

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**

**Financial Statements**

**December 31, 2023**

**and**

**Independent Auditor's Report**

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**December 31, 2023**

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**TOWN OF NEW HAMPTON, NEW HAMPSHIRE  
FINANCIAL STATEMENTS  
December 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Selectmen  
Town of New Hampton, New Hampshire

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of New Hampton, New Hampshire (the "Town"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 New Hampton, New Hampshire, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of New Hampton, New Hampshire's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New Hampton, New Hampshire's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Hampton, New Hampshire's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 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 nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Vachon Clukay & Company PC*

Manchester, New Hampshire  
July 23, 2024

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
YEAR ENDING DECEMBER 31, 2023**

The following is a discussion and analysis of the financial activities of the Town of New Hampton, New Hampshire for the year ending December 31, 2023. Readers are encouraged to consider the information presented here in conjunction with the Town’s financial statements.

Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the Town’s financial position, and the result of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an accurate understanding of the Town’s financial activities have been included.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town’s basic financial statements. The Town’s basic financial statements include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes 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 Town’s finances, in a manner similar to most private-sector companies.

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

The **Statement of Activities** presents information showing how the Town’s net position changed during the most recent year. All changes in net position are reported as soon as the underlying event 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 not result in cash flows until future periods (such as uncollected taxes and earned but unused vacation leave).

**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 Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements report using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's custodial funds consist of escrow funds from developers which are held by the Town, and taxes and fees collected by the Town and remitted to other governments. Private-Purpose Trust Funds are for funds of cemeteries and scholarships.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

## **Required Supplementary Information**

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund, Town's only major governmental fund with an adopted budget and includes reconciliation between the reported activity of the revenues, expenditures and operating transfers for budgetary purposes (Schedule 1) and the activity as presented in the governmental fund financial statements (Exhibit D).

This section also includes a schedule of changes in the Town's proportionate share of the net OPEB liability, schedule of Town OPEB contributions, schedule of changes in the Town's total OPEB liability and related ratios, schedule of changes in the Town's proportionate share of the net pension liability and a schedule of Town pension contributions.

## **Other Supplementary Information**

Other supplementary information includes combining financial statements for non-major governmental funds.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

The Town's net position totaled \$4,338,282 at the end of 2023, an increase of \$190,183 when compared to the end of the previous year.

	Governmental	
	<u>Activities</u>	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 2,292,590	\$ 2,354,129
Capital assets, net	5,859,201	5,938,627
Total Assets	<u>8,151,791</u>	<u>8,292,756</u>
Deferred outflows of resources related to OPEB	6,396	7,460
Deferred outflows of resources related to pensions	504,552	436,511
Total Deferred Outflows of Resources	<u>510,948</u>	<u>443,971</u>
Current liabilities	608,654	682,834
Non-Current liabilities	3,615,064	3,744,198
Total Liabilities	<u>4,223,718</u>	<u>4,427,032</u>
Uncollected land use change taxes	-	-
Deferred inflows of resources related to pensions	100,739	161,596
Total Deferred Inflows of Resources	<u>100,739</u>	<u>161,596</u>
Net position:		
Net investment in capital assets	5,113,231	4,991,429
Restricted	145,628	192,645
Unrestricted	<u>(920,577)</u>	<u>(1,035,975)</u>
Total Net Position	<u>\$ 4,338,282</u>	<u>\$ 4,148,099</u>

One of the largest portions of the Town's net position reflects its investment in capital assets such as land, buildings, and equipment less any related outstanding debt used to acquire those assets. There is \$145,628 restricted for the Permanent Funds, drug forfeiture funds, and grants.

### Statement of Activities

The Town's net position increased by \$190,183 during the current year. Total revenues of \$3,890,397 exceeded total expenditures of \$3,700,214.

Property taxes brought in \$2,387,751 in revenues. Licenses and permits generated \$654,006 in revenues. These revenue sources generate approximately 78.1% of total revenue. Other revenues consisted of charges for services, grants and contributions, interest and investment earnings, and miscellaneous revenues.

Changes in net position for the year ending December 31, 2023 is as follows:

	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues:		
Charges for services	\$ 174,257	\$ 203,737
Operating grants and contributions	221,971	309,579
Capital grants and contributions	55,293	156,761
General revenues:		
Property taxes	2,387,751	2,106,502
Licenses and permits	654,006	629,723
Grants and contributions	258,699	241,160
Interest and investment earnings	116,628	26,711
Miscellaneous	21,792	43,267
Total Revenues	<u>3,890,397</u>	<u>3,717,440</u>
Expenses		
General government	798,298	767,957
Public safety	1,364,365	1,368,729
Highways and streets	1,296,499	1,184,404
Health and welfare	8,323	5,869
Sanitation	210,965	218,011
Culture and recreation	4,694	5,358
Conservation	2,435	16,388
Interest and fiscal charges	14,635	25,807
Total Expenses	<u>3,700,214</u>	<u>3,592,523</u>
Change in net position	<u>190,183</u>	<u>124,917</u>
Net position, beginning of year	<u>4,148,099</u>	<u>4,023,182</u>
Net position, end of year	<u>\$ 4,338,282</u>	<u>\$ 4,148,099</u>

The Town's expenses cover a range of services. The largest expenses were for public safety (37%), highways and streets (35%), and general government (22%), which accounted for 94% of total expenses.

### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

#### **Governmental Funds**

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

## General Fund

The General Fund is the chief operating fund of the Town. At the end of the fiscal year 2023, the General Fund had an unassigned fund balance of \$993,273 while total General Fund balance was \$1,355,837. The total fund balance includes committed funds for the Capital Reserve and Trust Funds. The General Fund balance decreased \$11,153 from December 31, 2022.

Under Statement 54, the Town has segregated fund balance into five classifications: Non-spendable, Restricted, Committed, Assigned and Unassigned. Complete descriptions of these classifications may be found on pages 14-15 of the Notes to the Basic Financial Statements. Also, under GASB 54, the Capital Reserve and Expendable Trust Funds are reported as part of the General Fund.

## Other Governmental Funds

The Fire Department Equipment Fund was reported as a major fund in the current year. Total fund balance of \$321,573 was increased by \$8,595 over December 31, 2022. The total fund balance in the Nonmajor Governmental Funds was \$175,894, an increase of \$20,664 from December 31, 2022.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

In 2023 the town under expended its budget by \$1,018,569. The most significant balances were in the Police Department, FD, Ambulance, Legal, and Executive and unexpended warrant articles for fire equipment.

## **CAPITAL ASSET AND LONG-TERM OBLIGATIONS**

### **Capital Assets**

The Town considers a capital asset to be an asset whose costs exceeds \$10,000 and has a useful life of greater than (1) year. Assets are depreciated using the straight-line method over the course of their useful life.

The Town's investment in capital assets for its governmental activities as of December 31, 2023 amounts to \$8,850,411. Accumulated depreciation amounts to \$2,991,210 leaving a net book value of \$5,859,201 This investment in capital assets includes equipment, and real property. The net book value of the Town's buildings, building improvements, land, and equipment was reported in accordance with the GASB requirements. See Note 3 in the Notes to the Basic Financial Statements for a summary of all capital assets.

## **Long-Term Obligations**

During 2023 the Town had long-term obligations consisting of one general bond, five finance purchase obligations, and a closed unlined landfill. The estimated annual cost of the landfill is \$7,050 yearly, with the remaining 4-year obligation of \$21,150. The General Bond is for the public safety building with one principal and two interest payments yearly through February 2027, with a balance of \$490,834 as of December 31, 2023. The total balance of the finance purchase obligations as of December 31, 2023 is \$255,136. See Notes 4 and 5 in the Notes to the Basic Financial Statements for a summary of all outstanding long-term obligations.

## **ECONOMIC CONDITIONS**

The Town is in good financial condition at this time. The town finished the year 2023 under budget. Payment and collection of real estate taxes in 2023 has remained consistent with previous years. The town has avoided having to borrow in anticipation of taxes for more than 12 years.

In 2023, the Town continued payments to the Public Safety Building Bond, which began in 2012 for \$1,954,727, a 15-year general obligation bond at 3.75% interest rate. The bond was refinanced in 2020 at 2.9% interest rate and refinanced again in 2022 at 1.4% interest rate. A warrant article authorized by the voters appropriates from the Fire Department Special Revenue Fund \$25,000 each year toward the \$164,000 annual payment. This bond will be retired in 4 years, February 2027. The Town also has five (5) lease to purchase agreements with balances on 12/31/23 for principal and interest as follows; 2020 Ambulance \$37,344, 2020 Backhoe \$26,653, 2020 Dump Truck \$34,178, 2021 Dump Truck \$79,286, and 2022 Ford F-660 \$95,175. The lease/purchase option has been used to lessen the impact of large equipment purchases. The 2023 updated Capital Improvements Plan provided guidance with capital appropriations and management of the fiscal impact on the taxpayers.

The New Hampton Medical Emergency Services (EMS) emergency response and ambulance transports continue to generate revenue, which is placed in the Fire Department Special Revenue Fund. The Fire Department Special Revenue Fund, consisting of funds from ambulance fees, is used to offset the cost of the fire equipment purchases (i.e., Ambulances, Fire Trucks, radios, pagers and other equipment). The town also maintains a Police Department Detail Revolving Fund in which excess monies from special details are deposited and accrued for the purchase, replacement or maintenance of police department equipment or vehicles. In 2023, the town approved a warrant article to purchase three SCBA Units with \$35,355 withdrawn from the FD Equipment Special Revenue Fund. In 2023, the Selectmen approved a withdrawal of \$11,000 from the Police Department Detail Revolving Fund to purchase five body cameras.

The cost of education is a significant portion of the local tax rate. In 2023 the Newfound Area School District tax rate decreased from \$9.97 to \$5.97, and the State Education tax rate decreased from \$1.44 to \$1.23 for a total of \$7.22, which is 59.0% of the 2023 tax rate of \$12.21, with Municipal (33.3%) and the County (7.7%) making up the remaining portion of the tax rate.

In 2023 the town experienced an increase of \$237,193,349 (assessed value) in the town tax base. The increase is significantly due to the full revaluation of all properties in town. The 2023 operating budget, warrant articles and revenues resulted in a decrease of the town portion of the tax rate from \$6.67 in 2022 to \$4.07 for 2023.

The State of New Hampshire Department of Revenue recommends fund balance retention of 5% to 17% of the Town's annual budget (including school and county appropriations). The Town's retained fund balance (surplus) was \$1,238,723 at December 31, 2023 (14.5% of the total annual budget for 2023).

During 2023 tax rate setting, \$0 was used to offset the 2023 town portion of the tax rate to maintain the recommended levels of fund balance. Maintaining too low a fund balance weakens the town's financial position by limiting cash flow (which may necessitate further borrowing), and/or restricting the town's ability to reduce the impact of unanticipated expenses (welfare assistance, emergencies, legal judgments, tax appeals, natural disasters, etc.).

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all of New Hampton citizens, taxpayers, and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of New Hampton, Selectmen's Office, 6 Pinnacle Hill Road, New Hampton, NH 03256.

**EXHIBIT A**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Statement of Net Position**  
December 31, 2023

	Governmental <u>Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 1,599,891
Investments	392,398
Taxes receivable, net	242,274
Accounts receivable, net	<u>58,027</u>
Total Current Assets	<u>2,292,590</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	106,042
Depreciable capital assets, net	<u>5,753,159</u>
Total Noncurrent Assets	<u>5,859,201</u>
Total Assets	<u>8,151,791</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to OPEB liability	6,396
Deferred outflows of resources related to pension liability	<u>504,552</u>
Total Deferred Outflows of Resources	<u>510,948</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	100,756
Accrued liabilities	67,792
Deposits	12,259
Due to other governments	2,600
Advances from grantors	122,194
Current portion of bonds payable	144,000
Current portion of financed purchase obligations	152,003
Current portion of estimated liability for landfill postclosure care costs	<u>7,050</u>
Total Current Liabilities	<u>608,654</u>
Noncurrent Liabilities:	
Bonds payable	346,834
Financed purchase obligations	103,133
Estimated liability for landfill postclosure care costs	14,100
OPEB liability	1,325,836
Net pension liability	<u>1,825,161</u>
Total Noncurrent Liabilities	<u>3,615,064</u>
Total Liabilities	<u>4,223,718</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pension liability	<u>100,739</u>
Total Deferred Inflows of Resources	<u>100,739</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,113,231
Restricted	145,628
Unrestricted (Deficit)	<u>(920,577)</u>
Total Net Position	<u>\$ 4,338,282</u>

*See accompanying notes to the basic financial statements*

**EXHIBIT B**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Statement of Activities**  
For the Year Ended December 31, 2023

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 798,298	\$ 4,673	\$ 150		\$ (793,475)
Public safety	1,364,365	118,466	42,116	\$ 30,293	(1,173,490)
Highways and streets	1,296,499	325	173,455	25,000	(1,097,719)
Health and welfare	8,323	2,437			(5,886)
Sanitation	210,965	48,320	3,600		(159,045)
Culture and recreation	4,694	36	2,650		(2,008)
Conservation	2,435				(2,435)
Interest and fiscal charges	14,635				(14,635)
Total governmental activities	<u>\$ 3,700,214</u>	<u>\$ 174,257</u>	<u>\$ 221,971</u>	<u>\$ 55,293</u>	<u>(3,248,693)</u>
General revenues:					
Property and other taxes					2,387,751
Licenses and permits					654,006
Grants and contributions:					
Rooms and meals tax distribution					228,557
State and federal forest land reimbursement					137
Other state grants					3,021
Flood control reimbursement					26,984
Interest and investment income					116,628
Miscellaneous					21,792
Total general revenues					3,438,876
Change in net position					190,183
Net Position at beginning of year					4,148,099
Net Position at end of year					<u>\$ 4,338,282</u>

*See accompanying notes to the basic financial statements*

**EXHIBIT C**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Balance Sheet**  
**Governmental Funds**  
December 31, 2023

	General Fund	Fire Department Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,570,313	\$ 16,647	\$ 12,931	\$ 1,599,891
Investments		246,899	145,499	392,398
Taxes receivable, net	242,274			242,274
Accounts receivable, net		58,027		58,027
Due from other funds			17,464	17,464
Total Assets	<u>1,812,587</u>	<u>321,573</u>	<u>175,894</u>	<u>2,310,054</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 1,812,587</u>	<u>\$ 321,573</u>	<u>\$ 175,894</u>	<u>\$ 2,310,054</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 100,756			\$ 100,756
Accrued liabilities	52,083			52,083
Deposits	12,259			12,259
Due to other governments	2,600			2,600
Due to other funds	17,464			17,464
Advances from grantors	122,194			122,194
Total Liabilities	<u>307,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>307,356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncollected property tax revenue	142,059			142,059
Uncollected land use tax revenue	7,335			7,335
Total Deferred Inflows of Resources	<u>149,394</u>	<u>-</u>	<u>-</u>	<u>149,394</u>
<b>FUND BALANCES</b>				
Nonspendable			18,909	18,909
Restricted	97,638		29,081	126,719
Committed	264,926	321,573	127,904	714,403
Unassigned	993,273			993,273
Total Fund Balances	<u>1,355,837</u>	<u>321,573</u>	<u>175,894</u>	<u>1,853,304</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,812,587</u>	<u>\$ 321,573</u>	<u>\$ 175,894</u>	<u>\$ 2,310,054</u>

*See accompanying notes to the basic financial statements*



**EXHIBIT C-1**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
December 31, 2023

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 1,853,304
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.	5,859,201
Property and other taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis.	149,394
Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds.	
Deferred outflows of resources related to OPEB liability	6,396
Deferred outflows of resources related to net pension liability	504,552
Deferred inflows of resources related to net pension liability	(100,739)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(490,834)
Financed purchase obligations	(255,136)
Accrued interest on long-term obligations	(15,709)
Estimated liability for landfill postclosure care costs	(21,150)
OPEB liability	(1,325,836)
Net pension liability	<u>(1,825,161)</u>
Net Position of Governmental Activities (Exhibit A)	<u>\$ 4,338,282</u>

*See accompanying notes to the basic financial statements*

**EXHIBIT D**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2023

	General Fund	Fire Department Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 2,355,659		\$ 9,670	\$ 2,365,329
Licenses and permits	654,006			654,006
Intergovernmental	535,963			535,963
Charges for services	56,436	\$ 95,272	22,549	174,257
Interest and investment income	95,855	10,977	9,796	116,628
Miscellaneous	21,207		585	21,792
Total Revenues	<u>3,719,126</u>	<u>106,249</u>	<u>42,600</u>	<u>3,867,975</u>
Expenditures:				
Current operations:				
General government	807,350		525	807,875
Public safety	1,142,122		18,811	1,160,933
Highways and streets	814,163			814,163
Health and welfare	8,323			8,323
Sanitation	216,321			216,321
Culture and recreation	2,044			2,044
Conservation	835		1,600	2,435
Capital outlay	646,196		11,000	657,196
Debt service:				
Principal retirement	237,398			237,398
Interest and fiscal charges	27,181			27,181
Total Expenditures	<u>3,901,933</u>	<u>-</u>	<u>31,936</u>	<u>3,933,869</u>
Excess revenues over (under) expenditures	<u>(182,807)</u>	<u>106,249</u>	<u>10,664</u>	<u>(65,894)</u>
Other financing sources (uses):				
Financed purchase obligation issuance	84,000			84,000
Transfers in	97,654		10,000	107,654
Transfers out	(10,000)	(97,654)		(107,654)
Total Other financing sources (uses)	<u>171,654</u>	<u>(97,654)</u>	<u>10,000</u>	<u>84,000</u>
Net change in fund balances	(11,153)	8,595	20,664	18,106
Fund Balances at beginning of year	<u>1,366,990</u>	<u>312,978</u>	<u>155,230</u>	<u>1,835,198</u>
Fund Balances at end of year	<u>\$ 1,355,837</u>	<u>\$ 321,573</u>	<u>\$ 175,894</u>	<u>\$ 1,853,304</u>

*See accompanying notes to the basic financial statements*

**EXHIBIT D-1**  
**TOWN OF NEW HAMPTON, 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, 2023

Net Change in Fund Balances - Governmental Funds (Exhibit D) \$ 18,106

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

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

Capital outlays	231,901
Depreciation expense	(311,327)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 22,422

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

Principal repayments on long-term obligations in the current year are as follows:

Financed purchase obligation principal paid	129,131
Bond principal paid	136,925

Issuance of long-term obligations are reported as other financing sources in the governmental funds, but long-term obligations increase long-term liabilities in the statement of net position. (84,000)

Governmental funds report the effect of bond issuance premiums and losses on debt refundings when the debt is first issued, whereas these amounts are amortized in the statement of activities over the life of the related debt. The activity recognized in the current year is as follows:

Amortization of bond issuance premiums	19,172
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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 funds.

Estimated landfill postclosure care costs	7,050
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In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds, an interest expenditure is reported when due. 2,060

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

Net changes in OPEB	89,117
Net changes in pension	<u>(70,374)</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ 190,183

*See accompanying notes to the basic financial statements*

**EXHIBIT E**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
December 31, 2023

	Private- Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 917	\$ 490,281
Investments	491,705	1,300,954
Taxes receivable		188,243
Total Assets	<u>492,622</u>	<u>1,979,478</u>
<b>LIABILITIES</b>		
Due to other governments		<u>1,979,478</u>
Total Liabilities	<u>-</u>	<u>1,979,478</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals and trusts	<u>492,622</u>	
Total Net Position	<u>\$ 492,622</u>	<u>\$ -</u>

*See accompanying notes to the basic financial statements*

**EXHIBIT F**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
For the Year Ended December 31, 2023

	Private- Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
ADDITIONS:		
Investment earnings:		
Interest income	\$ 10,822	
Realized loss on investments	(8,508)	
Net increase in the fair value of investments	<u>46,692</u>	
Total Investment earnings	<u>49,006</u>	<u>\$ -</u>
Taxes collected for other governments		4,640,015
Fees collected for other governments		<u>225,197</u>
Total Additions	<u>49,006</u>	<u>4,865,212</u>
DEDUCTIONS:		
Benefits paid	8,563	
Payments of taxes to other governments		4,640,015
Payments of fees to other governments		<u>225,197</u>
Total Deductions	<u>8,563</u>	<u>4,865,212</u>
Change in net position	40,443	
Net Position at beginning of year	<u>452,179</u>	
Net Position at end of year	<u>\$ 492,622</u>	<u>\$ -</u>

*See accompanying notes to the basic financial statements*

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
December 31, 2023

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

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

***Financial Reporting Entity***

The Town of New Hampton, New Hampshire (the “Town”) was incorporated in 1777. The Town operates under the Town Meeting form of government and performs local governmental functions authorized by state law.

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

***Basis of Presentation***

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

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

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

**2. Fund Financial Statements:**

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

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

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

***Fund Accounting***

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

**1. Governmental Funds:**

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

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

The *Fire Department Equipment Fund* accounts for the financial resources related to the ambulance services provided by the Town.

**2. Fiduciary Funds:**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town maintains private-purpose trust funds which account for monies designated to benefit individuals within the Town. The Town's custodial funds consist of escrow funds from developers, property taxes collected on behalf of Newfound Area School District and Belknap County, and motor vehicle fees collected on behalf of the State of New Hampshire.

***Measurement Focus***

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

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

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

**2. Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***Basis of Accounting***

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

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 11). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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



**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

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

**2. Expenses/Expenditures:**

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

***Budgetary Data***

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

***Investments***

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

***Taxes Receivable***

Taxes levied during the current year and prior and uncollected at December 31, 2023 are recorded as receivables net of an allowance for estimated uncollectibles of \$71,717.

***Accounts Receivable***

Charges for services billed during the current year and prior and uncollected at December 31, 2023 are recorded net of an allowance for estimated uncollectibles of \$59,940 in the Fire Department Equipment Fund.

***Capital Assets***

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets, including infrastructure and intangible assets, are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Town maintains a capitalization threshold of \$10,000. The Town is not required to retroactively report its general infrastructure (e.g. roads, bridges, and sidewalks). Infrastructure records have been maintained effective January 1, 2004 and are included in these financial statements. The Town's infrastructure consists of bridges. Improvements are capitalized;

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2023

the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Years</u>
Buildings and improvements	15-40
Vehicles and equipment	3-25
Infrastructure	50
Land improvements	25

***Compensated Absences***

Pursuant to the Town personnel policy, full-time employees are entitled to up to 280 hours (based on years of continuous service) of paid time off at the start of each year that may be used for sick or vacation time. Part-time employees are entitled to up to 80 hours (based on years of continuous service) of paid time off at the start of each year that may be used for sick or vacation time. Unused time at year end will not rollover to the following year and will lapse on December 31 of each year. Unused personal time off, less 120 hours, as of year-end, will be paid out at a straight time hourly rate.

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

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

***Bond Premiums***

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

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

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

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

***Pensions***

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

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

***Fund Balance Policy***

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

- Nonspendable Fund Balance: Amounts that are not in a spendable form or are required to be maintained intact.
- Restricted Fund Balance: Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation.
- Committed Fund Balance: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority: to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance: Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned Fund Balance: Amounts that are available for any purpose; these amounts are reported only in the General Fund, except for a deficit fund balance of another governmental fund.

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

Spending Prioritizations

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Emergency Use of Fund Balance

The Town will follow the provisions of the State Municipal Budget Law in emergency situations which may cause an over expenditure of total appropriations.

Minimum Level of Unassigned Fund Balance

As recommended by the New Hampshire Department of Revenue Administration, the Town will strive to maintain an unassigned fund balance in its General Fund equal to 8-15% of the total annual appropriations of the community (which includes Town, County, School District, and Precincts). The Selectmen have the authority to apply up to \$300,000 of the Town's beginning unassigned fund balance in order to balance the budget and to reduce the property tax rate.

**Interfund Activity**

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

**Estimates**

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

**NOTE 2—DEPOSITS AND INVESTMENTS**

Deposits and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 1,599,891
Investments	392,398
Statement of Fiduciary Net Position:	
Cash and cash equivalents	491,198
Investments	<u>1,792,659</u>
	<u>\$ 4,276,146</u>

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

Deposits and investments at December 31, 2023 consist of the following:

Cash on hand	\$ 500
Deposits with financial institutions	2,090,589
Investments	<u>2,185,057</u>
	<u>\$ 4,276,146</u>

The Town limits its investments to obligations of the U.S. government, savings accounts in solvent banks in New Hampshire, certificates of deposit, or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. Responsibility for the investments of the Trust Funds is with the Board of Trustees.

***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 Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to acquisition value losses arising from increasing interest rates.

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

Investment Type	Fair Value	Remaining Maturity (in Years)		
		0-1 Years	1-5 Years	>5 Years
Corporate bonds	<u>\$ 118,187</u>	<u>\$ 9,883</u>	<u>\$ 77,874</u>	<u>\$ 30,430</u>

***Credit Risk***

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

The Town does not have a formal investment policy that addresses credit risk.

The following is the actual rating at year end for each investment type:

Investment Type	Fair Value	Rating as of Year End							
		AAA <sub>m</sub>	A+	A	A-	AA-	BBB	BBB+	Not Rated
Corporate bonds	\$ 118,187		\$ 19,796	\$ 49,328	\$ 10,126	\$ 9,803	\$ 9,883	\$ 19,251	
State investment pool	1,646,901	\$ 1,646,901							
Exchange traded funds	83,785								\$ 83,785
Mutual funds	15,459								15,459
Money market mutual funds	29,664								29,664
	<u>\$ 1,893,996</u>	<u>\$ 1,646,901</u>	<u>\$ 19,796</u>	<u>\$ 49,328</u>	<u>\$ 10,126</u>	<u>\$ 9,803</u>	<u>\$ 9,883</u>	<u>\$ 19,251</u>	<u>\$ 128,908</u>

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town’s deposits may not be returned. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town requires collateralized securities, such as repurchase agreements, with protection through third-party safekeeping.

Of the Town’s deposits with financial institutions at year end, \$8,973 was uncollateralized and uninsured. As of December 31, 2023, Town investments in the following investment types were held by the same counterparty that was used to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Corporate bonds	\$ 118,187
Equity securities	291,061
Exchange traded funds	83,785
Mutual funds	15,459
Money market mutual funds	29,664
	<u>\$ 538,156</u>

***Fair Value Measurement of Investments***

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

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

As of December 31, 2023, the Town’s investments measured at fair value, by type, were as follows:

<u>Investment Type</u>	<u>Fair Value Measurements Using:</u>			<u>Total</u>
	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	
Corporate bonds		\$ 118,187		\$ 118,187
Equity securities	\$ 291,061			291,061
Exchange traded funds	83,785			83,785
Mutual funds	15,459			15,459
	<u>\$ 390,305</u>	<u>\$ 118,187</u>	<u>\$ -</u>	<u>\$ 508,492</u>

Equity securities, exchange traded funds, and mutual funds classified as Level 1 are valued using unadjusted prices quoted in active markets for those securities. Corporate bonds classified as Level 2 are valued utilizing pricing that may involve estimation using similar securities or trade dates.

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
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Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

***Investment in NHPDIP***

The Town is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials. Financial statements for the NHPDIP can be accessed through the NHPDIP's website at [www.NHPDIP.com](http://www.NHPDIP.com).

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

**NOTE 3—CAPITAL ASSETS**

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

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2023</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 106,042			\$ 106,042
Total capital assets not being depreciated	<u>106,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>106,042</u>
Other capital assets:				
Buildings and improvements	2,783,493			2,783,493
Vehicles and equipment	3,155,787	231,901	(34,752)	3,352,936
Infrastructure	2,593,551			2,593,551
Land improvements	14,389			14,389
Total other capital assets at historical cost	<u>8,547,220</u>	<u>231,901</u>	<u>(34,752)</u>	<u>8,744,369</u>
Less accumulated depreciation for:				
Buildings and improvements	(846,849)	(70,288)		(917,137)
Vehicles and equipment	(1,255,186)	(188,592)	34,752	(1,409,026)
Infrastructure	(612,456)	(51,871)		(664,327)
Land improvements	(144)	(576)		(720)
Total accumulated depreciation	<u>(2,714,635)</u>	<u>(311,327)</u>	<u>34,752</u>	<u>(2,991,210)</u>
Total other capital assets, net	<u>5,832,585</u>	<u>(79,426)</u>	<u>-</u>	<u>5,753,159</u>
Total capital assets, net	<u>\$ 5,938,627</u>	<u>\$ (79,426)</u>	<u>\$ -</u>	<u>\$ 5,859,201</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 8,023
Public safety	142,371
Highways and streets	159,239
Sanitation	1,694
Total governmental activities depreciation expense	<u>\$ 311,327</u>

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

**NOTE 4—LONG-TERM OBLIGATIONS**

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

The changes in the Town’s long-term obligations of the governmental activities for the year ended December 31, 2023 are as follows:

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 601,425	\$ -	\$ (136,925)	\$ 464,500	\$ 144,000
Unamortized bond premium	<u>45,506</u>	<u>          </u>	<u>(19,172)</u>	<u>26,334</u>	<u>          </u>
Total Bonds payable	646,931	-	(156,097)	490,834	144,000
Financed purchase obligations	<u>300,267</u>	<u>84,000</u>	<u>(129,131)</u>	<u>255,136</u>	<u>152,003</u>
Total governmental activities	<u>\$ 947,198</u>	<u>\$ 84,000</u>	<u>\$ (285,228)</u>	<u>\$ 745,970</u>	<u>\$ 296,003</u>

Payments on the bonds payable and financed purchase obligations of the governmental activities are paid out of the General Fund.

***General Obligation Bonds***

Bonds payable at December 31, 2023 is comprised of the following individual issue:

<u>Description</u>	<u>Interest</u> <u>Rate</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>	<u>Balance at</u> <u>12/31/2023</u>
2022 Refunded Public Safety Bond	5.1%	Feb 2027	\$ 464,500
		<i>Add: Unamortized bond premium</i>	<u>26,334</u>
			<u>\$ 490,834</u>

Debt service requirements to retire general obligation bonds outstanding at December 31, 2023 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 144,000	\$ 20,018	\$ 164,018
2025	151,300	12,487	163,787
2026	159,100	4,572	163,672
2027	<u>10,100</u>	<u>4,830</u>	<u>14,930</u>
Total	464,500	41,907	506,407
<i>Add: Unamortized bond premium</i>	<u>26,334</u>	<u>          </u>	<u>26,334</u>
	<u>\$ 490,834</u>	<u>\$ 41,907</u>	<u>\$ 532,741</u>



**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
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December 31, 2023

***Financed Purchase Obligations***

Financed purchase obligations represent agreements entered into for the financing of vehicles, equipment and fixture acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Following are the individual financed purchase obligations outstanding at December 31, 2023:

<u>Description</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Balance at 12/31/2023</u>
2020 Ambulance	2.79%	April 2024	\$ 36,330
2020 Backhoe	3.35%	June 2025	25,468
2020 Highway truck	2.79%	May 2024	33,250
2021 Highway dump truck	2.79%	June 2025	76,088
2023 Highway truck	5.19%	Apr-27	84,000
			<u>\$ 255,136</u>

Debt service requirements to retire financed purchase obligations outstanding at December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 152,003	\$ 9,279	\$ 161,282
2025	59,010	4,427	63,437
2026	21,504	2,290	23,794
2027	22,619	1,174	23,793
	<u>\$ 255,136</u>	<u>\$ 17,170</u>	<u>\$ 272,306</u>

**NOTE 5—LANDFILL POSTCLOSURE CARE COSTS**

State and federal laws and regulations require that the Town place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During 1996, a final cover was placed on the Town’s landfill. An estimated liability has been recorded based on the future postclosure care costs that will be incurred. The estimated liability for postclosure care costs has a balance of \$21,150 as of December 31, 2023. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2023. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The remaining postclosure care costs of the Town are expected to be financed through annual appropriations.

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December 31, 2023

The following is a summary of changes in the estimated liability for landfill postclosure care costs for the year ended December 31, 2023:

Balance - January 1, 2023	\$ 28,200
Expenditures recognized in General Fund	(8,750)
Change in estimated liability	<u>1,700</u>
Balance - December 31, 2023	<u>\$ 21,150</u>

**NOTE 6—OTHER POSTEMPLOYMENT BENEFITS**

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

	<u>Deferred Outflows</u>	<u>OPEB Liability</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Cost-Sharing Multiple Employer Plan	\$ 6,396	\$ 113,088	\$ -	\$ 15,622
Single Employer Plan	<u>-</u>	<u>1,212,748</u>	<u>-</u>	<u>91,147</u>
Total	<u>\$ 6,396</u>	<u>\$ 1,325,836</u>	<u>\$ -</u>	<u>\$ 106,769</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 \$6,396.

**COST-SHARING MULTIPLE EMPLOYER PLAN**

***Plan Description***

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

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

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

***Benefits Provided***

Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2023

premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

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

***Funding Policy***

Per RSA-100:16, contribution rates are established and may be amended by the New Hampshire State legislature and are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town’s contribution rates for the covered payroll of public safety employees and general employees were 3.21% and 0.31%, respectively, through June 30, 2023, and 2.60% and 0.26%, respectively, thereafter. Contributions to the OPEB plan for the Town were \$13,590 for the year ended December 31, 2023. 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 December 31, 2023, the Town reported a liability of \$113,088 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2022. The Town’s proportion of the net OPEB liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the Town’s proportion was approximately 0.0331 percent, which was an increase of approximately 0.0034 percentage points from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$15,622. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 136	
Town contributions subsequent to the measurement date	<u>6,260</u>	
Totals	<u>\$ 6,396</u>	<u>\$ -</u>

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

The Town reported \$6,260 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net OPEB liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the measurement periods as follows:

<u>June 30,</u>	
2024	\$ (22)
2025	(172)
2026	367
2027	<u>(37)</u>
	<u>\$ 136</u>

***Actuarial Assumptions***

The total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, 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	5.40%, 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, adjusted 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, 2022 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Public Equity	50%	5.40-5.65%
Private Market Equity	20%	4.00-6.65%
Private Debt	5%	5.05%
Fixed Income	<u>25%</u>	2.15%
Total	<u>100%</u>	

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
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The discount rate used to measure the collective total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made under the current statutes RSA 100-A:16 and RSA 100-A:53. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 122,825	\$ 113,088	\$ 104,593

**SINGLE EMPLOYER PLAN**

***Plan Description***

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

***Benefits Provided***

The Town provides dental, medical, pharmacy, and vision benefits to its eligible retirees and their covered dependents. Retirees over the age of 65 are covered by the Medicare supplemental plan. The following groups of retirees qualify for this benefit: Group I employees are required to reach age 60 with 10 years of service; Group II employees are eligible at age 45 with 10 years of service or at age 60 with no minimum service requirement. Retirees and surviving spouses pay the full costs of the benefits premiums. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

***Employees Covered by Benefit Terms***

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>15</u>
	<u>19</u>

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
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***Total OPEB Liability***

The Town’s total OPEB liability of \$1,212,748 was measured and calculated as of December 31, 2023, using the alternative measurement method in place of an actuarial valuation.

***Alternative Measurement Method Assumptions and Other Inputs for OPEB***

The total OPEB liability in the December 31, 2023 calculation was determined using the following alternative measurement method assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%
Discount rate	3.40%
Healthcare cost trend rates	4.70% for 2023, with a steady decline to 4.2% over the course of 10 years (2033 ultimate rate)

The discount rate was based on a 20-year tax-exempt municipal bond yield as of December 31, 2023.

Mortality rates were based on the Pub-2010 Public Retirement Plans with mortality improvement projected for 10 years. The turnover assumptions were derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

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

	<u>Total OPEB Liability</u>
Balance at January 1, 2023	\$ 1,303,895
Changes for the year:	
Service cost	39,185
Interest	46,202
Differences between expected and actual experience	(183,699)
Changes of assumptions or other inputs	<u>7,165</u>
Net changes	<u>(91,147)</u>
Balance at December 31, 2023	<u>\$ 1,212,748</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.44% at December 31, 2022 to 3.40% at December 31, 2023.

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,415,720	\$ 1,212,748	\$ 1,051,613

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2023

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

The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,021,844	\$ 1,212,748	\$ 1,456,875

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

For the year ended December 31, 2023, the Town recognized OPEB expense of \$91,147. The impact of differences between expected and actual experience, changes in assumptions, and differences between projected and actual earnings are recognized as a component of OPEB expense as they occur under the alternative measurement method.

**NOTE 7—DEFINED BENEFIT PENSION PLAN**

***Plan Description***

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

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for the 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.

***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.

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

***Funding Policy***

Covered police officers and firefighters are required to contribute 11.55% and 11.80%, respectively, of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town’s contribution rates for the covered payroll of general employees, police officers, and firefighters were 13.75%, 30.67%, and 29.78%, respectively, through June 30, 2023, and 13.27%, 28.68%, and 27.75%, respectively, thereafter. The Town contributed 100% of the employer cost for general employees, police officers, and firefighters of the Town.

Per RSA-100-A:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial funding policy. Contributions to the pension plan for the Town were \$199,989 for the year ended December 31, 2023.

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

At December 31, 2023, the Town reported a liability of \$1,825,161 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022. The Town’s proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2023, the Town's proportion was approximately 0.0326 percent, which was an increase of .0043 percentage points from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$270,363. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:



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	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 46,637	\$ 734
Changes of assumptions	48,037	
Net difference between projected and actual earnings on pension plan investments	26,395	
Changes in proportion and differences between Town contributions and proportionate share of contributions	283,497	100,005
Town contributions subsequent to the measurement date	<u>99,986</u>	
Totals	<u>\$ 504,552</u>	<u>\$ 100,739</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 \$403,813. The Town reported \$99,986 as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in the measurement periods as follows:

<u>June 30,</u>	
2024	\$ 92,001
2025	5,689
2026	175,626
2027	<u>30,511</u>
	<u>\$ 303,827</u>

***Actuarial Assumptions***

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

Inflation	2.00%
Wage inflation	2.75% (2.25% for Teachers)
Salary increases	5.40% 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.

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The actuarial assumptions used in the June 30, 2022 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 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>
Public Equity	50%	5.40-5.65%
Private Market Equity	20%	4.00-6.65%
Private Debt	5%	5.05%
Fixed Income	25%	2.15%
Total	<u>100%</u>	

***Discount Rate***

The discount rate used to measure the collective pension liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer contributions are projected based on the expected payroll of current members 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 Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net pension liability	\$ 2,476,523	\$ 1,825,161	\$ 1,268,613

**NOTE 8—INTERFUND BALANCES AND TRANSFERS**

The Town incurs various interfund balances throughout the year as a result of timing differences between when amounts expended are reimbursed by the various funds. On December 31, 2023, \$17,464 was due to the Nonmajor Governmental Funds from the General Fund as a result of such timing differences.

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

During the year, several interfund transactions occurred between funds. The various transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2023, amounted to \$97,654 transferred from the Fire Department Equipment Fund to the General Fund and \$10,000 transferred from the General Fund to the Heritage Fund, a Nonmajor Governmental Fund.

**NOTE 9—RESTRICTED NET POSITION**

Net position of the governmental activities is restricted for specific purposes at December 31, 2023 as follows:

Permanent Funds - Principal	\$ 18,909
Permanent Funds - Income	27,542
Highway Block Grant	30,078
State Bridge Aid	67,560
Drug forfeiture funds	1,539
	<u>\$ 145,628</u>

**NOTE 10—COMPONENTS OF FUND BALANCE**

The components of the Town’s fund balance for its governmental funds at December 31, 2023 are as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Fire Department Equipment Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>				
Permanent Funds - Principal			\$ 18,909	\$ 18,909
<b>Restricted for:</b>				
Permanent Funds - Income			27,542	27,542
Drug Forfeiture Fund			1,539	1,539
Highway Block Grant	\$ 30,078			30,078
State Bridge Aid	67,560			67,560
<b>Committed for:</b>				
Continuing appropriations	5,753			5,753
Encumbrances	200			200
Fire Department Equipment Fund		\$ 321,573		321,573
Police Detail Fund			7,210	7,210
Conservation			110,621	110,621
Heritage Fund			10,073	10,073
Expendable Trust Fund	258,973			258,973
<b>Unassigned</b>	993,273			993,273
	<u>\$ 1,355,837</u>	<u>\$ 321,573</u>	<u>\$ 175,894</u>	<u>\$ 1,853,304</u>

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

**NOTE 11—PROPERTY TAXES**

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$576,785,762 as of April 1, 2023) and were due in two installments on July 6, 2023 and December 21, 2023. Taxes paid after the due dates accrue interest at 8% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year-end).

Under state law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. Priority tax liens accrue interest at 14% per annum for liens executed after April 1, 2020. Priority tax liens accrue interest at 18% per annum for liens executed prior to April 1, 2020. If the property is not redeemed within a two year redemption period, the property may be tax deeded to the Town.

In accordance with state law, the Town collects taxes for the Newfound Area School District and Belknap County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the School District. Total taxes appropriated during the year were \$4,100,096 and \$539,919 for the Newfound Area School District and Belknap County, respectively. These taxes are recognized in these financial statements within the fiduciary funds only. The Town bears responsibility for uncollected taxes.

**NOTE 12—RISK MANAGEMENT**

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the Town was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2023.

***Property and Liability Insurance***

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

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2023

***Worker's Compensation***

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

**NOTE 13—COMMITMENTS AND CONTINGENCIES**

***Litigation***

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

**NOTE 14—CHANGE IN ACCOUNTING PRINCIPLES**

***GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

During the year ended December 31, 2023, the Town implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Under GASB Statement No. 94, the Town is required to record a receivable for installment payments and a deferred inflow of resources for the consideration received or to be received as part of the availability payment arrangement. Governmental fund revenue would be recognized in a systematic and rational manner over the term of the arrangement. No such arrangements have been identified by the Town. Accordingly, management has determined that the effect of implementing GASB Statement No. 94 on its financial statements to be immaterial.

***GASB Statement No. 96 – Subscription-Based Information Technology Arrangements***

During the year ended December 31, 2023, the Town implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 defines a subscription-based information arrangement (SBITA) as a contract to use another party's software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, governments generally recognize a right-to-use subscription asset (intangible asset) and a corresponding liability for each SBITA agreement greater than one year in length.

No such arrangements have been identified by the Town. Accordingly, management has determined that the effect of implementing GASB Statement No. 96 related to these SBITA agreements is immaterial on its financial statements.

**SCHEDULE 1**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis) - General Fund**  
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 2,302,245	\$ 2,302,245	\$ 2,370,746	\$ 68,501
Licenses and permits	621,160	621,160	654,006	32,846
Intergovernmental	1,530,178	1,359,984	535,963	(824,021)
Charges for services	61,750	61,750	56,436	(5,314)
Interest income	87,000	87,000	95,409	8,409
Miscellaneous	9,311	9,311	20,957	11,646
Total Revenues	<u>4,611,644</u>	<u>4,441,450</u>	<u>3,733,517</u>	<u>(707,933)</u>
Expenditures:				
Current operations:				
General government	839,664	839,664	807,350	32,314
Public safety	1,271,808	1,271,808	1,141,622	130,186
Highways and streets	791,043	791,043	814,163	(23,120)
Health and welfare	14,785	14,785	8,323	6,462
Sanitation	212,605	212,605	216,321	(3,716)
Culture and recreation	3,878	3,878	2,044	1,834
Conservation	835	835	835	-
Capital outlay	1,736,344	1,421,880	547,773	874,107
Debt service:				
Principal retirement	237,399	237,399	237,398	1
Interest and fiscal charges	27,682	27,682	27,181	501
Total Expenditures	<u>5,136,043</u>	<u>4,821,579</u>	<u>3,803,010</u>	<u>1,018,569</u>
Excess revenues over (under) expenditures	<u>(524,399)</u>	<u>(380,129)</u>	<u>(69,493)</u>	<u>310,636</u>
Other financing sources (uses):				
Transfers in	139,699	98,820	115,680	16,860
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Total Other financing sources (uses)	<u>79,699</u>	<u>38,820</u>	<u>55,680</u>	<u>16,860</u>
Net change in fund balance	(444,700)	(341,309)	(13,813)	327,496
Fund Balance at beginning of year				
- Budgetary Basis	<u>1,252,536</u>	<u>1,252,536</u>	<u>1,252,536</u>	
Fund Balance at end of year				
- Budgetary Basis	<u>\$ 807,836</u>	<u>\$ 911,227</u>	<u>\$ 1,238,723</u>	<u>\$ 327,496</u>

*See accompanying notes to the required supplementary information*

**SCHEDULE 2**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Schedule of Changes in the Town's Proportionate Share of the Net OPEB Liability**  
For the Year Ended December 31, 2023

Measurement Period Ended	Cost-Sharing Multiple Employer Plan Information Only				
	Town's Proportion of the Net OPEB Liability	Town's Proportionate Share of the Net OPEB Liability	Town's Covered Payroll	Town's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2023	0.03309388%	\$ 113,088	\$ 939,311	12.04%	12.80%
June 30, 2022	0.02967061%	\$ 112,122	\$ 769,059	14.58%	10.64%
June 30, 2021	0.02348553%	\$ 94,049	\$ 681,184	13.81%	11.06%
June 30, 2020	0.02899787%	\$ 126,926	\$ 778,143	16.31%	7.74%
June 30, 2019	0.03215447%	\$ 140,969	\$ 750,108	18.79%	7.75%
June 30, 2018	0.03205301%	\$ 146,753	\$ 668,027	21.97%	7.53%
June 30, 2017	0.02236710%	\$ 102,270	\$ 664,844	15.38%	7.91%
June 30, 2016	0.02410590%	\$ 116,698	\$ 672,674	17.35%	5.21%
June 30, 2015	*	*	*	*	*
June 30, 2014	*	*	*	*	*

\* 10 Year schedule, historical information not available

Measurement Periods	Significant Actuarial Assumptions				
	Inflation	Salary Increases	Investment Rate of Return	Mortality Table	Mortality Scale
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015

See accompanying notes to the required supplementary information

**SCHEDULE 3**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Schedule of Town OPEB Contributions**  
For the Year Ended December 31, 2023

<b>Cost- Sharing Multiple Employer Plan Information Only</b>					
<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 13,590	\$ (13,590)	\$ -	\$ 993,175	1.37%
December 31, 2022	\$ 13,689	\$ (13,689)	\$ -	\$ 856,696	1.60%
December 31, 2021	\$ 11,801	\$ (11,801)	\$ -	\$ 719,171	1.64%
December 31, 2020	\$ 12,148	\$ (12,148)	\$ -	\$ 700,024	1.74%
December 31, 2019	\$ 14,872	\$ (14,872)	\$ -	\$ 824,412	1.80%
December 31, 2018	\$ 13,977	\$ (13,977)	\$ -	\$ 683,116	2.05%
December 31, 2017	\$ 13,176	\$ (13,176)	\$ -	\$ 653,903	2.01%
December 31, 2016	*	*	*	*	*
December 31, 2015	*	*	*	*	*
December 31, 2014	*	*	*	*	*

\* 10 Year Schedule, historical information not available

*See accompanying notes to the required supplementary information*



**SCHEDULE 4**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Schedule of Changes in the Town's Total OPEB Liability and Related Ratios**  
For the Year Ended December 31, 2023

<u>Single Employer Plan Information Only</u>	<u>2023</u>	<u>2022</u>	<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 OPEB Liability:										
Service cost	\$ 39,185	\$ 36,902	\$ 35,210	\$ 113,052	\$ 118,917	\$ 118,918	*	*	*	*
Interest	46,202	29,389	30,891	43,216	58,123	53,180	*	*	*	*
Changes of assumptions or other inputs	7,165	(271,196)	(13,933)	121,444	262,365	(117,231)	*	*	*	*
Differences between expected and actual experience	(183,699)	203,716	(168,974)	(228,440)	(36,692)	-	*	*	*	*
Benefit payments	-	-	-	(181,849)	(160,318)	(160,318)	*	*	*	*
Net change in total OPEB liability	(91,147)	(1,189)	(116,806)	(132,577)	242,395	(105,451)	*	*	*	*
Total OPEB Liability at beginning of year	<u>1,303,895</u>	<u>1,305,084</u>	<u>1,421,890</u>	<u>1,554,467</u>	<u>1,312,072</u>	<u>1,417,523</u>	*	*	*	*
Total OPEB Liability at end of year	<u>\$ 1,212,748</u>	<u>\$ 1,303,895</u>	<u>\$ 1,305,084</u>	<u>\$ 1,421,890</u>	<u>\$ 1,554,467</u>	<u>\$ 1,312,072</u>	*	*	*	*
Covered employee payroll	\$ 1,069,610	\$ 945,453	\$ 817,253	\$ 795,073	\$ 841,327	\$ 617,816	*	*	*	*
Total OPEB liability as a percentage of covered employee payroll	113.38%	137.91%	159.69%	178.84%	184.76%	212.37%	*	*	*	*
<u>Significant Actuarial Assumptions</u>										
Discount rate	3.40%	3.44%	2.19%	2.12%	2.74%	4.30%	*	*	*	*
Health cost trend rates:										
Initial	4.70% - 2023	4.70% - 2022	4.90% - 2020	4.90% - 2020	4.60% - 2018	4.60% - 2018	*	*	*	*
Ultimate	4.20% - 2033	4.20% - 2032	4.30% - 2030	4.30% - 2030	4.70% - 2028	4.70% - 2028	*	*	*	*
Mortality improvement scale	Pub-2010	Pub-2010	Pub-2010	Pub-2010	RP-2000	RP-2000	*	*	*	*

**Note To Schedule:**

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

\* 10 Year schedule, historical information not available

*See accompanying notes to the required supplementary information*

**SCHEDULE 5****TOWN OF NEW HAMPTON, NEW HAMPSHIRE****Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability**

For the Year Ended December 31, 2023

<u>Measurement Period Ended</u>	<u>Town's Proportion of the Net Pension Liability</u>	<u>Town's Proportionate Share of the Net Pension Liability</u>	<u>Town's Covered Payroll</u>	<u>Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2023	0.03260218%	\$ 1,825,161	\$ 939,311	194.31%	67.18%
June 30, 2022	0.02834469%	\$ 1,625,889	\$ 769,059	211.41%	65.12%
June 30, 2021	0.02465118%	\$ 1,092,520	\$ 681,184	160.39%	72.22%
June 30, 2020	0.02945241%	\$ 1,883,821	\$ 778,143	242.09%	58.72%
June 30, 2019	0.02980388%	\$ 1,434,060	\$ 750,108	191.18%	65.59%
June 30, 2018	0.02831322%	\$ 1,363,339	\$ 668,027	204.08%	64.73%
June 30, 2017	0.02990282%	\$ 1,470,619	\$ 664,844	221.20%	62.66%
June 30, 2016	0.03141680%	\$ 1,670,618	\$ 672,674	248.35%	58.30%
June 30, 2015	0.03100932%	\$ 1,228,443	\$ 658,388	186.58%	65.47%
June 30, 2014	0.03036785%	\$ 1,139,883	\$ 624,695	182.47%	66.32%

**Significant Actuarial Assumptions**

<u>Measurement Periods</u>	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>	<u>Mortality Table</u>	<u>Mortality Scale</u>
June 30, 2022 - 2023	2.00%	5.40%	6.75%	Pub-2010	MP-2019
June 30, 2020 - 2021	2.00%	5.60%	6.75%	Pub-2010	MP-2019
June 30, 2016 - 2019	2.50%	5.60%	7.25%	RP-2014	MP-2015
June 30, 2013 - 2015	3.00%	3.75-5.80%	7.75%	RP-2000	Scale AA

*See accompanying notes to the required supplementary information*

**SCHEDULE 6**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Schedule of Town Pension Contributions**  
For the Year Ended December 31, 2023

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2023	\$ 199,989	\$ (199,989)	\$ -	\$ 993,175	20.14%
December 31, 2022	\$ 181,543	\$ (181,543)	\$ -	\$ 856,696	21.19%
December 31, 2021	\$ 137,077	\$ (137,077)	\$ -	\$ 719,171	19.06%
December 31, 2020	\$ 118,252	\$ (118,252)	\$ -	\$ 700,024	16.89%
December 31, 2019	\$ 139,349	\$ (139,349)	\$ -	\$ 824,412	16.90%
December 31, 2018	\$ 120,069	\$ (120,069)	\$ -	\$ 683,116	17.58%
December 31, 2017	\$ 111,462	\$ (111,462)	\$ -	\$ 653,903	17.05%
December 31, 2016	\$ 108,264	\$ (108,264)	\$ -	\$ 666,524	16.24%
December 31, 2015	\$ 114,878	\$ (114,878)	\$ -	\$ 702,229	16.36%
December 31, 2014	\$ 102,176	\$ (102,176)	\$ -	\$ 646,046	15.82%

*See accompanying notes to the required supplementary information*

**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2023

**NOTE 1—BUDGET TO ACTUAL RECONCILIATION**

***General Fund***

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

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 3,900,780	\$ 3,911,933
Difference in property taxes meeting susceptible to accrual criteria	15,087	
Encumbrances - December 31, 2023		200
Encumbrances - December 31, 2022		(700)
Non-budgetary revenues and expenditures	(696)	(14,423)
Financed purchase obligation activity	(84,000)	(84,000)
Budgetary transfers	<u>18,026</u>	<u>50,000</u>
Per Schedule 1	<u>\$ 3,849,197</u>	<u>\$ 3,863,010</u>

***Major Special Revenue Fund***

The Town adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differs from accounting principles generally accepted in the United States of America. Consequently, budgetary information is not presented for the Fire Department Equipment Fund, as the information is neither practical nor meaningful.

**NOTE 2—BUDGETARY FUND BALANCE**

Components of the budgetary fund balance for the General Fund at December 31, 2023 are as follows:

<b>Restricted for:</b>	
Highway Block Grant	\$ 30,078
State Bridge Aid	67,560
<b>Committed for:</b>	
Continuing appropriations	5,753
<b>Unassigned</b>	<u>1,135,332</u>
	<u>\$ 1,238,723</u>

**SCHEDULE A**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Combining Balance Sheet**  
**Governmental Funds - All Nonmajor Funds**  
December 31, 2023

	Special Revenue Funds						
	Conservation Fund	Drug Forfeiture Fund	Police Details Fund	Heritage Fund	Total Special Revenue Funds	Permanent Funds	Combining Nonmajor Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,319	\$ 1,539		\$ 10,073	\$ 12,931		\$ 12,931
Investments	99,048				99,048	\$ 46,451	145,499
Due from other funds	10,254		\$ 7,210		17,464		17,464
Total Assets	<u>110,621</u>	<u>1,539</u>	<u>7,210</u>	<u>10,073</u>	<u>129,443</u>	<u>46,451</u>	<u>175,894</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 110,621</u>	<u>\$ 1,539</u>	<u>\$ 7,210</u>	<u>\$ 10,073</u>	<u>\$ 129,443</u>	<u>\$ 46,451</u>	<u>\$ 175,894</u>
<b>LIABILITIES</b>							
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
<b>FUND BALANCES</b>							
Nonspendable						18,909	18,909
Restricted		1,539			1,539	27,542	29,081
Committed	110,621		7,210	10,073	127,904		127,904
Total Fund Balances	<u>110,621</u>	<u>1,539</u>	<u>7,210</u>	<u>10,073</u>	<u>129,443</u>	<u>46,451</u>	<u>175,894</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 110,621</u>	<u>\$ 1,539</u>	<u>\$ 7,210</u>	<u>\$ 10,073</u>	<u>\$ 129,443</u>	<u>\$ 46,451</u>	<u>\$ 175,894</u>

**SCHEDULE B**  
**TOWN OF NEW HAMPTON, NEW HAMPSHIRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - All Nonmajor Funds**  
For the Year Ended December 31, 2023

	Special Revenue Funds						
	Conservation Fund	Drug Forfeiture Fund	Police Details Fund	Heritage Fund	Total Special Revenue Funds	Permanent Funds	Combining Nonmajor Funds
Revenues:							
Taxes	\$ 9,670				\$ 9,670		\$ 9,670
Charges for services			\$ 22,549		22,549		22,549
Interest and investment income	4,405	\$ 1		\$ 73	4,479	\$ 5,317	9,796
Miscellaneous	585				585		585
Total Revenues	<u>14,660</u>	<u>1</u>	<u>22,549</u>	<u>73</u>	<u>37,283</u>	<u>5,317</u>	<u>42,600</u>
Expenditures:							
Current operations:							
General government					-	525	525
Public safety		3,450	15,361		18,811		18,811
Conservation	1,600				1,600		1,600
Capital outlay			11,000		11,000		11,000
Total Expenditures	<u>1,600</u>	<u>3,450</u>	<u>26,361</u>	<u>-</u>	<u>31,411</u>	<u>525</u>	<u>31,936</u>
Excess revenues over (under) expenditures	<u>13,060</u>	<u>(3,449)</u>	<u>(3,812)</u>	<u>73</u>	<u>5,872</u>	<u>4,792</u>	<u>10,664</u>
Other financing sources (uses):							
Transfers in				10,000	10,000		10,000
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	13,060	(3,449)	(3,812)	10,073	15,872	4,792	20,664
Fund Balances at beginning of year	<u>97,561</u>	<u>4,988</u>	<u>11,022</u>	<u>-</u>	<u>113,571</u>	<u>41,659</u>	<u>155,230</u>
Fund Balances at end of year	<u>\$ 110,621</u>	<u>\$ 1,539</u>	<u>\$ 7,210</u>	<u>\$ 10,073</u>	<u>\$ 129,443</u>	<u>\$ 46,451</u>	<u>\$ 175,894</u>