, Security Guard  
Rob Little, Security Guard

### Technical Services

Margaret L. Gleeson, Librarian  
Caroline Allen, Reference Librarian  
Amanda Darah, Library Assistant  
Holly A. Sullivan, Library Assistant  
Steven E. Lowe, Library Assistant

## The Mission, Purposes, and Activities of the Nashua Public Library

### Our Vision

The Library is a forum for ideas and a source of information for the enrichment of the entire Nashua community.

### Our Mission

The Library serves our community by providing access to resources for information, inspiration and enrichment.

### Our Values

The Library—its Board of Trustees, staff and volunteers—is committed to the following values:

We value the library as a public forum: it is a community facility for open communication of ideas and information; its collection, displays, programs and services reflect an array of opinions and viewpoints.

We value the community by actively participating in it and endeavoring to enhance the quality of its life.

We value full and equal access to information, the building, its services and its programs.

We value the collection of and accessibility to information in up-to-date, existing and emerging formats: print, electronic, audio and video.

We value our customers by responding to them with equal, respectful, accurate and friendly service in a safe environment.

We value the many contributions we receive each year from Friends, volunteers and donors and we endeavor to respect the wishes of all who leave bequests.

We value reading and learning and promote both for all ages.

We value the privacy of our users by keeping their transactions strictly confidential.

Adopted by the Board of Trustees, October 2, 2007

## **Director's Report for FY 2021**

During this fiscal year the library staff and administration worked on a number of ambitious projects while still delivering library services both in person and virtually in response to the pandemic.

- **New furnishings** were purchased to improve the customer experience: New picture books shelving in the Children's room Picture book shelving including a display area for new books and movies. Additional study tables for the adult browsing area, these new tables are designed for use by individuals to encourage social distancing but are mobile and can be combined in pods of 4.
- **The Board of Trustees signed a new 3 year contract with the NPLE union, effective through June 30, 2024.** This contract included a new salary scale for employees and incorporated new health insurance options offered by the city.
- **The library established a process for accepting online payments of fines and fees,** integrated with our circulation system so customers can clear their accounts from home and continue using all digital resources and collections.
- **Computer classes all virtual:** Our information services team redesigned our computer classes so they can be taught all virtually. Since many of our computer class students

don't have access to the Microsoft Office suite at home we now offer a full schedule of classes on Google applications and other web based services.

## **Total cost of operations FY2021**

### **Appropriated budget:**

Salary	\$1,979,052
Benefits	\$ 887,418
Operating costs	\$ 595,025

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**Total appropriated budget:** \$3,461,495

### **Fines: overdue, lost and damaged**

Income:	\$ 3,194.15
Expenditures:	\$ 1,210.71

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**Trust funds expenditures:** \$41,467.49

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**Total expenditures, all sources: \$3,544,219**

## **FY2021 Statistics:**

	<i><b>FY2020</b></i>	<i><b>FY2021</b></i>
<b>Items circulated</b>	342,260	314,598
<b>Digital items circulated</b>	83,785	123,004
<b>Library visits</b>	134,474	39607

<b>Number of programs (all ages)</b>	462	378
<b>Attendance at programs</b>	4,402	11152
<b>Reference questions answered</b>	21,200	N/A not tracked COVID
<b>Meeting room usage by community groups</b>	1,650	N/A closed COVID
<b>Museum pass usage</b>	1,00	346
<b>Public computer usage</b>	19,093	1305

# **DIVISION OF PUBLIC WORKS**

## **Fiscal Year Ended June 30, 2021**

### **BOARD OF PUBLIC WORKS**

Mayor Jim Donchess, Chairman  
Commissioner Frank Teas, Vice-Chairman  
Commissioner Tracy Pappas  
Commissioner Kevin S. Moriarty  
Commissioner Shannon Schoneman

Aldermanic Liaison Michael O'Brien

### **DIVISION LEADERSHIP**

Director of Public Works, Lisa Fauteux  
Assistant Director of Public Works, Andy  
Patrician

### **DEPARTMENT HEADS**

City Engineer, Daniel Hudson, P.E.  
Superintendent Street Department, Jon Ibarra  
Superintendent Parks & Recreation, Jason Puopolo  
Superintendent Solid Waste, Jeffrey Lafleur  
Superintendent Wastewater, David Boucher

## **MISSION STATEMENT**

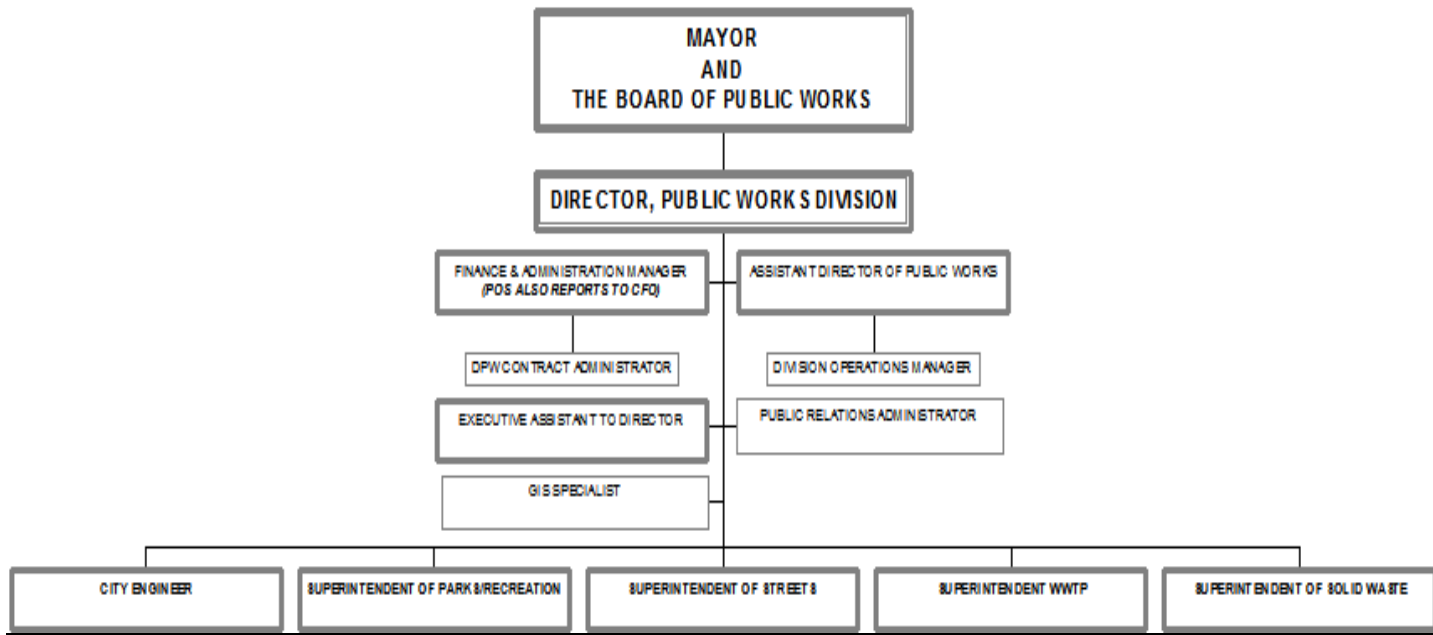
The Division of Public works provides the leadership and framework necessary to build and maintain a safe and sustainable City infrastructure that will be utilized by many future generations of Nashua residents.

## **SERVICES AND FUNCTIONS**

The Division of Public Works is comprised of six departments; Administration, Engineering, Street, Park & Recreation, Solid Waste and Wastewater.

Administration provides the overall management of the Division including policy development and fiscal administration.

## DIVISION ORGANIZATIONAL CHART



## ENGINEERING DEPARTMENT

The Engineering Department provides professional engineering and other technical services for the planning, design and construction management of projects within the City’s Right-of-Way. These projects include road construction projects, sewer rehabilitation projects, storm drainage projects, intersection and traffic improvement projects, sidewalk improvement projects and bridge construction projects.

Within the Division of Public Works, Engineering also provides technical support to the Wastewater, Solid Waste, Street and the Parks and Recreation Departments for their internal projects, which includes the industrial facilities of the Wastewater Treatment Plant and Landfill. Project development typically phases through initial concepts and planning to preliminary design, final design, bidding, construction management and inspection to final record keeping. Land surveying services are also provided to all DPW departments which includes construction layout, deed and easement research and as-built plan generation.

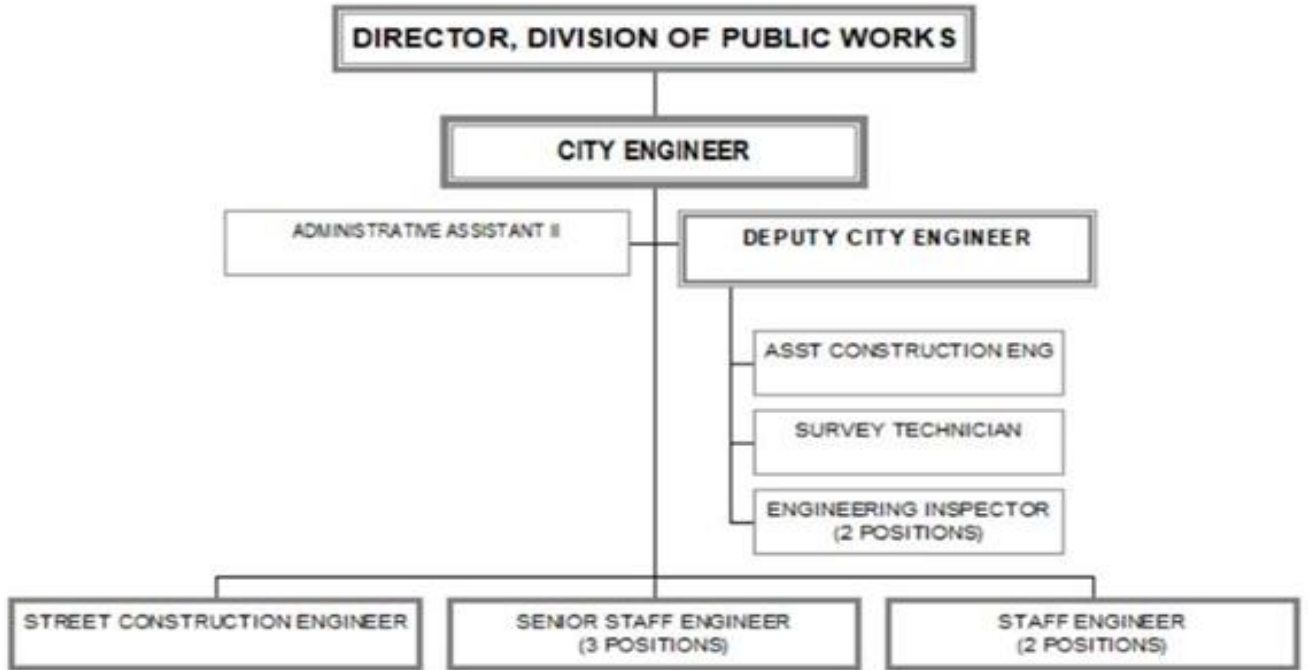
Traffic engineering services are also provided including traffic analysis, intersection optimization, sign and pavement marking design and traffic impact study preparation.

The department handles a wide range of administrative services for the benefit of the general public, other city departments, contractors and other municipal agencies. These services include permitting all excavations and encroachments of the public Right-of-Way, sewer permits, record-keeping of infrastructure documents, grant applications, Federal and State regulatory reporting,



applications of environmental permits and private land development reviews working hand-in-hand with the Planning Department.

**DIVISION ORGANIZATIONAL CHART – DPW - Engineering**



<b>Department Goals</b>		<b>Status</b>
1	New DPW Facility	Ongoing
2	Complete Pavement Assessment of 110 miles of roadway	
3	Resurface about 23 miles, apply crack sealing preservation treatment on 20 miles of roadway, and develop a pilot program for different types of pavement preservation techniques to be used in future years through the annual Paving Program.	Ongoing
4	CCTV inspect 80,000 feet of sewer mains	Ongoing
5	Rehabilitate 30,000 feet of sewer mains using the trenchless technology of cured-in-place pipe lining. Replace 1,000 feet of sewer main and 25 structures.	Ongoing
6	Collect data on Public Works assets using GIS applications, including barriers to ADA compliance within public rights of way.	Ongoing

<b><u>PERFORMANCE MEASURES</u></b>	<b>FY20 ACTUAL</b>	<b>FY21 ACTUAL</b>
Miles of road paved	30.8	26.7
Miles of road crack sealed	32	34
Feet of sewer pipe replaced	3,322	2,750
Feet of sewer pipe rehabilitated by lining	21,374	55,663
Feet of sewer pipe video inspected	93,000	86,953
Feet of sidewalk reconstructed	3,400	3,161

### **FY2021 ACCOMPLISHMENTS**

- Resurfaced over 26 miles of roadway including E. Hollis Street; Allds Street, Lake Street and Lund Road.
- 34 miles of roadway had crack sealing preservation treatment
- 2,750 feet of sewer mains were replaced
- Condition assessment of over 86,000 feet aging wastewater collection system using closed circuit television inspection (CCTV)
- Over 100 sewer manholes and catch basins were lined
- Constructed over 2,500 feet of sidewalk and 26 ADA pedestrian ramps, including on East Hollis Street, Charlotte Avenue, Birch Hill Drive, and at the South Main Street roundabout.
- Over 50 site plans were reviewed
- Inspections of sewer, drainage and right of way improvements for all private development construction

### **FY 2021 COVID19 SERVICES PERFORMED**

- Coordinated the placement of concrete barriers in downtown to expand outdoor dining opportunities.
- Provided CAD drafting support to Emergency Management and the National Guard for the hospital overflow site at Nashua High School South.
- Converted to paperless remote permitting to support continued private construction work.

### **MAJOR PROJECT TYPES**

#### **Paving Projects**

##### Annual Paving Program

The Engineering Department manages the annual paving program. The 2021 program consists of two contracts – Arterial and Collector Roadways and Residential Roadways. The Arterial and Collector Roadways contract will pave approximately 7.5 miles of heavily travelled main roads, and the Residential Roadway contract will pave approximately 15.5 miles of neighborhood streets.

Hayner Swanson, Inc. is providing construction management services, as well as construction inspection services for this project. In addition S. W. Cole Engineering, Inc. provides plant

inspection, asphalt density testing, field density testing, and concrete testing to ensure the quality of work is meeting contract specifications.

Additional efforts being made in conjunction with the paving program on roads being paved:

- Reconstruct access to the City's sidewalk network in compliance with the Americans with Disabilities Act (ADA). This effort will result in around 150 sidewalk ramps being reconstructed.
- Replace any non-standard or obsolete sewer/drain castings.
- Correct drainage issues where feasible through the installation of green infrastructure, closed drainage, bituminous berm, or street regrading.
- Install upgraded vehicle detection equipment at major intersections to improve detection and increase intersection efficiency.
- Install new high visibility pavement markings.
- Replace any damaged or worn-out regulatory and warning signs.
- Annually resurvey one-third of the roadway network to monitor roadway conditions and determine future needs.

#### 2021 Pavement Preservation Program

The 2021 Pavement Preservation Program consists of crack sealing around 23.6 miles of roadways and applying a fog seal on 1.6 miles under a pilot study. Pavement preservation is used on newer roadways with only slight degradation. The specified treatments are prescribed to arrest or slow further degradation to maximize the pavement life and reduce the life-cycle cost of maintaining the roadway.

## **Wastewater and Stormwater Projects**

#### Sewer Pipe Replacement

Under the 2020 Sewer Rehabilitation Project the City's pipe installation contractor, SUR Construction West, replaced 2,780 linear feet of sanitary sewer pipe and several dozen manholes and catch basins at a cost of approximately \$2.4M. This work was managed by the Engineering Department with assistance from the City's consultant Hayner-Swanson, Inc.

#### Cured-in-Place Pipe Lining

Under the 2019 CIPP Lining Project the City's pipe lining contractor, Kenyon Pipeline Services, lined over 55,000 linear feet of sewer pipe with an epoxy infused felt liner that restores the interior of the pipe to a like-new condition. CIPP lining is much less expensive, and installation is significantly less disruptive, than completing a full pipe replacement. The City has been widely applying this technology in recent years, including \$1.4M worth in 2020.

#### Closed Circuit Television (CCTV) Inspection Program

Under the 2019 CIPP Lining Program Kenyon also cleaned and CCTV inspected 43,000 linear feet of sewer pipe. Most of these pipes have not been cleaned in many decades, and the video is used to evaluate the condition of the sewer system.

### Capacity, Management, Operation and Maintenance Program - Phase I

The CMOM is a long-term operation and maintenance program for wastewater and stormwater collection system infrastructure in the City required as part of the Environmental Protection Agency NPDES wastewater discharge permit. The Phase I work included CCTV inspection of over 121,000 linear feet of the oldest and largest sewers and 21,000 linear feet of storm drains and culverts, with consultant Hazen and Sawyer making recommendation on necessary rehabilitation to the pipes.

### Municipal Separated Storm Sewer System (MS4) Stormwater Permit

The MS4 permit regulates the City's responsibilities to remove pollutants from entering the waterways. Operation and Maintenance plans for stormwater management were created for City properties under Fire, Police, School, Transit, Street, and Parks and Recreation Department's control. Dry weather stormwater outfalls were inspected and tested for illicit discharges. The Annual Report was submitted to the EPA describing all work completed during the year.

### Long Term Control Plan – Integrated Plan

After review of completed CSO program, the EPA has concluded that further CSO reduction is necessary. The EPA allows municipalities like Nashua with multiple wastewater and stormwater permits to use an integrated planning approach to prioritize and schedule wastewater and stormwater projects based on the financial capability. This study monitored wet weather flows on the collection system and CSO discharges to collect data on the operation of the CSO infrastructure. The Integrated Plan was developed consistent with EPA guidance and Clean Water Act requirements, meeting the goal of improved water quality that is affordable and practical. The plan was submitted in June 2021 and the City awaits a response from the EPA.

### Various Neighborhood Stormwater Improvement Projects

The Engineering Department designs street improvements involving paving, curb and drainage structures to improve storm drain management and treatment at various locations throughout the City. The construction is completed by the Street Department of contractors hired by the City.

## **Private Land Development**

### Plan Review and Inspection

During FY21, the Engineering Department reviewed 57 Site Plan and Subdivision projects brought forward by private land developers for sewer, drainage, street and public access improvements. The Department continued its inspection of construction in the public Right-of-Way to verify that work is completed in accordance with approved plans and specifications.

## **Traffic Improvement Projects**

### Charon Ave and Pine Hill Road

After reviewing several intersection modification alternatives, the City installed all-way stop control at this intersection. The all-way stop condition was supplemented with radar activated flashing LED stop signs on the Pine Hill Road approaches. The intersection now appears to process traffic in a safer and more efficient manner than under the previous condition.

### Installing 360-Degree Vehicle Detection Cameras at Signalized Intersections01414

The City has replaced existing traffic detection (primarily underground loop detection) at several signalized intersections throughout the City with new overhead 360-degree vehicle detection camera systems. The cameras were installed at several intersections along Main Street, East Hollis Street, East Dunstable Road, and the Daniel Webster Highway.

### Traffic Impact - Study and Reviews

Engineering prepared a comprehensive traffic impact study after an extensive amount of data collection, research and analysis for the proposed relocation of the Division of Public Works building to 844 West Hollis Street (next to the City Landfill).

The traffic impacts, traffic circulation, and parking layout for the improvements to the Pennichuck and Fairgrounds Middle Schools and the new Middle School off Buckmeadow Road were reviewed.

Engineering has reviewed several private development projects over the last year. Some of the more extensive projects were The Landing at Nashua, Tara Commons, Renaissance Phase 2, and Henry Hanger Mill Building. Engineering reviewed the traffic impacts, traffic circulation, and site layout and also negotiated traffic mitigation measures to offset anticipated impacts.

### **Merrimack River Right Bank Flood Damage Control System – Nashua Levee**

As required by the U.S. Army Corps of Engineers, Engineering coordinates maintenance of the levee system located at the confluence of the Merrimack and Nashua Rivers as well as the annual inspection and submission of the semi-annual progress reports.

### **Park Projects**

#### Greeley Park Boat Ramp

The Engineering Department designed and managed portions of the construction of the new boat ramp on the Merrimack River at Greeley Park. This project was completed in conjunction with the Community Development Division, Street Department, and Parks and Recreation Department.

#### Atherton Park

Engineering is redesigning Atherton Park to include new soccer fields, parking, and basketball court.

#### Lincoln Park

Engineering worked with the Parks Department, Street Department, and Solid Waste to reconstruct the upper parking lot and playground areas.

### **Bridge Projects**

#### Canal St Bridge

The Engineering Department worked with consultant Fuss and O'Neill to create bid documents for repairs to the bridge abutments on this NHDOT red-listed bridge.

### Taylor Falls and Veterans Bridges

These two bridges are co-owned by the City of Nashua and the Town of Hudson. A 2018 report recommended moderate deck repairs to prevent more expensive repairs in the future. The deck repairs are in design by consultant DuBois & King, Inc. and being co-managed by the two municipalities.

### Pedestrian Bridges

The Engineering Department managed the inspection of all City pedestrian by consultant Hoyle, Tanner & Associates. The report generated by the inspection will be used as guidance for future repairs and maintenance by the Parks & Recreation Department or a contractor retained by the City.

### **Sidewalk Projects**

#### East Hollis St Project

Engineering designed and managed the construction of new sidewalks on East Hollis Street between Main Street and Harbor Avenue.

#### Charlotte Avenue Safe Routes to School Project

Engineering designed and managed the construction of new sidewalks, enhanced pedestrian crossings, and traffic calming measures on Charlotte Avenue at the Elementary School.

### **Permits**

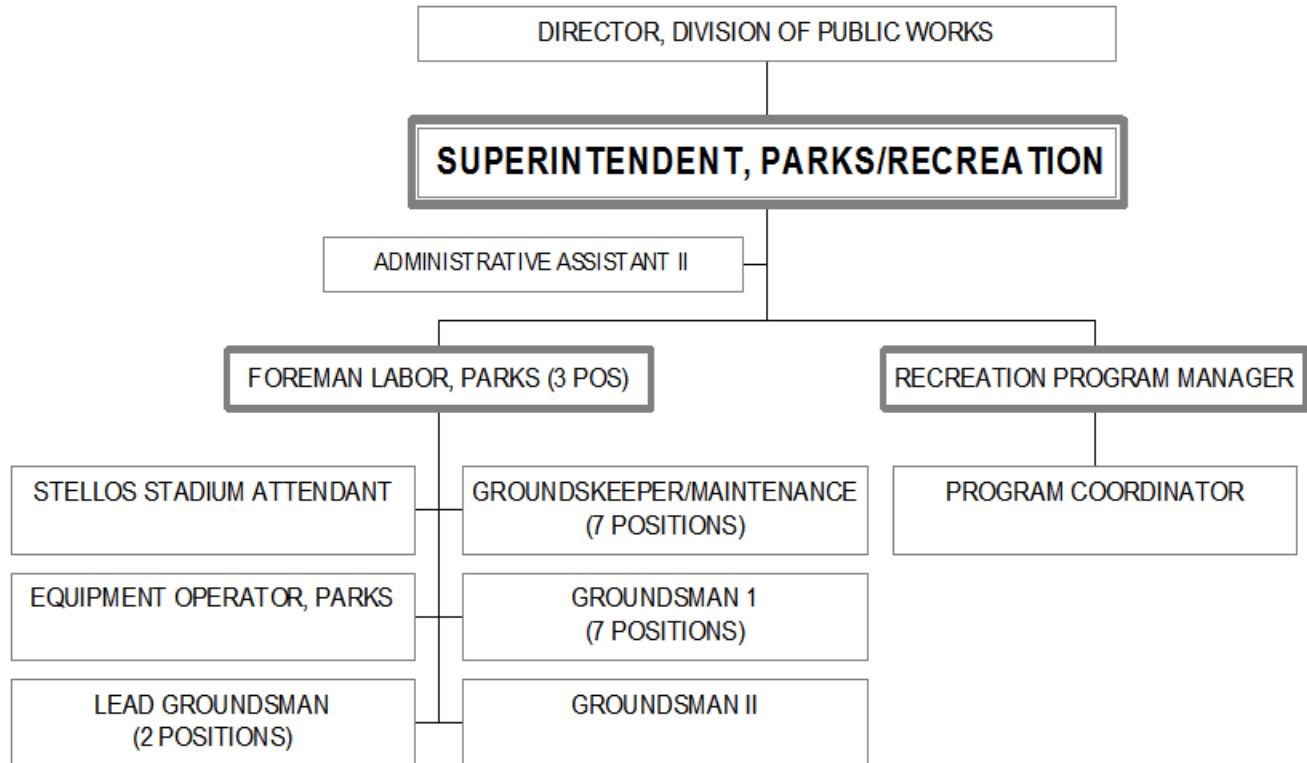
The Engineering Department issued the following permits in FY21:

- 80 Sewer Permits
- 707 Street Opening Permits
- 161 Permits to Encumber

# PARKS AND RECREATION DEPARTMENT

The Parks and recreation Department, with 25 full-time employees, is responsible for the maintenance of over 98 sites throughout the City that encompasses over 900 acres.

## DIVISION ORGANIZATIONAL CHART



The major facilities are Holman Stadium, Stellos Stadium, Greeley Park, and Mine Falls Park. The Department maintains 24 playgrounds, 27 baseball fields, 14 rectangular fields, 16 tennis courts, 10 softball fields, 3 pools, 2 wading pools, 1 splash pad and 3 skating rinks. The Department is also responsible for the snow removal of 8 inner city routes and 14 schools. Due to the Covid-19 Pandemic, many normal events did not take place over the 2020-2021 season.

<b>Department Goals</b>		<b>Status</b>
1	Complete the Greeley Park boat ramp	Ongoing
2	Replace the playground at Saint Andrews Park off Harris Road	Ongoing
3	Construct rectangular fields at Atherton Avenue	Ongoing
4	Develop plans to add one or two artificial fields in Mine Falls Park	Ongoing

<b><u>PERFORMANCE MEASURES</u></b>	<b>FY19 ACTUAL</b>	<b>FY20 ACTUAL</b>	<b>FY21 (AS OF 3/1)</b>
Trees Planted	44	37	4
Trees Trimmed	148	132	31
Acres Mowed	4,862	4,775	3,163
Summer Camp Attendees	1,343	1,510	337

### **FY2021 ACCOMPLISHMENTS**

- Installed playground at Lincoln Park
- Built community gardens and fence at Tolles Street Park
- Haines Street soccer field renovations
- Rotary pool filter replaced
- City Christmas tree planted

### **FY2021 COVID19 SERVICES PERFORMED**

- Hand sanitizer stations were made available at all parks
- Signage installed at all parks/playgrounds
- Regular sanitization applications/effort in stadiums
- Daily health checks and provided PPE to all employees

### **Summer Camps**

The department ran 30 summer camp programs and 24 adult and youth lessons. There were approximately 400 boys and girls ages 4 to 17 who attended the camps and 50 youths and adults who attended the lessons.

### **SummerFun**

After cancellations of all SummerFun events due to the pandemic, this was set to be the 47<sup>th</sup> year to showcase events at Greeley Park. While none of this happened this year, on normal years these events include movie nights, concerts, and three major events including Opening Day/DPW Day, Fairytale Festival, and Wheels and Wings; which draw a great crowd of roughly 1,500 participants each.

### **Event Trips**

All trips were cancelled due to the pandemic. Trips would have included 2 to New York City, 1 Bruins Hockey game, and 2 Celtic Basketball Games.



## **Santa in the Park**

Santa in the Park was held at the Greeley Park Bandshell this year. The move across the park was made to help social distance the crowd. The event was held on Sunday, December 6<sup>th</sup>. We were able to provide candy and a gift to each child that came. Gifts ranged from a book to sports balls to small toys that were donated by Parks & Recreation or Concord St neighbors. We roughly had 400 participants.

## **Special Events**

The Halloween Fright Night was changed to a movie night due to the pandemic. This event was supposed to run on Friday, Oct.30<sup>th</sup> but was changed due to weather.

The 50<sup>th</sup> Annual June Caron Senior Outing was held on Sunday, Nov. 22<sup>nd</sup> at Stellos Stadium as a drive by with pre-packaged meals for 250 Nashua Seniors 60+. The event was not held in-person due to Covid.

Gate City Brewfest was not held this year due to the pandemic.

## **Summer Pool Season**

Pools did not open due to the pandemic.

## **Adult Recreational Programs**

### Softball/Cricket

There are 10 adult softball leagues and 2 cricket leagues that utilize City fields during the spring, summer and fall months.

### Walking/Shoeing Program

There were many months where we did not run this program due to Covid. This is run in conjunction with the senior center. Walks are held at Mine Falls Park and the Rail Trail on Gilson Road. The program runs all year round, and if weather permits, we do snow shoe in the winter. Participation usually varies, but there are usually 5-20 walkers each day.

## **Youth Programs**

### Biddy Basketball

This program did not run due to the Covid-19 Pandemic. Approximately 1,500 Children from age 7-18 usually participate in the City's Basketball Program on normal years.

### Baseball/Softball

The baseball programs includes three leagues – Babe Ruth with 7 teams 100 participants, Fall Ball with 5 teams 75 participants, and Senior Babe Ruth with 1 team and 20 participants. The softball program also includes 5 teams with 65 participants.

## **Victory Gardens**

The Victory Gardens at Greeley Park contains 106 plots that provide citizens with a place to grow flowers and vegetables, and we currently have 63 people on the waiting list to acquire a garden.

## **Beautification**

Arbor Day was celebrated on May 12 with a tree planting at both North and South High Schools. Cherry Trees were planted at both locations.

## **Projects**

A new playground was installed at Lincoln Park, and opened for use in October. Along with this, new shade sails and an artificial turf footing was installed at Jeff Morin Playground at Roby Park. Lastly, the new Greeley Park Boat ramp was constructed and was completed in the spring of 2021

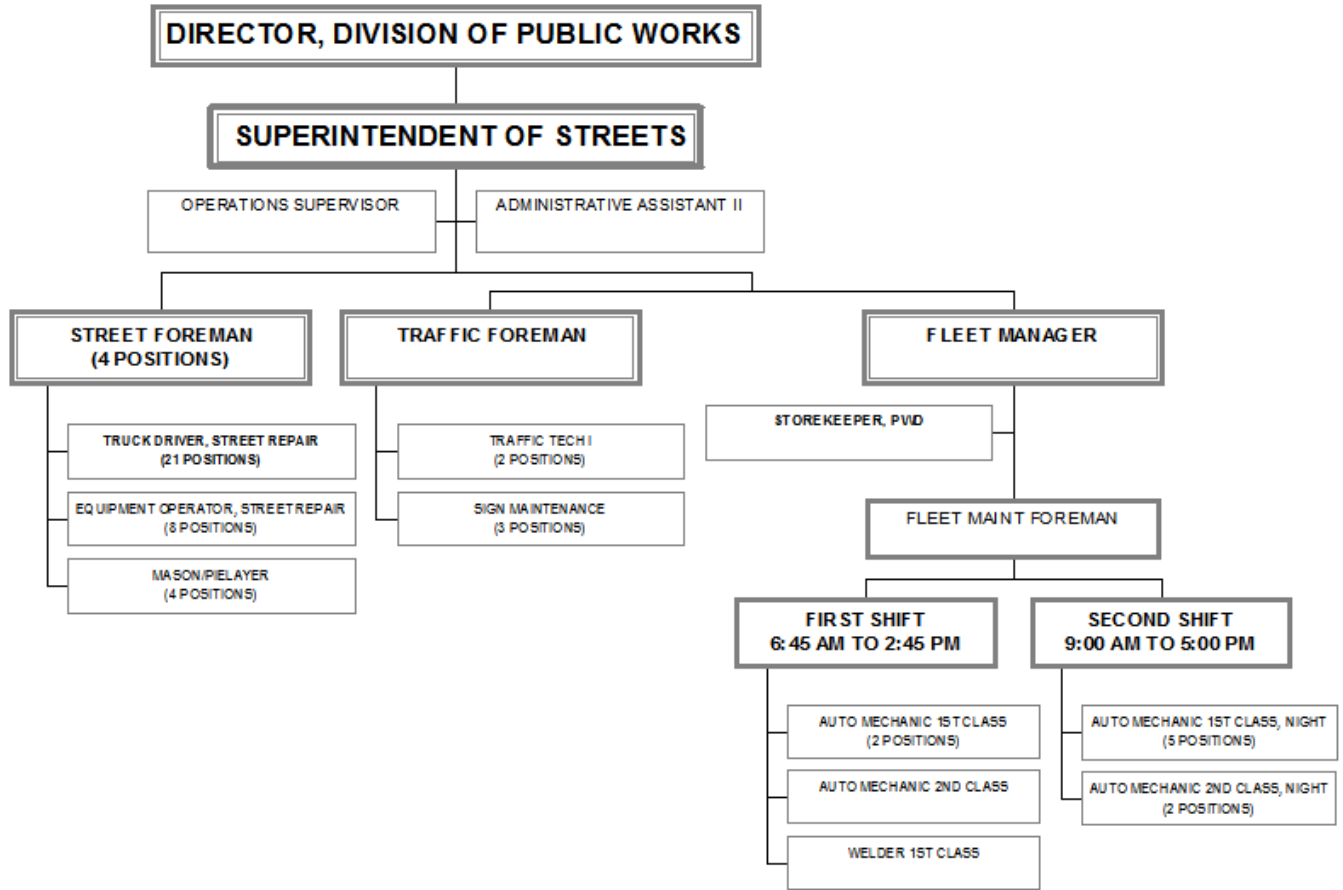
## **Equipment Purchases**

The Department purchased a new chipper to help the needs of the department, added a new baseball/softball infield groomer, a new tractor with side arm mower to take care of brush cutting, added an additional bucket truck to the fleet, and replaced two Fleet vehicles.

# STREET DEPARTMENT

The Street Department is located at 9 Stadium Drive. The Street Department is comprised of Street Maintenance, City Fleet Maintenance and Traffic Signs, Signals and Pavement Markings. There are 60 full-time employees making it the largest department in the Division of Public Works.

## DIVISION ORGANIZATIONAL CHART



<u>Department Goals</u>		<b>Status</b>
1	Construct the Hills Ferry boat ramp access road	Ongoing
2	Construct new fuel island at the Street Department	Ongoing
3	Complete the installation of the City's new wayfinding sign package	Ongoing
4	Lincoln park rehabilitation project	Ongoing
5	Assist in the construction of the new DPW facility	Ongoing

<b><u>PERFORMANCE MEASURES</u></b>	<b>FY19 ACTUAL</b>	<b>FY20 ACTUAL</b>	<b>FY21 (AS OF 3/1)</b>
Potholes repaired	1,294	1,073	754
Manholes repaired	65	104	45
Tons Salt used	7,300	7,547	6,274
LF Sidewalk repaired	2,800	900	2,200

### **FY2021 ACCOMPLISHMENTS**

- Completed phase one of the Lincoln Park rehab project
- Completed the new fuel island located at the Street department
- Completed the ball field rehabilitation at Dr. Crisp School
- Installed the new access road to the Greeley park boat ramp
- Installed footings for the art symposium

### **Maintenance**

The Street Department manages over 300 miles of road - 1400 streets. There are more than 735 total lane miles that are cared for and plowed each winter event. In addition there are 250 sidewalk miles that are maintained. The Street Department provides crucial infrastructure support of sewer and drainage line systems throughout the city which include the monitoring and rebuilding of over 20,000 catch basin, sewer and drain covers. Maintenance work includes the patching and repair of pavement as well as the sweeping of streets and sidewalks. The department also holds an annual spring clean-up which allows citizens curbside pick-up of brush and misc. wood items.

### **Drainage Improvements**

Each year the Street Department along with Engineering identifies and repairs areas of the city that have recurring flooding issues. In addition to the major repair work, the department also started a proactive program of replacing and/or fixing raised or lowered manholes throughout the travel lanes that had become troublesome for plows and drivers. A total of 57 catch basins and 50 manhole covers were repaired or replaced.



## **Road Repairs/Sweeping**

Crews were busy maintaining the roads after a snowy winter with freeze and thaws that created for abundant potholes. Two hotboxes were used this year in an effort to get the roads back into safe condition. There were over 1138 pothole requests filled this year.

Four sweepers including the sidewalk sweeper cover the entire city along with parking lots, parks, and schools. The operation begins in April and extends throughout the year with a final sweeping for the Holiday Stroll on Main Street.

## **Mill & Fill Program**

The Street Department staff along with the Engineering Department continued to identify roads of good integrity that had isolated potholing areas and continued a program of mill and fill. The program consists of machine milling out areas down 1.5” and then filling with new hot mix. This program was used on Perimeter road, Sargent Ave, Amherst Street, Ridge road and two rail crossings-(Bridge Street and Temple Street).



## **Sidewalks/Curbing**

Street department crews installed or replaced approximately 1500 of berm. Installed 2000 feet of paved sidewalk and approximately 1500 feet of concrete sidewalk.

## **Fleet Maintenance**

Fleet Maintenance is staffed with 14 full time employees who are responsible for the repairs and maintenance of over 290 pieces of equipment and vehicles. The Street Department is also the main fuel depot for the city including Police, Fire and Schools. RTA has been fully implemented tracking parts and labor costs for each department. The Fuel master software accurately tracks and monitors the fuel system to ensure accuracy.

Fleet Maintenance is responsible for state inspections and also prepares bid specifications for vehicles purchased throughout the Division of Public Works. The Street Department received 2

new International 6 wheel dump trucks with sanders/ plows and includes liquid brine application tanks with each truck. Streets also received two new trackless tractors and a CV515 truck. The Fleet Department has been aggressively been performing preventative maintenance to reduce the associated costs of repairs and breakdowns. With the DPW fleet average age of 8 years and the price of replacement parts a good maintenance program extends the life and reduces the overall cost. The Fleet Mechanics are learning the new vehicles and system repairs along with gathering information online and in manuals.



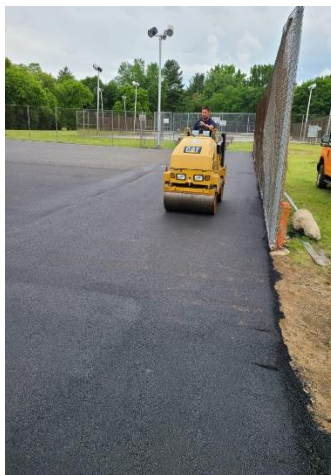
## Projects

The Greeley park boat ramp project was completed and includes a handicapped access ramp for loading and unloading handicapped boaters.

The Shady lane Tennis court was paved over for the new purpose of pickle ball courts.

Lincoln Park restoration phase one which included the upper lot area and the pavement around the baseball field was completed. This project also included the replacement of the playground located adjacent to the upper parking lot.

The Stellos commuter lot was repaved.



## Winter Operations

This past winter 47.40 inches of snow fell from December to March. There were a total of 14 events in FY21. Liquid brine is being applied as conditions permit and is reducing our rock salt use by approximately 20%. Sidewalks are cleared as soon as streets have been cleared, primary sidewalk routes begin in school zones.



## Traffic Signals, Signage and Pavement Markings

Traffic Signs, Signals and Pavement Markings are staffed with 6 full time employees who are responsible for the maintenance of all of the traffic control devices in the City. There are 92 traffic signals, over 1.3 million linear feet of long line pavement markings, 18,000 feet of thermoplastic crosswalk lines and almost 1000 stop signs.

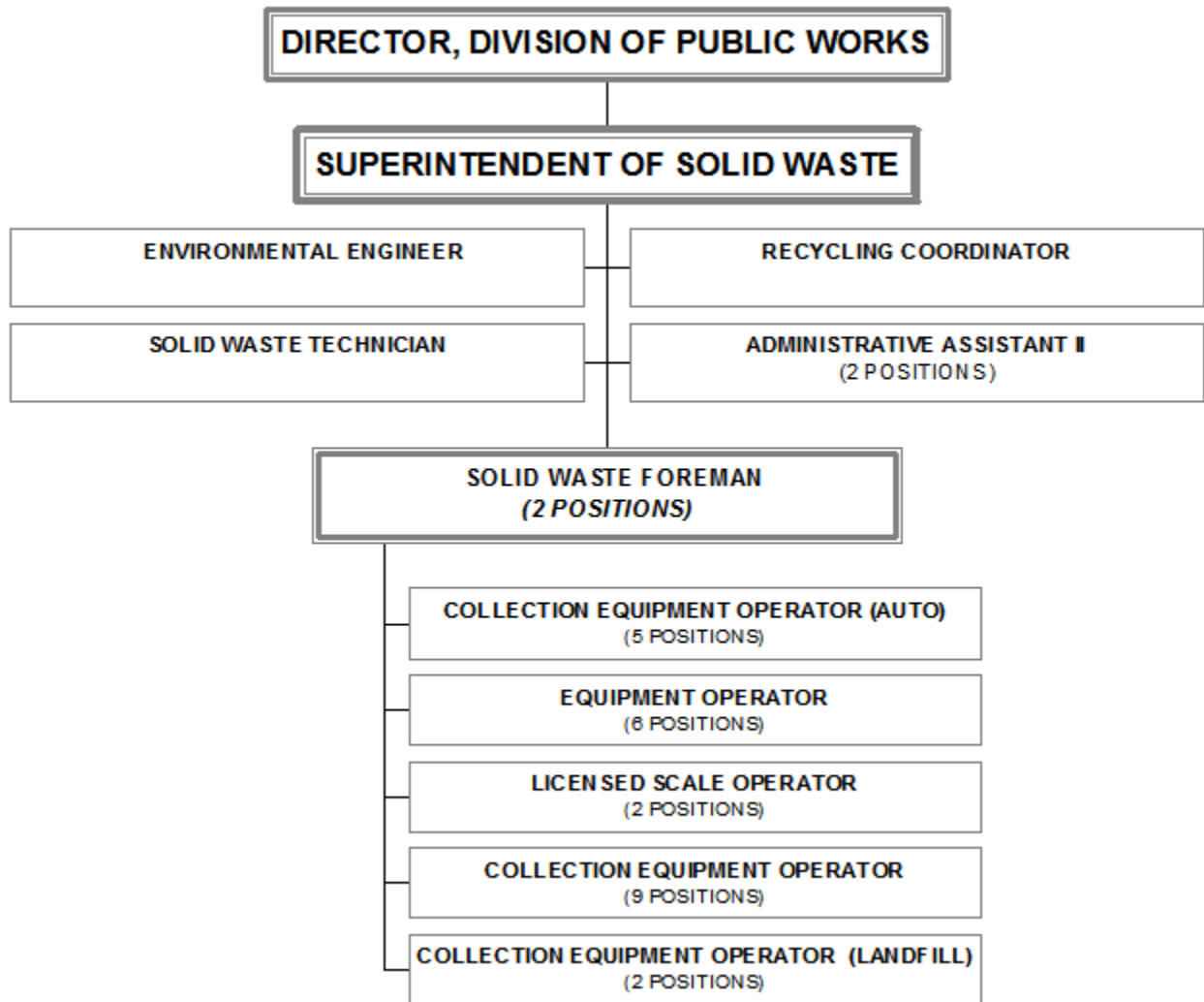
The Sign and Pavement Markings Maintenance Crew supervised the late night application of both thermoplastic and paint by the contractor under contract with the City. It is most efficient to do this type of work at night as there is far less traffic thereby reducing “drive-overs” along with less interference with normal traffic. Over 1,400,000 feet of markings were done.



# SOLID WASTE DEPARTMENT

The Solid Waste Department provides safe and efficient solid waste management services for residents and businesses of Nashua in the areas of recycling, solid waste, and hazardous waste. Services include curbside collection of trash, soft yard waste, single stream recycling and oversized items. The Four Hills Landfill and Recycling Center provides for the safe and secure disposal of municipal solid waste and the recycling of construction & demolition debris, metal, soft yard waste, brush, single stream recyclables, electronics, batteries, books, propane tanks, textiles, tires, used motor oil and anti-freeze. The Solid Waste Department also hosts several household hazardous waste collection events, provides environmental and engineering functions related to solid and hazardous waste and oversees several closed landfills in the City.

## DIVISION ORGANIZATIONAL CHART





<b>Department Goals</b>		<b>Status</b>
1	Continue Landfill Gas Expansion	Ongoing
2	Continue Permit Phase IV Landfill	Ongoing
3	Purchase Landfill and Collections Equipment	Ongoing
4	Design, bid and construct cover for vehicles	Ongoing

### General Information

- Curbside Collection of trash, soft yard waste and recycling:
  - Residents served: Approximately 23,000 households
- Single Stream Recycling- Single Stream recycling continues to be offered to the residents of Nashua. An expanded curbside collection program, selling 96 gallon recycling carts, 8,879 have been sold to date.
- Household Hazardous Waste- In conjunction with Nashua Regional Solid Waste Management District, Nashua hosts five events per year. More than 450 households participate yearly or over 39% of the total participants.

FY21 Municipal Solid Waste (MSW), Construction and Demolition (C+D), and Asbestos from both Residential and Commercial: **Total: 62,354 tons**

#### FY21 Recycling Diversion:

Single Stream recycling	<b>4745 tons</b>
Soft Yard Waste	<b>4882 tons</b>
Scrap Metal	<b>1088 tons</b>
Electronics	<b>182 tons</b>
Batteries, Books, Textiles and tires	<b>15 tons</b>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Residential Stickers	10,227	10,340	12,303	10,613
Commercial Stickers	790	608	814	804

### **FY2021 ACCOMPLISHMENTS**

- Phase III Landfill constructed and operational
- Continued Landfill Gas Expansion
- Services continued throughout the Pandemic
- Submitted Permit Application for Phase IV Landfill
- Construction of Phase II Landfill

### **FY2021 COVID19 SERVICES PERFORMED**

- The Solid Waste Department adapted to the Pandemic and continued collections of trash, recycling and yard waste without stopping in the service.
- The Solid Waste Department continued to perform all office duties while allowing the employees to work from home for their safety during the pandemic

- The Solid Waste Department continued to serve the residents coming to the landfill safely through social distancing and without contact to provide the services needed to the residents by changing procedures to the landfill
- The Solid Waste Department continued shipping materials through the pandemic without any interruption

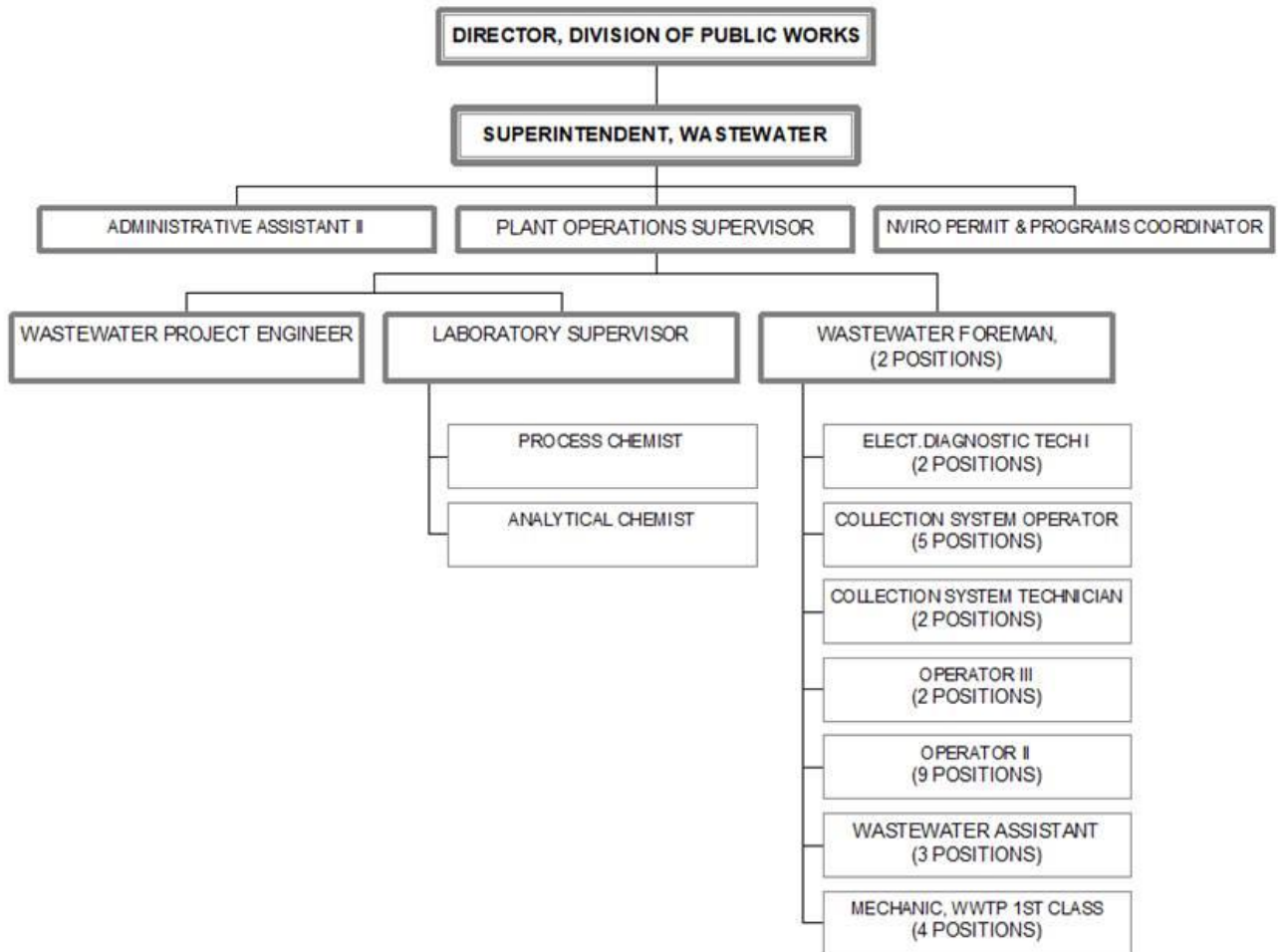
### **Staff Training and Certification**

- 5 staff members currently hold State Certification as Asbestos Workers and as Asbestos Supervisors
- 13 staff members currently hold State of New Hampshire Landfill Operators Licenses
- 3 Staff Members hold Management of Landfill Operations (MOLO) Certifications

# WASTEWATER TREATMENT FACILITY

The Wastewater Department is dedicated to collection and treating wastewater that flows into our facility from Nashua and Hudson and delivering a clean, clear effluent into the Merrimack River. Wastewater also maintains 440 miles of sanitary lines, 13 pump stations and stormwater collections systems.

## DIVISION ORGANIZATIONAL CHART



<u>Department Goals</u>		<u>Status</u>
1	Bid and Construction of the WW Plant Primary & Secondary Digester Coating	Not Started
2	Bid and Construction Phase of the Pump Station Upgrade Project Phase 2	Ongoing
3	Continuation of the Valve and Gate Replacement Project	Ongoing
4	WW Plant Dry Well Valve Replacement	Not Started

The total flow into the Nashua Wastewater Treatment Facility (NWTF) was 3.78 billion gallons for FY21. The average daily flow was 10.1 million gallons per day (MGD), with a one-day

maximum of 55.3 MGD and a one-day minimum of 0.0 MGD. The total amount of septage received from Hudson and Nashua was 854,650 gallons.

The total flow from Hudson was 380.8 million gallons and the total Merrimack flow was 29.5 million gallons.

The facility generated 6,268 wet tons of biosolids. Biosolids are managed under a contract with Resource Management Inc. (RMI), Holderness, NH. RMI is responsible for transporting the biosolids to farms and reclaiming operations as a soil enhancement.

The laboratory staff performed over 19,000 analyses on approximately 7,000 samples. The industrial pretreatment program Issued 4 new industrial permits, conducted 59 industry inspections and assisted with stormwater inspections of City owned properties for compliance with the MS4 Permit. Performed semi-annual sampling at 21 industries and special PFAS sampling at 16 industries. Implemented Dental Amalgam Separator Self-Certification programs for approximately 70 Nashua dentist offices. Administered the Wastewater Facility's Multi-Sector General Permit (Stormwater) including minimum quarterly inspections and sampling at 3 stormwater outfalls, annual EPA reporting and obtaining a new permit. Provided required training for staff on SPCC (Spill Prevention Control and Countermeasure) plan. Prepared data bases for dentists, food service establishments, and breweries. Prepared public information for the reduction of "FOG" (fats, oils and grease) and "Non-Flushables" in the City's sewer system. The total number of employees employed at the Wastewater Department is 35.

## **Projects and Purchases**

Six of the City's thirteen pump stations were upgraded in the Phase I upgrade, completed this fiscal year. This included pump replacements, new wet wells, and new controls. These upgrades were needed to maintain the flow within the City, as the aging infrastructure provides unique challenges for City staff.

Plans were completed and a package was put together to go out for bid for Phase II of the pump station upgrade. This will complete the upgrade of the remaining pump stations, replacing pumps, wet wells, controls, as well as some force main work.

The primary sedimentation tanks were upgraded, with new infrastructure, coating of the tanks, a new electrical building, and all new controls. This upgrade allows staff to optimize the solids handling processes at the Facility, which should reduce operating costs and minimize sludge hauling costs.

The Wet Weather Facility underwent major work, including a complete replacement of the two influent screens, complete cleanout of the Facility, all new sand installation, and work on all of the systems. Four new variable frequency drives were ordered for all the raw wastewater pumps, and one raw wastewater pump was removed and overhauled.

Two new 225 kW Caterpillar brand generators were installed as part of the energy recovery upgrade. This upgrade also included replacement and installation of auxiliary equipment such as the heat exchangers, gas blending skid, and control panels and allows the City to generate

electricity using methane gas, which is a byproduct of the solids digestion at the wastewater facility. This offsets our purchase of electricity and reduces our overall operating costs.

The Facility staff constantly strives for more operational optimization and discovered there were upgrades that could be made to the secondary process. The City contracted a consultant to reprogram the Blower Master Control Panel, allowing for more control of the dissolved oxygen delivery, resulting in better process control.

The wastewater facility staff has continued with many internal projects as well. The Facility has hundreds of valves that vary in age and function, which would be very costly to replace using an outside vendor. Skilled Facility mechanics have been working to replace valves, as well as rebuilding and reinstalling where appropriate, which is a significant cost saving to the rate payers. Additionally, equipment that has seal water as a protective mechanism is being switched over to mechanical seals. This reduces water consumption by the Facility, again, saving the rate payers overall. Finally, the Facility electricians began changing over all the lighting fixtures throughout the many rooms and buildings to all LED lights. This results in an energy savings and a rebate from the electrical supplier.

As the Facility continues to age, and in an effort to plan ahead for the benefit of all, the City contracted with an engineering consultant to complete a facility wide 20 year Plan. The consultant looked at all of the assets, age and condition, as well as the infrastructure, projected out future permit requirements and growth potential for the City, to determine what projects should be upcoming and on what schedule. This creates a master plan for the Facility.

### **Training and Certification**

The Wastewater Facility has 35 employees, 22 hold Wastewater Operator Certifications, 17 hold Collection System Certifications, 10 hold NASSCO pipeline inspection certifications, 3 hold laboratory analysis certifications, 2 hold underground storage tank certifications, and 1 holds a hazardous waste certification.

# REPORT OF NASHUA RIVERFRONT DEVELOPMENT PROJECT & TAX INCREMENT DISTRICT Fiscal Year Ended June 30, 2021

The original Riverfront Promenade TIF was amended in 2018 and the newly amended TIF Development and Financing Plan govern associated with the Downtown Riverfront Plan will be implemented going forward.

It should be noted that the prior TIF was relatively dormant beyond being a mechanism to pay the bond issued and for minor landscaping and miscellaneous expenses the prior TIF along the riverfront “the Promenade” was inactive. Essentially the TIF funds covered the bonded debt and there was very little available funds.

Moving forward under the newly adopted amended Riverfront TIF the plan will be implementing the Downtown Riverfront Plan.

## The amount and source of revenue of the District

### Property Taxes:

Revenue for the Riverfront TIF District is **\$5,095,179** and is generated from the incremental property taxes. This figure represents the entirety of all property tax revenue from **inception to date**.

## The amount and purpose of expenditures (Calendar Year)

Amount	Purpose of Expenditure(s)
	Principal paid on bond; - <b>\$55,000</b>
	Interest paid on bonds: - <b>\$10,400</b>
	Architects & Engineering Services - <b>\$422,032.62</b>
	Building/Grounds Maintenance - <b>\$337,279.95</b>
	Other Contracted Services - <b>\$305,443.35</b>
	Miscellaneous Supplies - <b>\$553.95</b>

## The amount of principal and interest on any outstanding bonded indebtedness

As of 12/31/2021 - **\$225,200**

## The original assessed value of the District

**4/1/2020 \$38,144,100** on the MS-1 – district expanded with new development

\*Please note this date represents assessed value prior to amendment, which expanded the TIF district

## The tax increments received

Tax Increment Received In 2021: **\$1,077,888**