

TOWN OF HOPKINTON, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017

**TOWN OF HOPKINTON, NEW HAMPSHIRE
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Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of Hopkinton
330 Main Street
Hopkinton, New Hampshire 03229

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, as of and for the year ended December 31, 2017, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, as of December 31, 2017, and the respective changes in financial position thereof and budget to actual comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension related schedules and the schedule of funding progress for other postemployment benefits on pages 33 – 35 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Hopkinton has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Hopkinton. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They 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. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

June 20, 2018

Roberts & Greene, PLLC

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF HOPKINTON, NEW HAMPSHIRE
Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 10,133,660
Investments	1,846,977
Intergovernmental receivable	11,861
Other receivables, net of allowance for uncollectibles	1,262,010
Prepaid items	36,696
Tax deeded property held for resale	2,015
Capital assets, not being depreciated:	
Land	8,410,469
Intangible assets	323,900
Capital assets, net of accumulated depreciation:	
Land improvements	305,096
Buildings and building improvements	6,323,986
Machinery, vehicles and equipment	1,621,180
Infrastructure	5,197,573
Total assets	<u>35,475,423</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>769,544</u>
 LIABILITIES	
Accounts payable	246,779
Accrued payroll and benefits	68,545
Contract payable	465,660
Accrued interest payable	48,337
Intergovernmental payable	6,347,360
Performance and escrow deposits	120
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	435,049
Compensated absences payable	7,311
Accrued landfill postclosure care costs	28,000
Due in more than one year:	
Bonds and notes payable	4,881,336
Compensated absences payable	233,902
Other postemployment benefits payable	163,119
Accrued landfill postclosure care costs	252,000
Net pension liability	4,382,631
Total liabilities	<u>17,560,149</u>
 DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	367,043
Deferred amounts related to pensions	<u>373,485</u>
Total deferred inflows of resources	<u>740,528</u>
 NET POSITION	
Net investment in capital assets	17,912,666
Restricted for:	
Perpetual care:	
Nonexpendable	537,189
Expendable	300,457
Other purposes	1,665,016
Unrestricted	<u>(2,471,038)</u>
Total net position	<u><u>\$ 17,944,290</u></u>

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

EXHIBIT 2
TOWN OF HOPKINTON, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 1,611,759	\$ 5,439	\$ 15,841	\$ -	\$ (1,590,479)
Public safety	1,834,444	543,533	8,654	-	(1,282,257)
Highways and streets	2,961,049	-	190,706	385,256	(2,385,087)
Sanitation	854,537	528,326	25,060	-	(301,151)
Health	22,076	-	-	-	(22,076)
Welfare	122,857	-	-	-	(122,857)
Culture and recreation	862,394	88,003	6,602	-	(767,789)
Conservation	1,750	-	443	-	(1,307)
Economic development	9,650	-	-	-	(9,650)
Interest on long-term debt	182,874	-	-	-	(182,874)
Capital outlay	452,899	-	-	-	(452,899)
Total governmental activities	<u>\$ 8,916,289</u>	<u>\$ 1,165,301</u>	<u>\$ 247,306</u>	<u>\$ 385,256</u>	<u>(7,118,426)</u>
General revenues:					
Property taxes					4,106,191
Other taxes					275,769
Licenses and permits					1,210,751
Grants and contributions not restricted to specific programs					289,283
Miscellaneous					331,590
Total general revenues					<u>6,213,584</u>
Change in net position					(904,842)
Net position, beginning, as restated, see Note III.D.3.					<u>18,849,132</u>
Net position, ending					<u>\$ 17,944,290</u>

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

EXHIBIT 3
TOWN OF HOPKINTON, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2017

	General	Roads, Bridges & Culverts	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,866,011	\$ 1,513,569	\$ 754,080	\$ 10,133,660
Investments	-	-	1,846,977	1,846,977
Receivables, net of allowance for uncollectibles:				
Taxes	773,250	-	-	773,250
Accounts	208,476	-	49,144	257,620
Intergovernmental	11,861	-	-	11,861
Interfund receivable	93,932	-	10,571	104,503
Prepaid items	214,466	-	-	214,466
Tax deeded property held for resale	2,015	-	-	2,015
Total assets	<u>\$ 9,170,011</u>	<u>\$ 1,513,569</u>	<u>\$ 2,660,772</u>	<u>\$ 13,344,352</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 243,182	\$ -	\$ 3,597	\$ 246,779
Accrued salaries and benefits	68,545	-	-	68,545
Contract payable	-	465,660	-	465,660
Intergovernmental payable	6,347,360	-	-	6,347,360
Interfund payable	8,340	-	96,163	104,503
Escrow and performance deposits	-	-	120	120
Total liabilities	<u>6,667,427</u>	<u>465,660</u>	<u>99,880</u>	<u>7,232,967</u>
Deferred inflows of resources:				
Deferred revenue	<u>983,091</u>	<u>-</u>	<u>9,291</u>	<u>992,382</u>
Fund balances:				
Nonspendable	216,481	-	761,065	977,546
Restricted	116,115	1,047,909	578,631	1,742,655
Committed	-	-	1,211,905	1,211,905
Assigned	21,500	-	-	21,500
Unassigned	<u>1,165,397</u>	<u>-</u>	<u>-</u>	<u>1,165,397</u>
Total fund balances	<u>1,519,493</u>	<u>1,047,909</u>	<u>2,551,601</u>	<u>5,119,003</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,170,011</u>	<u>\$ 1,513,569</u>	<u>\$ 2,660,772</u>	<u>\$ 13,344,352</u>

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

EXHIBIT 4
TOWN OF HOPKINTON, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2017

Total fund balances of governmental funds (Exhibit 3)		\$ 5,119,003
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	\$ 65,267,056	
Less accumulated depreciation	<u>(43,084,852)</u>	
		22,182,204
Debt payments not due until the subsequent period are recorded as prepaid in the governmental funds.		
Prepaid principal and interest		(177,770)
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	\$ (104,503)	
Payables	<u>104,503</u>	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	\$ 459,199	
Unavailable ambulance revenue	47,515	
Unavailable landfill charges	13,111	
Unavailable payments in lieu of taxes	96,223	
Unavailable sewer charges	9,291	
Unavailable elderly and welfare liens	<u>231,140</u>	
		856,479
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(48,337)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	\$ 5,316,385	
Compensated absences payable	241,213	
Other postemployment benefits payable	163,119	
Accrued landfill postclosure care costs	280,000	
Net pension liability	<u>4,382,631</u>	
		(10,383,348)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 769,544	
Deferred inflows of resources related to pensions	<u>(373,485)</u>	
		396,059
Total net position of governmental activities (Exhibit 1)		<u>\$ 17,944,290</u>

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

EXHIBIT 5
TOWN OF HOPKINTON, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Roads, Bridges & Culverts	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 4,357,020	\$ -	\$ 13,682	\$ 4,370,702
Licenses, permits and fees	1,210,751	-	-	1,210,751
Intergovernmental	911,177	-	-	911,177
Charges for services	783,435	-	352,713	1,136,148
Miscellaneous	96,057	737	257,239	354,033
Total revenues	<u>7,358,440</u>	<u>737</u>	<u>623,634</u>	<u>7,982,811</u>
Expenditures:				
Current:				
General government	1,579,740	-	20,360	1,600,100
Public safety	1,555,904	-	110,145	1,666,049
Highways and streets	1,505,866	-	-	1,505,866
Sanitation	615,872	-	131,806	747,678
Health	22,076	-	-	22,076
Welfare	108,242	-	11,467	119,709
Culture and recreation	489,310	-	99,129	588,439
Conservation	-	-	1,750	1,750
Economic development	9,650	-	-	9,650
Debt service:				
Principal	713,335	-	-	713,335
Interest	180,207	-	-	180,207
Capital outlay	-	712,128	559,844	1,271,972
Total expenditures	<u>6,780,202</u>	<u>712,128</u>	<u>934,501</u>	<u>8,426,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>578,238</u>	<u>(711,391)</u>	<u>(310,867)</u>	<u>(444,020)</u>
Other financing sources (uses):				
Transfers in	90,036	-	538,231	628,267
Transfers out	(536,000)	-	(92,267)	(628,267)
Total other financing sources and uses	<u>(445,964)</u>	<u>-</u>	<u>445,964</u>	<u>-</u>
Net change in fund balances	132,274	(711,391)	135,097	(444,020)
Fund balances, beginning	<u>1,387,219</u>	<u>1,759,300</u>	<u>2,416,504</u>	<u>5,563,023</u>
Fund balances, ending	<u>\$ 1,519,493</u>	<u>\$ 1,047,909</u>	<u>\$ 2,551,601</u>	<u>\$ 5,119,003</u>

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

EXHIBIT 6
TOWN OF HOPKINTON, 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 December 31, 2017

Net change in fund balances of governmental funds (Exhibit 5)		\$ (444,020)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	\$ 889,014	
Depreciation expense	<u>(1,959,544)</u>	(1,070,530)
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	\$ (628,267)	
Transfers out	<u>628,267</u>	-
Payments on debt not due until the subsequent period are recorded as prepaid in governmental funds.		
Change in prepaid principal and interest		(177,770)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable tax revenue	\$ (33,172)	
Change in unavailable ambulance revenue	24,854	
Change in unavailable landfill revenue	4,290	
Change in unavailable grant revenue	(11,775)	
Change in unavailable payment in lieu of taxes	32,496	
Change in unavailable sewer charges	9	
Change in allowance for unavailable liens	<u>11,934</u>	28,636
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of bond and note principal		862,167
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 26,271	
Increase in compensated absences payable	(36,888)	
Increase in other postemployment benefits payable	(10,276)	
Increase in accrued landfill postclosure care costs	<u>(5,000)</u>	(25,893)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	\$ 382,922	
Cost of benefits earned, net of employee contributions	<u>(460,354)</u>	(77,432)
Change in net position of governmental activities (Exhibit 2)		<u>\$ (904,842)</u>

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

EXHIBIT 7
TOWN OF HOPKINTON, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 4,368,734	\$ 4,368,734	\$ 4,323,848	\$ (44,886)
Licenses, permits and fees	1,125,500	1,125,500	1,210,751	85,251
Intergovernmental	742,959	905,848	911,177	5,329
Charges for services	658,390	658,390	783,435	125,045
Miscellaneous	55,400	55,400	96,057	40,657
Total revenues	<u>6,950,983</u>	<u>7,113,872</u>	<u>7,325,268</u>	<u>211,396</u>
EXPENDITURES				
Current:				
General government	1,722,562	1,722,562	1,579,740	142,822
Public safety	1,599,872	1,599,872	1,555,904	43,968
Highways and streets	1,434,555	1,597,444	1,621,981	(24,537)
Sanitation	601,358	601,358	615,872	(14,514)
Health	22,509	22,509	22,076	433
Welfare	111,180	111,180	108,242	2,938
Culture and recreation	485,804	485,804	489,310	(3,506)
Conservation	1	1	-	1
Economic development	31,500	31,500	31,150	350
Debt service:				
Principal	722,801	722,801	713,335	9,466
Interest on long-term debt	170,778	170,778	180,207	(9,429)
Interest on tax anticipation note	2,000	2,000	-	2,000
Total expenditures	<u>6,904,920</u>	<u>7,067,809</u>	<u>6,917,817</u>	<u>149,992</u>
Excess of revenues over expenditures	<u>46,063</u>	<u>46,063</u>	<u>407,451</u>	<u>361,388</u>
Other financing sources (uses):				
Transfers in	104,937	104,937	90,036	(14,901)
Transfers out	<u>(536,000)</u>	<u>(536,000)</u>	<u>(536,000)</u>	<u>-</u>
Total other financing sources and uses	<u>(431,063)</u>	<u>(431,063)</u>	<u>(445,964)</u>	<u>(14,901)</u>
Net change in fund balance	<u>\$ (385,000)</u>	<u>\$ (385,000)</u>	<u>(38,513)</u>	<u>\$ 346,487</u>
Increase in nonspendable fund balance			(124,345)	
Unassigned fund balance, beginning			1,787,454	
Unassigned fund balance, ending			<u>\$ 1,624,596</u>	

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

EXHIBIT 8
TOWN OF HOPKINTON, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Private Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 28,965	\$ 254,663
Investments	657,940	391,744
Total assets	686,905	646,407
Liabilities:		
Due to other governmental units	-	636,905
Net position:		
Held in trust for specific purposes	\$ 686,905	\$ -

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

EXHIBIT 9
TOWN OF HOPKINTON, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2017

	Private Purpose Trust
Additions:	
New funds	\$ 52,850
Investment earnings:	
Interest and dividends	9,796
Net change in fair value of investments	<u>51,238</u>
Total additions	113,884
Deductions:	
Trust distributions	<u>16,271</u>
Change in net position	97,613
Net position, beginning	<u>589,292</u>
Net position, ending	<u><u>\$ 686,905</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Hopkinton (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended December 31, 2017.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Town of Hopkinton is a municipal corporation governed by a board of selectmen consisting of five members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the Town's financial statements do not include any component units.

I.B.2. *Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Individual funds are not displayed.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. Direct expenses are those that are clearly identifiable with a specific function. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual, governmental funds are reported in separate columns in the basic fund financial statements with composite columns for nonmajor funds.

I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

The agency funds are custodial in nature and do not measure results of operations.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within sixty days of the end of the fiscal year. However, on the budgetary basis, tax revenue is not so deferred in accordance with the instructions of the State of New Hampshire Department of Revenue Administration. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond and note principal and interest, which are reported as expenditures in the year due.

Major revenues susceptible to accrual are property taxes, intergovernmental amounts and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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I.B.4. Fund Types and Major Funds

Governmental Funds

The Town reports the following major governmental funds:

General Fund – Reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

Roads, Bridges and Culverts Fund – Reports as a Capital Project Fund and used to report the financial activity associated with the planning, design, rehabilitation and construction of existing town roads, bridges and culverts.

The Town also reports twelve nonmajor governmental funds.

Fiduciary Funds

The Town reports the following fiduciary funds:

Private Purpose Trust Funds – Account for financial resources of the Town used only for the benefit of other entities or individuals.

Agency Funds – Account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. The Town's agency funds are used to account for the various capital reserve accounts held by the trustees of trust funds on behalf of the local school district and village precincts.

I.C. Assets, Liabilities, and Net Position or Fund Equity

I.C.1. Cash and Investments

The laws of the State of New Hampshire require that the Town's treasurer have custody of all monies belonging to the Town, other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383:22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Investments are stated at fair value based on quoted market prices.

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New Hampshire law authorizes the Town to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the state treasurer.

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

I.C.2. *Capital Assets and Depreciation*

Generally, the Town's property, plant and equipment with useful lives of more than two years are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. The Town generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follow:

	<u>Years</u>
Land improvements	20
Buildings and building improvements	20-50
Machinery, vehicles and equipment	5-20
Infrastructure	7-50

I.C.3. *Long-Term Liabilities*

In the government-wide financial statements, outstanding debt is reported as liabilities. Other long-term liabilities include compensated absences, other postemployment benefits, accrued landfill postclosure care costs, and the net pension liability. These are not reported in the governmental funds.

TOWN OF HOPKINTON, NEW HAMPSHIRE
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I.C.4. *Equity*

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for perpetual care, which consists of the balance of the Permanent Fund that is allowed to be used only for cemetery care. This balance is segregated between nonexpendable, representing the principal balance that must be invested to generate income and cannot be expended, and expendable, representing income earned that can be used for cemetery care.
- Restricted for other purposes, which consists of the Library Fund; the rest of the Permanent Fund that is to be used for other purposes; and the unexpended bond proceeds in the Road, Bridges and Culverts Fund.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, representing the principal balance of the permanent funds that cannot be spent, and the balances of tax deeded property and prepaid expenditures.
- Restricted, representing the unexpended additional highway block grant, the income portion of the Permanent Fund, the balance of the Library Fund and the unexpended bond proceeds in the Road, Bridges and Culverts Fund. that can only be used for specific purposes per terms of endowments or State law
- Committed, representing the unrestricted balances of the Special Revenue and Capital Projects Funds.
- Unassigned, representing the remaining balance of the General Fund.

I.C.5. *Use of Estimates*

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

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

An annual budget was adopted on a basis consistent with generally accepted accounting principles for the General Fund, as well as some of the nonmajor funds. Unless encumbered, all governmental fund appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2017, \$385,000 of the fund balance from 2016 was so used.

Revenues are budgeted by source. Expenditures in the General Fund are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, conservation, economic development, debt service and capital outlay. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

II.B. Reconciliation of General Fund Budgetary Basis to GAAP

The following reconciles the budgetary basis to the GAAP basis for the General Fund. The Permanent Fund does not have a formal budget.

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	\$ 7,415,304
Adjustments:	
Basis difference:	
Tax revenue deferred in the prior year	492,371
Tax revenue deferred in the current year	(459,199)
Per Exhibit 5 (GAAP basis)	<u>\$ 7,448,476</u>
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	\$ 7,453,817
Adjustment:	
Basis difference:	
Encumbrances, ending	(137,615)
Per Exhibit 5 (GAAP basis)	<u>\$ 7,316,202</u>
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	\$ 1,624,596
Adjustment:	
Basis difference:	
Deferred tax revenue, GAAP basis	(459,199)
Per Exhibit 3 (GAAP basis)	<u>\$ 1,165,397</u>

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. Cash

Custodial credit risk is the risk that in event of a bank failure, a government's deposits may not be returned to it. The Town does not have a policy for custodial credit risk. As of December 31, 2017, \$226,660 of the Town of Hopkinton's bank balances of \$11,916,771 was exposed to custodial credit risk as uninsured and collateralized. The Town realized in 2018 that it did not have enough collateral for all of its deposits, and has taken the steps to obtain more.

III.A.2. Investments

As of December 31, 2017, the Town had the following investments:

U.S. government agency bonds	\$ 274,351
Exchange traded funds	205,074
Mutual funds	385,285
Preferred stock	63,755
Common stock	582,606
Corporate bonds	368,992
New Hampshire Public Deposit Investment Pool	1,016,598
	<u>\$ 2,896,661</u>

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	\$ 1,846,977
Fiduciary funds - statement of fiduciary net position (Exhibit 8)	1,049,684
Total	<u>\$ 2,896,661</u>

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. New Hampshire law limits investments to those described in Note I.C.1. The Town's investment policy does not place any further restrictions on its investment choices.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town's investment policy limits concentration of investments with a specific maturity.

TOWN OF HOPKINTON, NEW HAMPSHIRE
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III.A.3. Receivables, Uncollectible Accounts and Deferred Revenue

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 12% per annum on all taxes not received by the due date. The first billing is an estimate only based on half of the previous year's billing. The final billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien should be executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 18% per annum is charged upon redemption of lien taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. The tax collector executed a tax lien for uncollected 2016 property taxes on April 14.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Hopkinton School District, Merrimack County, and the Contoocook Village and Hopkinton Village Precincts. The Town is responsible for the collection of all these taxes. During the annual tax rate setting process, the Town sets an amount for potential abatements and tax deedings, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

The net assessed valuation as of April 1, 2017, upon which the 2017 property tax levy was based was:

For the New Hampshire education tax	\$590,686,947
For all other taxes	\$617,920,647

The tax rates and amounts assessed for the year ended December 31, 2017 were as follow:

	<u>Per \$1,000 of Assessed Valuation</u>	
Municipal portion	\$7.09	\$ 4,379,231
School portion:		
State of New Hampshire	\$2.35	1,389,580
Local	\$21.81	13,477,393
County portion	\$3.04	1,878,295
Precinct portion:		
Contoocook Village	\$2.12	275,345
Hopkinton Village	\$0.46	17,879
Total property taxes assessed		<u>\$21,417,723</u>

TOWN OF HOPKINTON, NEW HAMPSHIRE
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The following details the taxes receivable at year-end:

Property:	
Levy of 2017	\$651,570
Unredeemed (under tax lien):	
Levy of 2016	169,863
Levy of 2015	59,377
Levy of 2014	12,042
Levy of 2013	4,422
Levy of 2012	3,632
Levy of 2011	2,917
Levy of 2010	17,182
Levy of 2009	1,039
Land use change	1,188
Timber	18
Less: allowance for estimated uncollectible taxes	(150,000)
Net taxes receivable	<u><u>\$773,250</u></u>

Other Receivables and Uncollectible/Unavailable Accounts

Significant receivables include amounts due from customers primarily for sewer, ambulance, landfill and other services. The fund financial statements report accounts receivable net of any allowance for uncollectible/unavailable accounts and revenues net of uncollectibles. The allowance amounts consist of all of the elderly and welfare liens, and an amount for potential adjustments to ambulance receivables.

Related amounts are as follow:

Accounts	\$ 275,186
Intergovernmental	11,861
Liens	231,140
Less: allowance for uncollectible amounts	(248,706)
Net total receivables	<u><u>\$ 269,481</u></u>

Deferred Revenue

Deferred revenue in the governmental funds consists of \$459,199 of taxes, \$9,291 of sewer charges, \$96,223 of payments in lieu of taxes, \$47,515 of ambulance related fees, and \$13,111 of landfill revenue deferred because they were not received within sixty days of year-end; and \$367,043 of prepaid taxes to be applied to the subsequent year's levy. In the Governmental Activities, only the prepaid taxes are reported as unearned revenue.

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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III.A.4. Capital Assets

Changes in Capital Assets

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

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 8,410,469	\$ -	\$ -	\$ 8,410,469
Intangible assets	323,900	-	-	323,900
Total capital assets not being depreciated	<u>8,734,369</u>	<u>-</u>	<u>-</u>	<u>8,734,369</u>
Being depreciated:				
Land improvements	1,147,328	-	-	1,147,328
Buildings and building improvements	8,804,074	-	-	8,804,074
Machinery, vehicles and equipment	4,321,015	582,114	(314,500)	4,588,629
Infrastructure	41,685,756	306,900	-	41,992,656
Total capital assets being depreciated	<u>55,958,173</u>	<u>889,014</u>	<u>(314,500)</u>	<u>56,532,687</u>
Total all capital assets	<u>64,692,542</u>	<u>889,014</u>	<u>(314,500)</u>	<u>65,267,056</u>
Less accumulated depreciation:				
Land improvements	(816,980)	(25,252)	-	(842,232)
Buildings and building improvements	(2,214,029)	(266,059)	-	(2,480,088)
Machinery, vehicles and equipment	(2,849,989)	(431,960)	314,500	(2,967,449)
Infrastructure	(35,558,810)	(1,236,273)	-	(36,795,083)
Total accumulated depreciation	<u>(41,439,808)</u>	<u>(1,959,544)</u>	<u>314,500</u>	<u>(43,084,852)</u>
Net book value, capital assets being depreciated	<u>14,518,365</u>	<u>(1,070,530)</u>	<u>-</u>	<u>13,447,835</u>
Net book value, all capital assets	<u>\$ 23,252,734</u>	<u>\$ (1,070,530)</u>	<u>\$ -</u>	<u>\$ 22,182,204</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	
General government	\$ 266,059
Public safety	142,538
Highways and streets	1,437,909
Sanitation	109,903
Culture and recreation	3,135
Total depreciation expense	<u>\$ 1,959,544</u>

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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III.B. Liabilities

III.B.1. Intergovernmental Payable

The amount due to other governments at December 31, 2017 consists of the balance of the 2017-2018 district assessment due to the Hopkinton School District in the amount of \$6,347,360.

III.B.2. Long-Term Liabilities

General obligation bonds and notes are approved by the voters and repaid with general revenues (property taxes). These liabilities are backed by the full faith and credit of the Town. Long-term liabilities also include compensated absences, the OPEB liability, accrued landfill postclosure care costs, and the net pension liability.

Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 12/31/2017	Current Portion
General obligation bonds and notes payable:						
Open space (Beyer/Carson/Rollins)	\$761,500	2004	2020	4.31	\$ 100,000	\$ -
Open space (Rice)	\$467,900	2005	2025	4.00	170,000	25,000
Open space (Ransmeier)	\$368,250	2006	2026	4.39	25,462	18,412
Open space (Myron)	\$279,837	2007	2020	3.97	83,366	24,168
Community well	\$350,000	2010	2020	3.20	105,000	35,000
Highway garage	\$530,566	2013	2023	2.21	318,339	53,057
Fire Station renovations	\$2,995,041	2014	2029	3.49	2,619,235	178,366
Roads, bridges, and culverts	\$2,200,000	2016	2026	2.54	1,894,983	101,046
					<u>5,316,385</u>	<u>435,049</u>
Compensated absences payable					241,213	7,311
Other postemployment benefits payable					163,119	-
Accrued landfill postclosure care costs					280,000	28,000
Net pension liability					<u>4,382,631</u>	<u>-</u>
					<u><u>\$ 10,383,348</u></u>	<u><u>\$ 470,360</u></u>

This note continues on the following page.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2017:

	General Obligation Bonds and Notes Payable	Compensated Absences Payable	OPEB Liability	Accrued Landfill Postclosure Care Costs	Net Pension Liability	Total
Balance, beginning	\$ 6,178,552	\$ 204,325	\$ 152,843	\$ 275,000	\$ 5,055,916	\$ 11,866,636
Additions	-	36,888	25,695	5,000	-	67,583
Reductions	(862,167)	-	(15,419)	-	(673,285)	(1,550,871)
Balance, ending	<u>\$ 5,316,385</u>	<u>\$ 241,213</u>	<u>\$ 163,119</u>	<u>\$ 280,000</u>	<u>\$ 4,382,631</u>	<u>\$ 10,383,348</u>

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonds and notes as of year-end are as follow:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 435,049	\$ 137,863	\$ 572,912
2019	584,972	148,155	733,127
2020	593,353	129,954	723,307
2021	486,804	111,799	598,603
2022	499,389	97,191	596,580
2023-2027	2,196,413	266,171	2,462,584
2028-2029	520,405	23,198	543,603
Totals	<u>\$ 5,316,385</u>	<u>\$ 914,331</u>	<u>\$ 6,230,716</u>

At the March 12, 2003 Town Meeting, \$5,000,000 of bonds were approved for the purpose of acquiring land for open space. As of December 31, 2017, five bonds totaling \$2,037,486 have been issued of this authorization, leaving \$2,962,514 still unissued.

Accrued Landfill Postclosure Care Costs

State and federal laws and regulations require that the Town continue to perform certain monitoring and maintenance functions at the landfill site for thirty years after closure. The amount recorded as the postclosure care liability represents the estimate of what it will cost for this monitoring and maintenance costs over the next eleven years, the length of time monitoring is expected to continue. The actual cost of postclosure care could be higher or lower.

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III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as “interfund receivables/payables” include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as “interfund receivables/payables.”

The following reports the interfund receivables and payables at year-end:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 93,932
Nonmajor	General	8,340
Nonmajor	Nonmajor	2,231
		<u>\$ 104,503</u>

The amount due to the General Fund represents reimbursements for expenditures paid on behalf of other funds. The amount due to the Nonmajor Funds from the General Fund represents payment of land use change tax due to the Conservation Commission and other revenue due to the Pay-By-Bag Fund. The amount due to the Nonmajor Funds from other Nonmajor Funds represents Permanent Fund interest due to the Library Fund.

III.C.2. *Transfers*

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made, funding capital projects, and making additions to and using capital reserve accounts. The government-wide statement of activities eliminates transfers reported within the activities columns.

The following reports transfers within the reporting entity:

	<u>General Fund</u>	<u>Transfers In: Nonmajor Funds</u>	<u>Total</u>
Transfers out:			
General fund	\$ -	\$ 536,000	\$ 536,000
Nonmajor funds	90,036	2,231	92,267
	<u>\$ 90,036</u>	<u>\$ 538,231</u>	<u>\$ 628,267</u>

The transfers from the General Fund represent \$536,000 to the Expendable Trust Fund as voted by Town Meeting. The transfers from the Nonmajor Funds represent \$15,000 from the Library

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Fund to the General Fund for interest; \$75,036 from the Pay-by-Bag Fund to the General Fund as voted; and \$2,231 representing earnings on library trust funds paid to the Library Fund.

III.D. Equity

III.D.1. Components of Fund Balance

Fund balance is categorized in the following components as described in Note I.C.4.:

	General Fund	Bridges Roads & Culverts Fund	Nonmajor Funds
Nonspendable:			
Endowments	\$ -	\$ -	\$ 761,065
Prepaid items	214,466	-	-
Tax deeded property	2,015	-	-
Total nonspendable	<u>216,481</u>	<u>-</u>	<u>761,065</u>
Restricted:			
General government	-	-	300,457
Public safety	-	-	169,720
Highways and streets	116,115	-	-
Culture and recreation	-	-	108,454
Capital outlay	-	1,047,909	-
Total restricted	<u>116,115</u>	<u>1,047,909</u>	<u>578,631</u>
Committed:			
Public safety	-	-	79,252
Highways and streets	-	-	1,579
Sanitation	-	-	148,577
Welfare	-	-	37,516
Culture and recreation	-	-	105,936
Conservation	-	-	133,095
Capital outlay	-	-	705,950
Total committed	<u>-</u>	<u>-</u>	<u>1,211,905</u>
Assigned to economic development	<u>21,500</u>	<u>-</u>	<u>-</u>
Unassigned	<u>1,165,397</u>	<u>-</u>	<u>-</u>
Total fund balance	<u><u>\$ 1,519,493</u></u>	<u><u>\$ 1,047,909</u></u>	<u><u>\$ 2,551,601</u></u>

III.D.2. Restricted Net Position

The government-wide statement of net position includes restricted net position of \$837,646 for perpetual care; \$405,182 for library, community outreach and the senior center representing public trust funds reported as restricted to reflect purpose restrictions in trust indentures; \$1,046,847 of unexpended bond proceeds; \$96,868 of the library fund balance and \$116,119 representing additional highway block grant monies, all whose use is restricted by law.

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III.D.3. Restatement of Beginning Equity

Equity of the Governmental Activities at January 1, 2017 was restated as follows:

To adjust for capital assets not recorded in prior year	\$ 252,012
Net position, as previously reported	<u>18,597,120</u>
Net position, as restated	<u><u>\$ 18,849,132</u></u>

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the General Fund. During the fiscal year, the Town was a member of the NH Public Risk Management Exchange (Primex), which is organized to provide certain property and liability protection to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of Primex, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from July 1 through June 30 for property/liability, and from January 1 through December 31 for workers' compensation.

Contributions paid for property/liability coverage in 2017 to be recorded as an insurance expenditure/expense totaled \$71,377. There were no unpaid contributions due in 2017. The Town also paid \$79,826 for workers' compensation coverage for the year. The policy agreement permits Primex to make additional assessments to members should there be a deficiency in trust assets to meet its liabilities. At this time, the Town foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for the Town's police officers, fire personnel and other employees, and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at www.nhrs.org or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police officers, firefighters and other employees were 11.55%, 11.80% and 7.0% of gross wages, respectively. The rates of

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contribution from the Town were 26.38% for police, 29.16% for fire personnel, and 11.17% for other employees increasing on July 1, 2017 to 29.43% for police, 31.89% for fire personnel, and 11.38% for other employees. The rates are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during the years 2015, 2016 and 2017 were \$350,050, \$367,709 and \$391,770, respectively. The amounts are paid on a monthly basis as due.

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

At December 31, 2017, the Town reported a liability of \$4,382,631 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities and school districts, actuarially determined. As of June 30, 2017, the Town's proportion was 0.0891%, which was a decrease of 0.006% from its proportion reported as of June 30, 2016.

For the year 2017, the Town recognized pension expense of \$460,354. At year-end, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 113,917	\$ 261,892
Net differences between projected and actual earnings on pension plan investments	-	55,815
Changes in assumptions	440,074	-
Differences between expected and actual experience	9,937	55,778
Town contributions subsequent to the measurement date	205,616	-
	<u>\$ 769,544</u>	<u>\$ 373,485</u>

The Town reported \$205,616 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year 2018.

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Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ended <u>December 31,</u>	
2018	\$ 50,709
2019	151,577
2020	109,489
2021	<u>(121,332)</u>
	<u><u>\$ 190,443</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the actuarial valuation as of June 30, 2016 rolled forward, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	5.6% average, including inflation
Investment rate of return	7.25% per year

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

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

This note continues on the following page.

TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of net pension liability	\$5,773,896	\$4,382,631	\$3,242,544

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, is available in the separately issued NHRS report.

IV.C. Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustments by such agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

There are also some pending claims and litigation that have arisen through the Town's normal operations, most notably, property tax appeals from two power companies, seeking abatements of taxes assessed in prior years. The Town is defending against these claims, and is unable at this time to determine the likelihood of an unfavorable outcome, but should the plaintiffs succeed, the effect to the Town would be expected to be significant.

IV.D. Other Postemployment Benefits

Plan Description

As required by NH RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*, the Town provides its eligible retirees including certain beneficiaries, the ability to purchase health, dental and prescription drug coverage at the Town's group rates. The Town does not supplement the cost of these plans directly, but recognizes the liability for the inclusion of implicit rate subsidies to the retirees. The subsidy occurs because when a blended rate is used for a group of individuals that includes younger and presumably healthier people along with older, retired people, implicitly, the active employees are subsidizing the retirees. As of

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AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

December 31, 2017, there were ten retirees with seven spouses, and thirty-one active employees with twenty-seven spouses participating in the plan.

Benefits Provided

The Town provides medical, dental and prescription drug coverage to retirees and their eligible spouses and dependents. All active employees who retire from the Town and meet the eligibility requirements will receive these benefits.

Funding Policy

Retirees contribute all of the premiums as determined by the Town, but the remainder of the costs as derived from the implicit subsidy are paid by the Town on a pay-as-you-go basis.

Annual OPEB Costs and Net OPEB Obligation

The Town's annual OPEB expense for the year 2017 was calculated based on the annual required contribution of the Town (ARC). The Town has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years.

The Town's annual OPEB cost for the year ended December 31, 2017 including the amount actually contributed to the plan and the change in the Town's net OPEB obligation is as follows:

Annual Required Contribution (ARC)	\$ 25,695
Interest on Net OPEB Obligation (NOO)	-
Adjustment to ARC	-
Annual OPEB Cost (Expense)	<u>25,695</u>
Age Adjusted Contributions Made	<u>(15,419)</u>
Change in Net OPEB Obligation (NOO)	10,276
Net OPEB Obligation (NOO), beginning	<u>152,843</u>
Net OPEB Obligation (NOO), ending	<u><u>\$ 163,119</u></u>

This note continues on the following page.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2017 and the preceding eight years (the first years of recording) were as follow:

Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual Cost Contributed	Net OPEB Obligation
12/31/2009	\$42,584	\$14,743	34.62%	\$27,841
12/31/2010	\$29,581	\$10,969	37.08%	\$18,612
12/31/2011	\$29,050	\$6,197	21.33%	\$22,853
12/31/2012	\$29,050	\$6,072	20.90%	\$22,978
12/31/2013	\$28,646	\$6,257	21.84%	\$22,389
12/31/2014	\$30,412	\$12,658	41.62%	\$17,754
12/31/2015	\$23,384	\$12,385	52.96%	\$10,999
12/31/2016	\$22,871	\$13,454	58.83%	\$9,417
12/31/2017	\$25,695	\$15,419	60.01%	\$10,276

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2017, is as follows:

Accrued Liability (AL)	\$ 171,115
Value of Plan Assets	-
Unfunded Accrued Liability (UAL)	<u>\$ 171,115</u>
Funded Ratio (Value of Plan Assets / AL)	0.00%
Covered Payroll of Active Plan Members	\$2,158,167
UAL as a Percentage of Covered Payroll	7.93%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information after the notes to the financial statements, presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the accrued liability for benefits.

TOWN OF HOPKINTON, NEW HAMPSHIRE
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Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Health insurance premiums – The health insurance premiums for retirees in 2017 were used as the basis for calculation of the present value of total benefits to be paid.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 10
TOWN OF HOPKINTON, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of net pension liability	0.0891%	0.0951%	0.0916%	0.0944%
Town's proportionate share of the net pension liability	\$4,382,631	\$5,055,916	\$3,626,825	\$3,542,092
Town's covered-employee payroll	\$2,158,167	\$2,025,249	\$1,962,243	\$2,053,126
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	203.07%	249.64%	184.83%	172.52%
Plan fiduciary net position as a percentage of the total pension liability	62.7%	58.3%	65.5%	66.3%

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

EXHIBIT 11
TOWN OF HOPKINTON, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 382,922	\$ 368,038	\$ 350,050	\$ 356,384
Contribution in relation to the contractually required contribution	<u>382,922</u>	<u>368,038</u>	<u>350,050</u>	<u>356,384</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$2,158,167	\$2,025,249	\$ 1,962,243	\$2,053,126
Contribution as a percentage of covered-employee payroll	17.74%	18.17%	17.84%	17.36%

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

EXHIBIT 12
TOWN OF HOPKINTON, NEW HAMPSHIRE
Other Postemployment Benefits
Schedule of Funding Progress

Valuation Date	Value of Assets	Accrued Liability (AL)	Unfunded AL (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
12/31/2009	\$ -	\$404,661	\$404,661	0.00%	\$1,727,557	23.42%
12/31/2010	\$ -	\$286,916	\$286,916	0.00%	\$1,815,431	15.80%
12/31/2011	\$ -	\$275,930	\$275,930	0.00%	\$1,847,376	14.94%
12/31/2012	\$ -	\$278,391	\$278,391	0.00%	\$1,849,035	15.06%
12/31/2013	\$ -	\$274,514	\$274,514	0.00%	\$1,938,595	14.16%
12/31/2014	\$ -	\$294,145	\$294,145	0.00%	\$2,053,126	14.33%
12/31/2015	\$ -	\$156,301	\$156,301	0.00%	\$1,962,243	7.97%
12/31/2016	\$ -	\$152,930	\$152,930	0.00%	\$2,025,249	7.55%
12/31/2017	\$ -	\$171,115	\$171,115	0.00%	\$2,158,167	7.93%

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

**TOWN OF HOPKINTON, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

The Schedule of the Town's Proportionate Share of the Net Pension Liability, the Schedule of the Town's Pension Contributions, and the Schedule of Funding Progress for the Other Postemployment Benefits are meant to present related information for ten years. Because this is the third year that the Town has presented the pension schedules, and the ninth year that the Town has presented its OPEB information, only four and nine years, respectively, are presented. An additional year's information will be added each year until there are ten years shown.

COMBINING AND INDIVIDUAL FUND SCHEDULES

EXHIBIT 13
TOWN OF HOPKINTON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Special Revenue Funds										Capital Projects Fund	Permanent Fund	Total
	Library	Recreation Revolving	Recycling Revolving	Conservation Commission	Pay-by-Bag	Sewer	Senior Center Rental	Drug Forfeiture and Seizure	Public Safety Revolving	Other	Expendable Trust		
ASSETS													
Cash and cash equivalents	\$ 91,992	\$ 44,577	\$ 22,462	\$ 130,008	\$ 99,564	\$ 23,472	\$ 3,381	\$ 32,443	\$ 35,271	\$ 127,155	\$ 91,255	\$ 52,500	\$ 754,080
Investments	2,645	-	-	-	-	-	-	-	-	-	651,773	1,192,559	1,846,977
Accounts receivable	-	-	-	-	8,818	39,826	-	-	500	-	-	-	49,144
Interfund receivable	2,231	-	-	3,087	5,253	-	-	-	-	-	-	-	10,571
Total assets	<u>\$ 96,868</u>	<u>\$ 44,577</u>	<u>\$ 22,462</u>	<u>\$ 133,095</u>	<u>\$ 113,635</u>	<u>\$ 63,298</u>	<u>\$ 3,381</u>	<u>\$ 32,443</u>	<u>\$ 35,771</u>	<u>\$ 127,155</u>	<u>\$ 743,028</u>	<u>\$ 1,245,059</u>	<u>\$ 2,660,772</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,597
Interfund payable	-	4,551	600	-	27,674	9,656	475	-	850	13,048	37,078	2,231	96,163
Escrow and performance deposits	-	-	-	-	-	-	120	-	-	-	-	-	120
Total liabilities	<u>-</u>	<u>4,551</u>	<u>600</u>	<u>-</u>	<u>27,674</u>	<u>13,253</u>	<u>595</u>	<u>-</u>	<u>850</u>	<u>13,048</u>	<u>37,078</u>	<u>2,231</u>	<u>99,880</u>
Deferred inflows of resources:													
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,291</u>
Fund balances:													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	761,065	761,065
Restricted	96,868	-	-	-	-	-	-	-	-	-	-	481,763	578,631
Committed	-	40,026	21,862	133,095	85,961	40,754	2,786	32,443	34,921	114,107	705,950	-	1,211,905
Total fund balances	<u>96,868</u>	<u>40,026</u>	<u>21,862</u>	<u>133,095</u>	<u>85,961</u>	<u>40,754</u>	<u>2,786</u>	<u>32,443</u>	<u>34,921</u>	<u>114,107</u>	<u>705,950</u>	<u>1,242,828</u>	<u>2,551,601</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 96,868</u>	<u>\$ 44,577</u>	<u>\$ 22,462</u>	<u>\$ 133,095</u>	<u>\$ 113,635</u>	<u>\$ 63,298</u>	<u>\$ 3,381</u>	<u>\$ 32,443</u>	<u>\$ 35,771</u>	<u>\$ 127,155</u>	<u>\$ 743,028</u>	<u>\$ 1,245,059</u>	<u>\$ 2,660,772</u>

EXHIBIT 14
TOWN OF HOPKINTON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2017

	Special Revenue Funds										Capital Projects Fund	Permanent Fund	Total
	Library	Recreation Revolving	Recycling Revolving	Conservation Commission	Pay-by-Bag	Sewer	Senior Center Rental	Drug Forfeiture and Seizure	Public Safety Revolving	Other	Expendable Trust		
REVENUES													
Taxes	\$ -	\$ -	\$ -	\$ 13,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,682
Charges for services	8,056	79,947	-	-	82,896	111,899	-	-	69,915	-	-	-	352,713
Miscellaneous	16,320	8	11	41,200	49	51	1,062	16	27	69,249	35,167	94,079	257,239
Total revenues	<u>24,376</u>	<u>79,955</u>	<u>11</u>	<u>54,882</u>	<u>82,945</u>	<u>111,950</u>	<u>1,062</u>	<u>16</u>	<u>69,942</u>	<u>69,249</u>	<u>35,167</u>	<u>94,079</u>	<u>623,634</u>
EXPENDITURES													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	20,360	20,360
Public safety	-	-	-	-	-	-	-	-	103,785	6,360	-	-	110,145
Sanitation	-	-	600	-	27,674	103,532	-	-	-	-	-	-	131,806
Welfare	-	-	-	-	-	-	-	-	-	11,467	-	-	11,467
Culture and recreation	9,604	70,600	-	-	-	-	404	-	-	16,151	2,370	-	99,129
Conservation	-	-	-	1,750	-	-	-	-	-	-	-	-	1,750
Capital outlay	-	-	-	-	-	-	-	-	-	-	559,844	-	559,844
Total expenditures	<u>9,604</u>	<u>70,600</u>	<u>600</u>	<u>1,750</u>	<u>27,674</u>	<u>103,532</u>	<u>404</u>	<u>-</u>	<u>103,785</u>	<u>33,978</u>	<u>562,214</u>	<u>20,360</u>	<u>934,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,772</u>	<u>9,355</u>	<u>(589)</u>	<u>53,132</u>	<u>55,271</u>	<u>8,418</u>	<u>658</u>	<u>16</u>	<u>(33,843)</u>	<u>35,271</u>	<u>(527,047)</u>	<u>73,719</u>	<u>(310,867)</u>
Other financing sources (uses):													
Transfers in	2,231	-	-	-	-	-	-	-	-	-	536,000	-	538,231
Transfers out	(15,000)	-	-	-	(75,036)	-	-	-	-	-	-	(2,231)	(92,267)
Total other financing sources and uses	<u>(12,769)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,000</u>	<u>(2,231)</u>	<u>445,964</u>
Net change in fund balances	2,003	9,355	(589)	53,132	(19,765)	8,418	658	16	(33,843)	35,271	8,953	71,488	135,097
Fund balances, beginning	94,865	30,671	22,451	79,963	105,726	32,336	2,128	32,427	68,764	78,836	696,997	1,171,340	2,416,504
Fund balances, ending	<u>\$ 96,868</u>	<u>\$ 40,026</u>	<u>\$ 21,862</u>	<u>\$ 133,095</u>	<u>\$ 85,961</u>	<u>\$ 40,754</u>	<u>\$ 2,786</u>	<u>\$ 32,443</u>	<u>\$ 34,921</u>	<u>\$ 114,107</u>	<u>\$ 705,950</u>	<u>\$ 1,242,828</u>	<u>\$ 2,551,601</u>

EXHIBIT 15
TOWN OF HOPKINTON, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 4,108,334	\$ 4,094,257	\$ (14,077)
Land use change	18,000	25,452	7,452
Timber	20,000	21,848	1,848
Payments in lieu of taxes	107,400	92,754	(14,646)
Interest and penalties on delinquent taxes	115,000	89,537	(25,463)
Total taxes	<u>4,368,734</u>	<u>4,323,848</u>	<u>(44,886)</u>
Licenses, permits and fees:			
Business licenses and permits	1,000	765	(235)
Motor vehicle permits	1,100,000	1,186,163	86,163
Other	24,500	23,823	(677)
Total licenses, permits and fees	<u>1,125,500</u>	<u>1,210,751</u>	<u>85,251</u>
Intergovernmental:			
State sources:			
Meals and rooms distributions	289,283	289,283	-
Highway block grant	190,709	190,706	(3)
Additional highway block grant	162,889	162,889	-
State and federal forest land	443	443	-
Flood control reimbursement	229,523	222,367	(7,156)
Landfill grant	27,000	25,060	(1,940)
Witness fees	500	240	(260)
Other	500	-	(500)
Federal sources:			
Emergency management	1	11,775	11,774
Police grants	5,000	8,414	3,414
Total intergovernmental	<u>1,068,737</u>	<u>1,074,066</u>	<u>5,329</u>
Charges for services:			
Income from departments	<u>658,390</u>	<u>783,435</u>	<u>125,045</u>
Miscellaneous:			
Sale of property	3,500	2,300	(1,200)
Interest on investments	15,000	31,755	16,755
Rent of property	8,400	10,462	2,062
Fines and forfeits	500	822	322
Insurance dividends and reimbursements	2,500	10,876	8,376
Contributions and donations	500	15,366	14,866
Other	25,000	24,476	(524)
Total miscellaneous	<u>55,400</u>	<u>96,057</u>	<u>40,657</u>
Other financing sources:			
Transfers in:			
Nonmajor funds	<u>104,937</u>	<u>90,036</u>	<u>(14,901)</u>
Total revenues and other financing sources	7,381,698	<u>\$ 7,578,193</u>	<u>\$ 196,495</u>
Use of fund balance to reduce taxes	385,000		
Total revenues, other financing sources and use of fund balance	<u>\$ 7,766,698</u>		

EXHIBIT 16
TOWN OF HOPKINTON, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbered to Subsequent Year</u>	<u>Variance Positive (Negative)</u>
Current:				
General government:				
Executive	\$ 257,810	\$ 261,369	\$ -	\$ (3,559)
Election and registration	207,961	198,829	-	9,132
Financial administration	117,855	117,591	-	264
Revaluation of property	85,100	81,716	-	3,384
Legal	25,000	9,854	-	15,146
Personnel administration	835,585	705,061	-	130,524
Planning and zoning	108,791	108,438	-	353
Cemeteries	15,056	14,629	-	427
Insurance, not otherwise allocated	69,404	82,253	-	(12,849)
Total general government	<u>1,722,562</u>	<u>1,579,740</u>	<u>-</u>	<u>142,822</u>
Public safety:				
Police	692,705	668,375	-	24,330
Ambulance	603,146	603,601	-	(455)
Fire	304,020	283,928	-	20,092
Emergency management	1	-	-	1
Total public safety	<u>1,599,872</u>	<u>1,555,904</u>	<u>-</u>	<u>43,968</u>
Highways and streets:				
Public works	719,955	748,070	-	(28,115)
Highways	875,389	755,499	116,115	3,775
Street lighting	2,100	2,297	-	(197)
Total highways and streets	<u>1,597,444</u>	<u>1,505,866</u>	<u>116,115</u>	<u>(24,537)</u>
Sanitation:				
Transfer station	548,858	568,801	-	(19,943)
Solid waste	40,500	39,912	-	588
Community wells	12,000	7,159	-	4,841
Total sanitation	<u>601,358</u>	<u>615,872</u>	<u>-</u>	<u>(14,514)</u>
Health:				
Animal control	6,834	6,401	-	433
Health agencies and hospitals	15,675	15,675	-	-
Total health	<u>22,509</u>	<u>22,076</u>	<u>-</u>	<u>433</u>
Welfare:				
Administration	61,180	62,480	-	(1,300)
Vendor payments	50,000	45,762	-	4,238
Total welfare	<u>111,180</u>	<u>108,242</u>	<u>-</u>	<u>2,938</u>

(continued)

EXHIBIT 16 (continued)
TOWN OF HOPKINTON, NEW HAMPSHIRE
General Fund

Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbered to Subsequent Year</u>	<u>Variance Positive (Negative)</u>
Culture and recreation:				
Parks and recreation	196,488	190,358	-	6,130
Public library	286,066	296,152	-	(10,086)
Patriotic purposes	3,250	2,800	-	450
Total culture and recreation	<u>485,804</u>	<u>489,310</u>	<u>-</u>	<u>(3,506)</u>
Conservation	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Economic development	<u>31,500</u>	<u>9,650</u>	<u>21,500</u>	<u>350</u>
Debt service:				
Principal	722,801	713,335	-	9,466
Interest on long-term debt	170,778	180,207	-	(9,429)
Interest on tax anticipation note	2,000	-	-	2,000
Total debt service	<u>895,579</u>	<u>893,542</u>	<u>-</u>	<u>2,037</u>
Other financing uses:				
Transfers out:				
Nonmajor funds	<u>536,000</u>	<u>536,000</u>	<u>-</u>	<u>-</u>
Total appropriations, expenditures, encumbrances and other financing uses	<u>\$ 7,603,809</u>	<u>\$ 7,316,202</u>	<u>\$ 137,615</u>	<u>\$ 149,992</u>

EXHIBIT 17
TOWN OF HOPKINTON, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

Unassigned fund balance, beginning		\$ 1,787,454
Changes:		
Unassigned fund balance used to reduce tax rate		(385,000)
Budget summary:		
Revenue surplus (Exhibit 15)	\$ 196,495	
Unexpended balance of appropriations (Exhibit 16)	<u>149,992</u>	
Budget surplus		346,487
Increase in nonspendable fund balance		<u>(124,345)</u>
Unassigned fund balance, ending		<u><u>\$ 1,624,596</u></u>