

**TOWN OF NEW LONDON,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TOWN OF NEW LONDON, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of New London
New London, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, major general fund, and the aggregate remaining fund information of the Town of New London, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of New London's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, major general fund, and the aggregate remaining fund information of the Town of New London, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the major general fund 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 (GAAS). 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 of New London 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 audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2-D to the financial statements, in the year ending June 30, 2023, the Town adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Town of New London's 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 of New London'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

***Town of New London
Independent Auditor's Report***

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 GAAS, 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 London'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 London'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 following be presented to supplement the basic financial statements:

- Management's Discussion and Analysis
- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits,
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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 London's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

January 31, 2024
Concord, New Hampshire

*Blodzik & Sanderson
Professional Association*



TOWN OF NEW LONDON, NEW HAMPSHIRE

375 MAIN STREET • NEW LONDON, NH 03257 • WWW.NL-NH.COM

Management's Discussion & Analysis June 30, 2023

The Board of Selectmen and Town Administrator, as management of the Town of New London, offer readers of the Town's annual financial statements this narrative discussion and analysis of the financial activities of the Town of New London for the period ending June 30, 2023. The financial statements presented here include the 12-month period July 1, 2022 through June 30, 2023.

This discussion and analysis is prepared in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). We encourage readers to consider the information presented here in conjunction with additional information found within the body of the annual financial statements.

FINANCIAL HIGHLIGHTS

The Town's total net position for the year ending June 30, 2023, was \$11,433,579 as compared to the prior year amount of \$10,695,861, at the end of June 30, 2022. Net position increased by \$737,718 from June 30, 2022 to June 30, 2023.

As of June 30, 2023, the Town's total net position consisted of \$9,784,506 in net investment in capital assets, restricted net position of \$2,244,436, and unrestricted net position of (\$595,363). The Town's long-term obligations of \$12,164,606 consisted of \$5,588,805 in general obligation bonds/notes payable and related unamortized premium, \$289,253 in compensated absences payable, \$267,000 in accrued landfill post-closure care costs, \$4,877,952 in net pension liability, and \$1,141,596 in other postemployment benefits payable.

During the period, the Town's expenses of \$9,345,756 were \$737,718 less than revenues. Revenues consisted of charges for services (\$978,758), operating grants and contributions (\$272,453), capital grants and contributions (\$50,000) and general revenues/special items (\$8,782,263) - primarily taxes, motor vehicle permit fees, state and federal grants and contributions, and miscellaneous revenue.

OVERVIEW OF FINANCIAL STATEMENTS

The following is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise four components: government-wide financial statements; fund financial statements; notes to financial statements; required supplementary information; including this discussion and analysis. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Town based upon measurement focus and basis of accounting. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide statements. The governmental fund statements tell how the Town's services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the Town acts solely as an agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business. The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation time).

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: Governmental Funds and Fiduciary Funds.

The General Fund is the only major governmental fund, while five special revenue funds, two capital project funds, and the permanent funds are consolidated as Nonmajor Governmental funds. The Nonmajor funds are the Sewer, Conservation Commission, Recreation, Recycling, Special Details, Miscellaneous Projects 2020, and Whipple Town Hall Project, respectively. General Fund revenues and expenditures are compared to budget in the Statement of Revenues, Expenditures and Changes in Fund Balances. Fiduciary funds are custodial funds and private purpose trust funds which are used to benefit outside parties and cannot be used to support any of the Town's own programs.

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information required by the Government Accounting Standards Board. Additional combining statements and individual fund schedules are presented immediately following the Notes to Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Change in Net Position

The government-wide financial statements -- the Statement of Net Position (Exhibit A) and Statement of Activities (Exhibit B) -- provide a comprehensive summary of governmental activities. The Statement of Net Position may serve, over time, as a useful indicator of a government’s financial position. Net investment in capital assets is \$9,784,506. Restricted net position of \$2,244,436 are restricted by constraints imposed from outside the Town, such as cemetery, library trust funds and capital projects. As of June 30, 2023, unrestricted net position of the Town is (\$595,363).

The Town’s financial position is the product of several financial transactions including the net results of activities and payment of debt. A summary of long-term debt obligations can be found in the Notes to Financial Statements. Comparative Net Position for the periods ending June 30, 2023 and June 30, 2022 are shown below.

Comparative Net Position

	<u>FY2022</u>	<u>FY2023</u>	<u>Amount Change</u>	<u>% Change</u>
Total assets	\$ 32,628,839	\$ 33,665,402	\$ 1,036,563	3.2%
Deferred outflows of resources	1,078,102	1,381,299	303,197	28.1%
Long-term liabilities outstanding	11,137,705	12,164,606	1,026,901	9.2%
Other liabilities	7,481,714	7,740,240	258,526	3.5%
Total liabilities	<u>18,619,419</u>	<u>19,904,846</u>	<u>1,285,427</u>	6.9%
Deferred inflows of resources:	<u>4,391,661</u>	<u>3,708,276</u>	<u>(683,385)</u>	-15.6%
Net position:				
Net investment in capital assets	9,536,761	9,784,506	247,745	2.6%
Restricted	2,292,356	2,244,436	(47,920)	-2.1%
Unrestricted	<u>(1,133,256)</u>	<u>(595,363)</u>	<u>537,893</u>	47.5%
Total net position	<u>\$ 10,695,861</u>	<u>\$ 11,433,579</u>	<u>\$ 737,718</u>	6.9%

Statement of Activities

The Statement of Activities (Exhibit B) provides an important summary of overall expenditures and revenues for the fiscal year; it includes transactions from all funds. The Town’s total expenses were \$9,345,756; total revenues were \$10,083,474 resulting in an increase of net position of \$737,718. The largest share of revenue, \$6,033,736 (about 59% of total revenues), was from property taxes. The Town’s expenditures were largely for public safety (27%), highways & streets (22%), sanitation (15%) and general government (18%).

Program expenses increased by \$1,332,120 or 16.6%, in FY2023 (the amounts are displayed in the table below).

The Town’s largest source of program revenues, other than wastewater user fees or grants from the state or federal government, is the charge for dispatch services to our neighboring communities. In fiscal year 2023, New London collected \$171,829 in dispatch fees.

During the period, the Town's expenses were \$737,718 less than revenues generated for charges for services, operating grants or contributions and general revenues/special items (including property taxes and local, state and federal grants and contributions not restricted to specific purposes).

Comparative Statement of Changes in Activities

	Fiscal Year Ending 6/30/2022	Fiscal Year Ending 6/30/2023	Amount of Change	%
				Change
Governmental activities:				
General government	\$ 1,541,169	\$ 1,727,542	\$ 186,373	12.1%
Public safety	2,538,176	2,564,231	26,055	1.0%
Highways and streets	1,436,139	2,101,232	665,093	46.3%
Sanitation	1,202,423	1,397,130	194,707	16.2%
Health	239,215	250,529	11,314	4.7%
Welfare	24,099	24,090	(9)	0.0%
Culture and recreation	849,937	1,071,369	221,432	26.1%
Conservation	45,909	66,726	20,817	45.3%
Interest on long-term debt	136,569	142,907	6,338	4.6%
Total governmental activities	<u>8,013,636</u>	<u>9,345,756</u>	<u>1,332,120</u>	<u>16.6%</u>
Program revenues:				
Charges for services	916,447	978,758	62,311	6.8%
Operating grants and contributions	162,606	272,453	109,847	67.6%
Capital grants and contributions	-	50,000	50,000	N/A
General revenues:				
Property taxes and other taxes	5,651,452	6,300,788	649,336	11.5%
Motor vehicle permit fees	1,179,486	1,166,509	(12,977)	-1.1%
Licenses and other fees	155,039	142,463	(12,576)	-8.1%
Grants and contributions not related to specific programs	305,405	517,772	212,367	69.5%
Miscellaneous	223,359	654,731	431,372	193.1%
Special items:				
Principal forgiveness on long-term debt	29,944	-	(29,944)	-100.0%
Total revenues	<u>8,623,738</u>	<u>10,083,474</u>	<u>1,459,736</u>	<u>16.9%</u>
Change in net position				
Net position, beginning	10,085,759	10,695,861		
Net position, ending	<u>10,695,861</u>	<u>11,433,579</u>		
Change in net position	<u>\$ 610,102</u>	<u>\$ 737,718</u>		

FUND FINANCIAL STATEMENTS

General Fund

The Town of New London uses separate fund accounting for each of its funds to ensure compliance with finance-related legal requirements. Information from the fund accounting system is essential in managing budgets as the financial year progresses and is useful in assessing financial resource needs for future operation of the Town. The General Fund is what most people think of as "the budget" since it is the focal point of the Annual Town Meeting and largely supported by property taxes.

Schedules 1, 2, and 3 detail General Fund activity for FY2023. Budgeted revenues and other financing sources totaled \$9,745,426 and actual revenues and other financing sources equaled \$9,729,017, for a revenue surplus of \$433,591. Other than property taxes, the largest general revenue received by the Town of New London is from motor vehicles registrations. In fiscal year 2023, the Town recognized \$6,033,736 in property taxes and \$1,138,704 in motor vehicle fees. The Town also receives revenue shared by the State of New Hampshire in the form of meals & rooms tax (\$382,420 in 2023) and highway block grant (\$247,395 in 2023).

Budgeted appropriations and encumbrances from prior year totaled \$9,822,543 while actual expenditures plus encumbered to subsequent year were \$9,250,550 leaving an unexpended balance of appropriations of \$571,993. This amount along with the revenue shortfall make up the 2023 Budget surplus of \$1,055,584.

The following significant budgetary items are noted:

General Government: The General Government budget represents 15.4% of the total Town budget.

Public Safety: The Public Safety budget makes up 25.6% of the total budget.

Highways & Streets: The Public Works Department comprises 17.6% of the total budget.

Recreation: The Recreation Department budget consists primarily of the Recreation Director's salary and related expenses, the cost of operating the two public beaches and special events.

The Budgetary unassigned fund balance of the General Fund at the end of fiscal year 2023 was \$2,441,348 which is an increase of \$528,877 over fiscal year 2022. Key factors in the unassigned fund balance are:

Unassigned fund balance, June 30, 2022	\$ 1,912,471
FY2023 revenue surplus	433,591
FY2023 unexpended balance of appropriations	571,993
Use of fund balance	(450,000)
Decrease in restricted fund balance for debt service	(14,707)
Increase in committed fund balance	(12,000)
Unassigned fund balance, June 30, 2023	<u>\$ 2,441,348</u>
Difference FY2022 to FY2023	\$ 528,877

Sewer Department

The Sewer Department is operated as a Town department but is funded solely through sewer user fees. New London pumps their effluent to the Sunapee Wastewater Treatment Facility. New London's portion of the Sunapee Plant's operating expenses are based on flow and during FY2023 the New London Sewer Department paid 66.47% of the Sunapee Wastewater Treatment Facility expenses. The apportionment rate is reviewed every year.

Nonmajor Governmental Funds

Special Revenue Funds: The Town has five special revenue funds: a fund for the sewer department, a fund for donations made to the Conservation Commission; and three revolving funds, one for Recreation Department programs and activities, one for Recycling and one for Police Special Details. The Recycling Revolving Fund returns all but \$5,000 of revenue to the General Fund at the end of every fiscal year.

Capital Project Funds: The Town has two Capital Project funds: Misc Projects 2020 and Whipple Town Hall Project.

Activity for the Nonmajor Governmental Funds are shown on Schedules 4 and 5. The Special Revenue Funds ended the year with the following fund balances:

	FY 2022	FY 2023	Change	% Change
Sewer	374,121	206,431	(167,690)	-44.8%
Conservation Commission	25,584	26,599	1,015	4.0%
Recreation	9,081	13,629	4,548	50.1%
Recycling	5,000	5,000	-	0.0%
Special Details	15,424	17,028	1,604	10.4%

The Capital Project Funds ended the year with the following balances:

	FY 2022	FY 2023	Change	% Change
Miscellaneous Projects 2020	54,707	-	(54,707)	-100.0%
Whipple Town Hall	-	(143,281)	(143,281)	N/A

CAPITAL ASSETS

Total Capital Assets decreased 0.4% during FY2023.

Capital Assets

	FY2022	FY2023	Change	% Change
Land	\$ 4,358,449	\$ 4,358,449	\$ -	0.0%
Construction in progress	1,000,719	1,089,281	88,562	8.8%
Building and building improvements	3,182,460	3,087,111	(95,349)	-3.0%
Machinery, equipment, and vehicles	1,566,726	1,631,261	64,535	4.1%
Infrastructure	2,587,124	2,480,922	(106,202)	-4.1%
Total	<u>\$ 12,695,478</u>	<u>\$ 12,647,024</u>	<u>\$ (48,454)</u>	-0.4%

DEBT ADMINISTRATION

Long-Term Debt

Long Term Liabilities

	FY2022	FY2023	Change	% Change
General obligation bonds/notes payable	\$ 6,081,256	\$ 5,588,805	\$ (492,451)	-8.1%
Compensated absences	243,476	289,253	45,777	18.8%
Accrued landfill post-closure care costs	210,000	267,000	57,000	27.1%
Net pension liability	3,600,858	4,877,952	1,277,094	35.5%
Other postemployment benefits payable	1,002,115	1,141,596	139,481	13.9%
Total	<u>\$ 11,137,705</u>	<u>\$ 12,164,606</u>	<u>\$ 1,026,901</u>	9.2%

As of the close of fiscal year 2023, the Town has a \$5,588,805 liability for long-term bonds/notes that reduces overall net position. Total bonds/notes decreased by \$492,451, which represents regularly scheduled payments on bonds/notes payable.

FUTURE BUDGETARY IMPLICATIONS

2023 Town Meeting approved the fiscal year operating budget from July 1, 2023 - June 30, 2024. This budget is an 8.7% increase in appropriations over FY2023, not including Sewer, capital deposits or capital expenditures.

MANAGEMENT CONTACT

This financial report is designed to provide a general overview of the Town's finances for those with an interest in that subject. Questions concerning any of the information provided in this report, or requests for additional financial information, should be directed to: Town Administrator, Town of New London, 375 Main Street, New London, NH 03257 (phone: 603-526-1240/fax: 603-526-9494/e-mail: townadmin@newlondon.nh.gov).

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF NEW LONDON, NEW HAMPSHIRE
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,381,565
Investments	5,433,862
Taxes receivables (net)	5,893,246
Account receivables	166,753
Intergovernmental receivable	1,046,627
Accrued interest receivable	643
Restricted assets:	
Investments	95,682
Capital assets:	
Land and construction in progress	5,447,730
Other capital assets, net of depreciation	7,199,294
Total assets	33,665,402
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	1,276,671
Amounts related to other postemployment benefits	104,628
Total deferred outflows of resources	1,381,299
LIABILITIES	
Accounts payable	42,040
Accrued interest payable	88,717
Intergovernmental payable	7,609,349
Other payable	134
Long-term liabilities:	
Due within one year	616,983
Due in more than one year	11,547,623
Total liabilities	19,904,846
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	3,124,331
Unavailable revenue - grants and donations	398,743
Amounts related to pensions	97,058
Amounts related to other postemployment benefits	88,144
Total deferred inflows of resources	3,708,276
NET POSITION	
Net investment in capital assets	9,784,506
Restricted	2,244,436
Unrestricted	(595,363)
Total net position	\$ 11,433,579

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT B
TOWN OF NEW LONDON, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 1,727,542	\$ 2,702	\$ -	\$ -	\$ (1,724,840)
Public safety	2,564,231	187,485	-	50,000	(2,326,746)
Highways and streets	2,101,232	-	247,908	-	(1,853,324)
Sanitation	1,397,130	767,005	24,545	-	(605,580)
Health	250,529	1,413	-	-	(249,116)
Welfare	24,090	-	-	-	(24,090)
Culture and recreation	1,071,369	20,153	-	-	(1,051,216)
Conservation	66,726	-	-	-	(66,726)
Interest on long-term debt	142,907	-	-	-	(142,907)
Total governmental activities	\$ 9,345,756	\$ 978,758	\$ 272,453	\$ 50,000	(8,044,545)
General revenues:					
Taxes:					
Property					6,033,736
Other					267,052
Motor vehicle permit fees					1,166,509
Licenses and other fees					142,463
Grants and contributions not restricted to specific programs					517,772
Unrestricted investment earnings					253,480
Miscellaneous					401,251
Total general revenues					<u>8,782,263</u>
Change in net position					737,718
Net position, beginning					10,695,861
Net position, ending					<u>\$ 11,433,579</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-1
TOWN OF NEW LONDON, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,732,444	\$ 649,121	\$ 8,381,565
Investments	3,730,710	1,703,152	5,433,862
Taxes receivable	5,933,246	-	5,933,246
Accounts receivable	-	166,753	166,753
Intergovernmental receivable	839	-	839
Interfund receivable	225,490	7,349	232,839
Accrued interest receivable	142	501	643
Restricted assets:			
Investments	95,682	-	95,682
Total assets	<u>\$ 17,718,553</u>	<u>\$ 2,526,876</u>	<u>\$ 20,245,429</u>
LIABILITIES			
Accounts payable	\$ 41,847	\$ 193	\$ 42,040
Intergovernmental payable	7,442,635	166,714	7,609,349
Interfund payable	7,349	225,490	232,839
Other payable	134	-	134
Total liabilities	<u>7,491,965</u>	<u>392,397</u>	<u>7,884,362</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	3,130,730	-	3,130,730
Unavailable revenue - grants and donations	398,743	-	398,743
Total deferred inflows of resources	<u>3,529,473</u>	<u>-</u>	<u>3,529,473</u>
FUND BALANCES (DEFICIT)			
Nonspendable	95,682	1,896,884	1,992,566
Restricted	154,388	345,219	499,607
Committed	3,918,853	35,657	3,954,510
Assigned	53,243	-	53,243
Unassigned (deficit)	2,474,949	(143,281)	2,331,668
Total fund balances	<u>6,697,115</u>	<u>2,134,479</u>	<u>8,831,594</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,718,553</u>	<u>\$ 2,526,876</u>	<u>\$ 20,245,429</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-2
TOWN OF NEW LONDON, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances of governmental funds (Exhibit C-1)		\$ 8,831,594
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 22,361,125	
Less accumulated depreciation	<u>(9,714,101)</u>	12,647,024
Other long-term assets that are not available to pay for current period expenditures therefore, are not reported in the governmental funds.		1,045,788
Pension and other postemployment benefit (OPEB) related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources related to pensions	\$ 1,276,671	
Deferred inflows of resources related to pensions	(97,058)	
Deferred outflows of resources related to OPEB	104,628	
Deferred inflows of resources related to OPEB	<u>(88,144)</u>	1,196,097
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (232,839)	
Payables	<u>232,839</u>	-
Property taxes are recognized on an accrual basis in the Statement of Net Position and on a modified accrual basis in the governmental funds.		
Deferred inflows of resources - property taxes	\$ 6,399	
Allowance for uncollectible property taxes	<u>(40,000)</u>	(33,601)
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(88,717)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond/notes	\$ 5,361,891	
Unamortized bond premium	226,914	
Compensated absences	289,253	
Accrued landfill postclosure care costs	267,000	
Net pension liability	4,877,952	
Other postemployment benefits	<u>1,141,596</u>	(12,164,606)
Net position of governmental activities (Exhibit A)		<u><u>\$ 11,433,579</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-3
TOWN OF NEW LONDON, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 6,295,904	\$ -	\$ 6,295,904
Licenses and permits	1,308,972	-	1,308,972
Intergovernmental	841,828	52,297	894,125
Charges for services	188,615	790,143	978,758
Miscellaneous	588,069	66,662	654,731
Total revenues	<u>9,223,388</u>	<u>909,102</u>	<u>10,132,490</u>
EXPENDITURES			
Current:			
General government	1,583,960	38,596	1,622,556
Public safety	2,419,752	8,513	2,428,265
Highways and streets	1,511,195	-	1,511,195
Sanitation	521,143	763,394	1,284,537
Health	250,529	-	250,529
Welfare	24,090	-	24,090
Culture and recreation	966,481	42,597	1,009,078
Conservation	66,142	584	66,726
Debt service:			
Principal	342,706	130,835	473,541
Interest	102,296	43,487	145,783
Capital outlay	696,532	149,384	845,916
Total expenditures	<u>8,484,826</u>	<u>1,177,390</u>	<u>9,662,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>738,562</u>	<u>(268,288)</u>	<u>470,274</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	78,817	-	78,817
Transfers out	-	(78,817)	(78,817)
Total other financing sources (uses)	<u>78,817</u>	<u>(78,817)</u>	<u>-</u>
Net change in fund balances	817,379	(347,105)	470,274
Fund balances, beginning	5,879,736	2,481,584	8,361,320
Fund balances, ending	<u>\$ 6,697,115</u>	<u>\$ 2,134,479</u>	<u>\$ 8,831,594</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-4
TOWN OF NEW LONDON, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 470,274
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 571,966	
Depreciation expense	<u>(620,420)</u>	(48,454)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (78,817)	
Transfers out	<u>78,817</u>	-
The receipt of long-term state aid provides current financial resources to governmental funds, but has no effect on net position.		
Decrease in intergovernmental receivable		(53,900)
Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds.		
Change in deferred inflows - property taxes		4,884
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment on bond/note principal	\$ 473,541	
Amortization of bond premium	<u>18,910</u>	492,451
Some expenses reported in the Statement of Activities do not require the governmental funds.		
Increase in accrued interest expense	\$ (16,034)	
Increase in compensated absences payable	(45,777)	
Increase in accrued landfill postclosure care costs	(57,000)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	41,696	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(50,422)</u>	(127,537)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 737,718</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT D
TOWN OF NEW LONDON, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 6,129,741	\$ 6,300,788	\$ 171,047
Licenses and permits	1,242,950	1,281,167	38,217
Intergovernmental	613,778	841,828	228,050
Charges for services	104,963	181,583	76,620
Miscellaneous	229,455	331,550	102,095
Total revenues	<u>8,320,887</u>	<u>8,936,916</u>	<u>616,029</u>
EXPENDITURES			
Current:			
General government	1,502,353	1,560,532	(58,179)
Public safety	2,496,900	2,378,655	118,245
Highways and streets	1,614,657	1,508,641	106,016
Sanitation	507,238	525,651	(18,413)
Health	251,024	250,529	495
Welfare	27,470	24,090	3,380
Culture and recreation	219,085	178,152	40,933
Conservation	65,048	59,331	5,717
Debt service:			
Principal	424,708	342,706	82,002
Interest	119,414	102,296	17,118
Capital outlay	965,539	690,860	274,679
Total expenditures	<u>8,193,436</u>	<u>7,621,443</u>	<u>571,993</u>
Excess of revenues over expenditures	<u>127,451</u>	<u>1,315,473</u>	<u>1,188,022</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	974,539	792,101	(182,438)
Transfers out	(1,551,990)	(1,551,990)	-
Total other financing sources (uses)	<u>(577,451)</u>	<u>(759,889)</u>	<u>(182,438)</u>
Net change in fund balances	<u>\$ (450,000)</u>	555,584	<u>\$ 1,005,584</u>
Increase in restricted fund balance		(14,707)	
Increase in committed fund balance		(12,000)	
Unassigned fund balance, beginning		1,912,471	
Unassigned fund balance, ending		<u>\$ 2,441,348</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-1
TOWN OF NEW LONDON, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust	All Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 116,914	\$ 1,483,766
Investments	-	634,140
Intergovernmental receivable	-	7,439,298
Total assets	<u>116,914</u>	<u>9,557,204</u>
LIABILITIES		
Intergovernmental payables:		
School	-	5,494,844
County	-	1,681,319
Precinct	-	263,135
Total liabilities	<u>-</u>	<u>7,439,298</u>
NET POSITION		
Restricted	<u>\$ 116,914</u>	<u>\$ 2,117,906</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-2
TOWN OF NEW LONDON, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust	All Custodial Funds
ADDITIONS		
Contributions	\$ 4,071	\$ 62,263
Investment earnings	3,070	54,448
Change in fair market value	-	15,972
Taxes collected for other governments	-	14,806,455
Fees collected for the State of New Hampshire	-	324,496
Total additions	7,141	15,263,634
DEDUCTIONS		
Benefits paid	9,700	-
Payments to other governments	-	15,007,055
Payments of motor vehicle fees to the State of New Hampshire	-	324,496
Fees paid	-	5
Total deductions	9,700	15,331,556
Net change in fiduciary net position	(2,559)	(67,922)
Net position, beginning	119,473	2,185,828
Net position, ending	\$ 116,914	\$ 2,117,906

The Notes to the Basic Financial Statements are an integral part of this statement.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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TOWN OF NEW LONDON, NEW HAMPSHIRE
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AS OF AND FOR THE FISCAL YEAR ENDED
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TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of New London, New Hampshire (the Town), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town’s accounting policies are described below.

1-A Reporting Entity

The Town of New London is a municipal corporation governed by an elected three-member Board of Selectmen. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB Statement No. 14 (as amended). The Town has no component units to include in its reporting entity.

1-B Basis of Accounting and Measurement Focus

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Town’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town accompanied by a total column. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental Fund Financial Statements – Include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

The Town reports the following major governmental fund:

General Fund – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the library and expendable trust funds are consolidated in the general fund.

Additionally, the Town reports the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – are used to account for the financial resources and activities relating to specific construction projects.

Permanent Fund – is used to record activity of legal trusts for which the interest on the corpus provides funds for the permanent funds including the Town’s cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports eight nonmajor governmental funds.

Fiduciary Fund Financial Statements – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary funds:

Private Purpose Trust Fund – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Custodial Fund – are custodial in nature and do not involve the measurement of operating results. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

1-C Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts.

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-D Restricted Assets

Certain Town assets are classified as restricted assets because their use is earmarked for a specific purpose.

1-E Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

New Hampshire law authorizes the Town to invest in the following type of obligations:

- Obligations of the United States government,
- The public deposit investment pool established pursuant to RSA 383:22,
- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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

Fair Value Measurements of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g. an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

Level 2 – The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.

Level 3 – Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Investments in Certain External Investment Pools – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the Town in accordance with the NHPDIP's Information Statement.

1-F Receivables

Receivables recorded in the financial statements represent amounts due to the Town at June 30. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-G Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated (except for land and construction on progress which are not depreciated) using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Capital Asset Classes:	
Buildings and building improvements	25-40
Machinery, equipment, and vehicles	3-20
Infrastructure	20-50

1-H Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 12, 2022 and November 9, 2022, and due on July 1, 2022, October 3, 2022, January 3, 2023, and March 31, 2023. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

Property tax receivables are recognized on the levy or lien date, which is the date the tax warrant is issued. Current year property tax receivables represent taxes levied but not remitted to the Town at June 30, 2023 and unpaid taxes. The succeeding year property tax receivable represent taxes certified by the Town to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable taxes at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Kearsarge Regional School District, New London-Springfield Water Precinct, and Merrimack County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2022 utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 1,293,797,005
Total assessment valuation without utilities	\$ 1,280,340,505

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

The tax rates and amounts assessed for the year ended June 30, 2023 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$4.80	\$ 6,218,314
School portion:		
State of New Hampshire	\$1.38	1,766,871
Local	\$7.09	9,169,532
County portion	\$2.59	3,346,334
Precinct portions:		
New London-Springfield	\$1.22	523,718
Total	\$17.08	\$ 21,024,769

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30, 2023.

1-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The Town has four types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions and OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. Property taxes not collected within 60-days of the fiscal year end, subsequent period tax commitments and taxes collected in advance are all reported as deferred inflows of resources. In addition, unavailable revenues from grants and donations arises when the related eligible expenditures will not be made until the subsequent period.

1-L Compensated Absences

General leave for the Town includes vacation and compensatory time pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the Town's personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

1-M Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

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In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classifications to categorize the financial transactions:

Direct Borrowings – financial transactions for a note or a loan where the Town negotiates certain terms with a single lender and are not offered for public sale.

Direct Placements – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

1-N Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No.73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

1-O Postemployment Benefits Other Than Pensions (OPEB)

The Town maintains two separate other postemployment benefit plans, as follows:

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (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 OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-P Net Position/Fund Balances

Government-wide Statements – Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted net position – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.

Unrestricted net position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

1-Q Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing the collectability of accounts receivable, the useful lives and impairment of capital assets, net pension liability, other postemployment benefit liability, deferred outflows and inflows of resources related to both pension and other postemployment benefits, and accrued landfill postclosure care costs, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

1-R Material Change in Fund Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the sewer department fund which accounts for the operations of the sewer fund and the permanent funds which are used to account for resources held in trust for use by the Town did not qualify as major funds for the current fiscal year. As such they were reclassified to the nonmajor governmental funds.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general fund, as well as the nonmajor sewer department fund. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

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Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the committed and assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2023, \$450,000 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 9,729,017
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
To record revenue of the blended funds	291,356
To eliminate transfers between general and blended funds	(713,284)
Change in deferred tax revenue relating to 60-day revenue recognition	(4,884)
Per Exhibit C-3 (GAAP basis)	<u>\$ 9,302,205</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 9,173,433
Adjustments:	
Basis differences:	
Encumbrances, beginning	77,117
Encumbrances, ending	(46,243)
GASB Statement No. 54:	
To record expenditures of the blended funds	832,509
To eliminate transfers between general and blended funds	(1,551,990)
Per Exhibit C-3 (GAAP basis)	<u>\$ 8,484,826</u>

2-C Deficit Fund Balance

The Whipple Town Hall capital project fund had a deficit fund balance of \$143,281 at June 30, 2023. This deficit will be financed through future revenues of the bond or note proceeds that will be issued in the subsequent year.

2-D Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments,

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including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$9,982,245 and the bank balances totaled \$10,352,847. Petty cash totaled \$339.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 8,381,565
Cash per Statement of Net Position - Fiduciary Fund (Exhibit E-1)	1,600,680
Total cash and cash equivalents	<u>\$ 9,982,245</u>

NOTE 4 – RESTRICTED ASSETS

Investments are classified as restricted for the following purposes:

Investments:	
General fund:	
Library	<u>\$ 95,682</u>

NOTE 5 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Hierarchy		Total
	Level 1	Level 2	
Investments type:			
Certificates of deposit	\$ -	\$ 332,347	\$ 332,347
Equity exchange traded funds	1,305,465	-	1,305,465
Fixed income exchange traded funds	322,379	-	322,379
Fixed income mutual funds	153,919	-	153,919
Preferred Stock	28,943	-	28,943
U.S. Treasury bonds	1,189,558	-	1,189,558
Total fair value of investments	<u>\$ 3,000,264</u>	<u>\$ 332,347</u>	<u>3,332,611</u>
Investments carried at amortized cost:			
NH Public Deposit Investment Pool			2,831,073
Total investments			<u>\$ 6,163,684</u>

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Interest Rate Risk – This 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. Both the Town and Trustees of Trust Funds investment policies follow the prudent person rule, which requires the preservation of principal and the amount and regularity of the income derived there from. The Town has the following remaining maturities as of June 30, 2023:

Investments Type	Reported Balance	Remaining Maturity		
		Less than 1 Year	1-5 Years	Exempt from Disclosure
Certificates of deposit	\$ 332,347	\$ -	\$ 332,347	\$ -
Equity exchange traded funds	1,305,465	-	-	1,305,465
Fixed income exchange traded funds	322,379	-	-	322,379
Fixed income mutual funds	153,919	-	-	153,919
New Hampshire Public Deposit Investment Pool	2,831,073	-	-	2,831,073
Preferred Stock	28,943	-	-	28,943
U.S. Treasury bonds	1,189,558	1,189,558	-	-
Total	<u>\$ 6,163,684</u>	<u>\$ 1,189,558</u>	<u>\$ 332,347</u>	<u>\$ 4,641,779</u>

Credit Risk - The Town investment policy states that assets will be invested in obligations of the United States Government, public deposit investment pool established pursuant to RSA 383:22, deposits in solvent bank incorporated under the laws of the State of New Hampshire or in certificates of deposits of bank incorporated under the laws of the State of New Hampshire or in banks recognized by the State of New Hampshire. The Trustees of Trust Funds investment policy states the asset allocation of the trust funds will be dependent on the frequency of the cash needs for each fund. The asset allocation will be limited to obligations of the United States Government and its agencies; corporate debt with a minimum of not less than 90% of the Moody's and/or Standard and Poor's single "A" rating; high quality common stocks; investment in convertible or exercisable into high quality common stock; domestic and international equity and fixed income mutual funds and exchange traded funds; money market funds; FDIC insured certificates of deposits and the public deposit investment fund. The Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt from Disclosure	Rating as of Year-End
			Aaa
Certificates of deposit	\$ 332,347	\$ 332,347	\$ -
Equity exchange traded funds	1,305,465	1,305,465	-
Fixed income exchange traded funds	322,379	322,379	-
Fixed income mutual funds	153,919	153,919	-
New Hampshire Public Deposit Investment Pool	2,831,073	2,831,073	-
Preferred Stock	28,943	28,943	-
U.S. Treasury bonds	1,189,558	-	1,189,558
Total	<u>\$ 6,163,684</u>	<u>\$ 4,974,126</u>	<u>\$ 1,189,558</u>

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town and Trustees of Trust Funds investment policies do not directly address this risk.

Concentration of Credit Risk – The Town and Trustees of Trust Funds investment policies places no limit on the amount it may invest in any one issuer. No more than 5% of the Town's investment balance is invested in any one issuer.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 5,529,544
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	634,140
Total investments	<u>\$ 6,163,684</u>

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NOTE 6 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of June 30, 2023. The amount has been reduced by an allowance for an estimated uncollectible amount of \$40,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2023	\$ 5,861,225	\$ 5,861,225
Levy of 2022	61,807	61,807
Unredeemed (under tax lien):		
Levy of 2021	8,964	8,964
Land use change	1,250	1,250
Less: allowance for estimated uncollectible taxes	(40,000) *	-
Net taxes receivable	\$ 5,893,246	\$ 5,933,246

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

NOTE 7 – OTHER RECEIVABLES

Receivables at June 30, 2023, consisted of accounts (sewer and other user charges) and intergovernmental amounts arising from grants and accrued interest. Receivables are recorded on the Town's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

Receivables as of June 30, 2023 for the Town's individual major fund and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Governmental Funds			Fiduciary Funds
		General	Nonmajor	Total	
Receivables:					
Accounts	\$ 166,753	\$ -	\$ 166,753	\$ 166,753	\$ -
Intergovernmental	1,046,627	839	-	839	7,439,298
Accrued interest	643	142	501	643	-
Net total receivables	\$ 1,214,023	\$ 981	\$ 167,254	\$ 168,235	\$ 7,439,298

¹ Governmental Activities - intergovernmental receivable which represents State Aid for projects, see additional information in Note 15.

² Fiduciary Funds - intergovernmental receivables represent property taxes collected on behalf of the Kearsarge Regional School District, Merrimack County, and New London-Springfield Water Precinct. These amounts are collected and are part of the Town's general fund cash at year-end. The general fund reports an offsetting intergovernmental payable for this amount at year-end, see Note 10.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 4,358,449	\$ -	\$ -	\$ 4,358,449
Construction in progress	1,000,719	143,281	(54,719)	1,089,281
Total capital assets not being depreciated	5,359,168	143,281	(54,719)	5,447,730

(Continued)

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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Buildings and building improvements	6,655,609	95,140	-	6,750,749
Machinery, equipment, and vehicles	6,453,114	388,264	(63,243)	6,778,135
Infrastructure	3,384,511	-	-	3,384,511
Total capital assets being depreciated	<u>16,493,234</u>	<u>483,404</u>	<u>(63,243)</u>	<u>16,913,395</u>
Total all capital assets	<u>21,852,402</u>	<u>626,685</u>	<u>(117,962)</u>	<u>22,361,125</u>
Less accumulated depreciation:				
Buildings and building improvements	(3,473,149)	(190,489)	-	(3,663,638)
Machinery, equipment, and vehicles	(4,886,388)	(323,729)	63,243	(5,146,874)
Infrastructure	(797,387)	(106,202)	-	(903,589)
Total accumulated depreciation	<u>(9,156,924)</u>	<u>(620,420)</u>	<u>63,243</u>	<u>(9,714,101)</u>
Net book value, capital assets being depreciated	<u>7,336,310</u>	<u>(137,016)</u>	<u>-</u>	<u>7,199,294</u>
Net book value, all governmental activities capital assets	<u>\$ 12,695,478</u>	<u>\$ 6,265</u>	<u>\$ (54,719)</u>	<u>\$ 12,647,024</u>

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 99,128
Public safety	121,016
Highways and streets	266,817
Sanitation	39,301
Culture and recreation	94,158
Total depreciation expense	<u>\$ 620,420</u>

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor	\$ 225,490
Nonmajor	General	7,349
		<u>\$ 232,839</u>

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers - The composition of interfund transfers for the year ended June 30, 2023 is as follows:

	<u>Transfers In:</u>
	General
	<u>Fund</u>
Transfers out:	
Nonmajor funds	<u>\$ 78,817</u>

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

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NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of at June 30, 2023 consist of the following:

	Governmental Activities and Governmental Funds			Fiduciary Funds
	General	Nonmajor	Total	
Property tax due to custodial fund	3 \$ 7,439,298	\$ -	\$ 7,439,298	\$ -
Fees due to the State of New Hampshire	3,337	-	3,337	-
Balance due to the Town of Sunapee Water and Sewer Departments	-	166,714	166,714	-
Balance due to Kearsarge Regional School District	-	-	-	5,494,844
Balance due to Merrimack County	-	-	-	1,681,319
Balance due to New London-Springfield Water Precinct	-	-	-	263,135
Total intergovernmental payables due	<u>\$ 7,442,635</u>	<u>\$ 166,714</u>	<u>\$ 7,609,349</u>	<u>\$ 7,439,298</u>

³ Property taxes due to the custodial fund represent amounts collected by the Town on behalf of Kearsarge Regional School District, Merrimack County, and New London-Springfield Water Precinct and are reported as a component of general fund cash at year-end.

⁴ Property taxes due to the Kearsarge Regional School District, Merrimack County, and New London-Springfield Water Precinct represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are as follows:

	Governmental Activities
Amounts related to pensions, see Note 13	\$ 1,276,671
Amounts related to OPEB, see Note 14	104,628
Total deferred inflows of resources	<u>\$ 1,381,299</u>

Deferred inflows of resources are as follows:

	Governmental Activities	General Fund
Property tax revenue committed, but not due until subsequent period	\$ 3,124,331	\$ 3,124,331
Deferred property taxes not collected within 60 days of fiscal year-end	-	6,399 *
Grants and donations not yet expended	398,743	398,743
Amounts related to pensions, see Note 13	97,058	-
Amounts related to OPEB, see Note 14	88,144	-
Total deferred inflows of resources	<u>\$ 3,708,276</u>	<u>\$ 3,529,473</u>

*Balance is only recognized on a modified accrual basis of accounting.

NOTE 12 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Bond payable - direct placements	\$ 1,495,000	\$ -	\$ (105,000)	\$ 1,390,000	\$ 110,000	\$ 1,280,000
Notes/loans payable - direct borrowings	4,340,432	-	(368,541)	3,971,891	479,173	3,492,718
Premium	245,824	-	(18,910)	226,914	18,910	208,004
Total bonds/notes payable	<u>6,081,256</u>	<u>-</u>	<u>(492,451)</u>	<u>5,588,805</u>	<u>608,083</u>	<u>4,980,722</u>

(Continued)

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Long-term liabilities continued:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
Compensated absences	243,476	45,777	-	289,253	-	289,253
Accrued landfill postclosure care costs	210,000	57,000	-	267,000	8,900	258,100
Net pension liability	3,600,858	1,277,094	-	4,877,952	-	4,877,952
Net other postemployment benefits	1,002,115	139,481	-	1,141,596	-	1,141,596
Total long-term liabilities	<u>\$ 11,137,705</u>	<u>\$ 1,519,352</u>	<u>\$ (492,451)</u>	<u>\$ 12,164,606</u>	<u>\$ 616,983</u>	<u>\$ 11,547,623</u>

Long-term bonds/notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2023
Bond payable - direct placements:					
2021 Bond refundings	\$ 1,622,000	2021	2035	1.42%	<u>\$ 1,390,000</u>
Notes/loans payable - direct borrowing:					
Town building improvements	\$ 877,940	2005	2025	3.72%	87,794
Library repairs	\$ 370,000	2011	2027	2.60%	98,664
Water Pollution Control State Revolving Loan	\$ 5,501,598	2016	2035	2.55%	2,726,287
Academy building	\$ 350,000	2016	2025	1.95%	70,000
Multi-purpose	\$ 460,000	2016	2027	1.90%	184,000
Library sprinkler system	\$ 250,000	2021	2032	2.30%	215,646
Fire pumper truck	\$ 589,500	2022	2027	3.69%	589,500
					<u>3,971,891</u>
Bond premium					<u>226,914</u>
Total					<u>\$ 5,588,805</u>

The annual requirements to amortize all general obligation bond/notes outstanding as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Bonds - Direct Placements			Notes/Loans - Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 110,000	\$ 57,990	\$ 167,990	\$ 479,173	\$ 101,360	\$ 580,533
2025	110,000	52,380	162,380	492,902	83,817	576,719
2026	110,000	46,770	156,770	423,369	71,428	494,797
2027	110,000	41,160	151,160	432,991	60,289	493,280
2028	120,000	35,550	155,550	372,226	49,637	421,863
2029-2033	600,000	93,150	693,150	1,265,263	140,424	1,405,687
2034-2035	230,000	8,340	238,340	505,967	17,002	522,969
Totals	<u>\$ 1,390,000</u>	<u>\$ 335,340</u>	<u>\$ 1,725,340</u>	<u>\$ 3,971,891</u>	<u>\$ 523,957</u>	<u>\$ 4,495,848</u>

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

Accrued Landfill Postclosure Care Costs – The Town ceased operating its landfill in prior years. Federal and State 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 after closure. A liability is being recognized based on the future postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs has a balance of \$267,000 as of June 30, 2023, which is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2023. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of June 30, 2023 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 14, 2017	Miscellaneous Projects	\$ 180,891
March 8-9, 2022	Town Hall / Baker Building	600,000
March 15, 2023	Repairs and Renovations to Whipple Town Hall	275,000
March 15, 2023	Pump Station Generator	300,000
		<u>\$ 1,355,891</u>

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers with in the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

Benefits Provided – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). 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.

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (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 1/1/12 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
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%

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Contributions – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2023, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. The contribution requirement for the fiscal year 2023 was \$492,389, which was paid in full.

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Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2023 the Town reported a liability of \$4,877,952 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town’s proportion was 0.08503904% which was an increase of 0.00379076% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$497,645. At June 30, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 201,392	\$ 78,332
Changes in assumptions	259,468	-
Net difference between projected and actual investment earnings on pension plan investments	184,868	-
Differences between expected and actual experience	91,550	18,726
Contributions subsequent to the measurement date	539,393	-
Total	\$ 1,276,671	\$ 97,058

The \$539,393 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	
June 30,	
2024	\$ 223,577
2025	198,711
2026	(70,657)
2027	288,589
Thereafter	-
Totals	\$ 640,220

Actuarial Assumptions – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly apply to 2022 measurements:

Inflation:	2.0%	
Salary increases:	5.4% average, including inflation	
Wage inflation:	2.75% (2.25% for teachers)	
Investment rate of return:	6.75% net of pension plan investment expense, including inflation	

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on pension plan investment 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 rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	100.00%	7.30%

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.75% 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 (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 6,544,982	\$ 4,877,952	\$ 3,491,971

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

14-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2022 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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 four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. 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,

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his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2023 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2022, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2023, the Town contributed 3.21% for police and fire, and 0.31% for other employees. The contribution requirement for the fiscal year 2023 was \$34,619, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2023, the Town reported a liability of \$286,128 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2022, the Town’s proportion was 0.07571799% which was an increase of 0.00876362% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized OPEB expense of \$45,579. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 782
Contributions subsequent to the measurement date	34,619
Total	\$ 35,401

The \$34,619 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year 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 as follows:

Fiscal Year Ending June 30,	
2024	\$ 130
2025	34
2026	(308)
2027	926
Thereafter	-
Totals	\$ 782

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Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation
Health care trend rate:	Not applicable, given that the benefits are fixed stipends

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment 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 rate 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 long-term rates of return for 2022:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	7.60%
Global Ex-US Equity (2)	20.00%	7.90%
Total public equity	50.00%	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total private market equity	20.00%	
Private Debt	5.00%	7.25%
Core U.S. Fixed Income (3)	25.00%	3.60%
Inflation	0.00%	2.25%
Total	100.00%	7.30%

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity of the Town’s Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the Town’s proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town’s proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2022	\$ 310,641	\$ 286,128	\$ 264,779

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OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

14-B Town of New London Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	<u>42</u>
Total plan members	<u><u>45</u></u>

Total OPEB Liability – The Town’s total OPEB liability of \$855,468 was measured as of June 30, 2023, and was determined by an actuarial valuation of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.65%
Healthcare Cost Trend Rates:	
Current Year Trend	8.00%
Second Year Trend	7.50%
Decrement	0.50%
Ultimate Trend	4.10%
Year Ultimate Trend is Reached	2075
Salary Increases:	2.50%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of July 1, 2022.

Mortality rates were as follows:

Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post-Retirement:
 Healthy Retirees: 101% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of PubG-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019.

Surviving spouses: PubG-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Disabled Retirees: PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

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Changes in the Total OPEB Liability

	June 30,	
	2022	2023
OPEB liability beginning of year	\$ 806,568	\$ 733,992
Changes for the year:		
Service cost	40,986	31,661
Interest	18,184	26,864
Assumption changes and difference between actual and expected experience	(120,312)	76,527
Benefit payments	(11,434)	(13,576)
OPEB liability end of year	\$ 733,992	\$ 855,468

Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The July 1, 2022 actuarial valuation was prepared using a discount rate of 3.65%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$776,133 or by 9.27%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$944,963 or by 10.46%.

	Discount Rate		
	1% Decrease	Baseline 3.65%	1% Increase
Total OPEB Liability	\$ 944,963	\$ 855,468	\$ 776,133

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2022 actuarial valuation was prepared using an initial trend rate of 8%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$972,183 or by 13.64%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$756,883 or by 11.52%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 8.00%	1% Increase
Total OPEB Liability	\$ 756,883	\$ 855,468	\$ 972,183

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the Town recognized OPEB expense of \$53,032. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 25,400	\$ 88,144
Differences between expected and actual experience	43,827	-
Total	\$ 69,227	\$ 88,144

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

Fiscal Year Ending June 30,	
2024	\$ (5,493)
2025	(5,493)
2026	(5,493)
2027	(5,493)
2028	(5,802)
Thereafter	8,857
Totals	\$ (18,917)

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NOTE 15 – STATE AID TO WATER POLLUTION PROJECTS

Under New Hampshire RSA Chapter 486, the Town receives from the State of New Hampshire a percentage of the annual amortization charges on the original costs resulting from the acquisition and construction of sewage disposal facilities. At June 30, 2023 the Town is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 55,103	\$ 23,342	\$ 78,445
2025	56,333	22,112	78,445
2026	57,590	20,855	78,445
2027	58,876	19,569	78,445
2028	60,190	18,255	78,445
2029-2033	321,711	70,514	392,225
2034-2038	359,253	32,973	392,226
2039	76,732	1,714	78,446
Total	<u>\$ 1,045,788</u>	<u>\$ 209,334</u>	<u>\$ 1,255,122</u>

NOTE 16 – COMMITMENTS

The Town has active construction projects as of June 30, 2023. At year-end the Town commitments with contractors for specific projects are as follows:

Capital Project Program	Spent to Date	Remaining Commitment
Various projects with North Branch Construction	<u>\$ 555,223</u>	<u>\$ 134,103</u>

NOTE 17 - ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at June 30, 2023 are as follows:

General fund:	
General government	\$ 7,750
Public safety	17,172
Highways and streets	13,813
Sanitation	4,508
Culture and recreation	3,000
Total encumbrances	<u>\$ 46,243</u>

NOTE 18 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at June 30, 2023 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 12,647,024	\$ -
Less:		
General obligation bond/notes/loans payable	(2,635,604)	-
Unamortized bond premiums	(226,914)	-
Total net investment in capital assets	<u>9,784,506</u>	<u>-</u>

(Continued)

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Governmental activities and fiduciary funds net position continued:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
Restricted net position:		
Nonexpendable permanent funds (principal)	1,896,884	-
Expendable permanent funds (income)	112,189	-
Library	235,363	-
Individuals, organizations, and other governments	-	2,234,820
Total restricted net position	<u>2,244,436</u>	<u>2,234,820</u>
Unrestricted	(595,363)	-
Total net position	<u>\$ 11,433,579</u>	<u>\$ 2,234,820</u>

NOTE 19 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at June 30, 2023 include the following:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Library permanent fund - principal balance	\$ 95,682	\$ -	\$ 95,682
Permanent fund - principal balance	-	1,896,884	1,896,884
Total nonspendable fund balance	<u>95,682</u>	<u>1,896,884</u>	<u>1,992,566</u>
Restricted:			
Library	139,681	-	139,681
Sewer department	-	74,237	74,237
Expendable trust	-	132,194	132,194
Conservation commission	-	26,599	26,599
Permanent fund - income balance	-	112,189	112,189
Total restricted fund balance	<u>154,388</u>	<u>345,219</u>	<u>499,607</u>
Committed:			
Expendable trust	3,903,853	-	3,903,853
Non-lapsing appropriation	3,000	-	3,000
Voted from surplus	12,000	-	12,000
Recreation	-	13,629	13,629
Recycling	-	5,000	5,000
Special details	-	17,028	17,028
Total committed fund balance	<u>3,918,853</u>	<u>35,657</u>	<u>3,954,510</u>
Assigned:			
Abatement contingency	10,000	-	10,000
Encumbrances	43,243	-	43,243
Total assigned fund balance	<u>53,243</u>	<u>-</u>	<u>53,243</u>
Unassigned (deficit)			
Unassigned	2,474,949	-	2,474,949
Deficit	-	(143,281)	(143,281)
Total unassigned fund balance (deficit)	<u>2,474,949</u>	<u>(143,281)</u>	<u>2,331,668</u>
Total governmental fund balances	<u>\$ 6,697,115</u>	<u>\$ 2,134,479</u>	<u>\$ 8,831,594</u>

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

NOTE 20 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2023, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2022 to June 30, 2023 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2022-23 the Town paid \$114,374 and \$59,386 respectively, to Primex for property, liability and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 21 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. No such tax abatement programs were identified.

NOTE 22 – CONTINGENT LIABILITIES

There are various legal claims pending against the Town which arose in the normal course of the governments activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the Town.

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 23 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through January 31, 2024, the date the June 30, 2023 financial statements were available to be issued, and the no events occurred that require recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF NEW LONDON, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net pension liability	0.08372859%	0.08175265%	0.08068385%	0.08189616%	0.08534671%	0.08101828%	0.08141727%	0.08377573%	0.08124828%	0.08503904%
Town's proportionate share of the net pension liability	\$ 3,603,498	\$ 3,068,656	\$ 3,196,313	\$ 4,354,906	\$ 4,197,345	\$ 3,901,194	\$ 3,917,518	\$ 5,358,422	\$ 3,600,858	\$ 4,877,952
Town's covered payroll (as of the measurement date)	\$ 1,942,187	\$ 1,964,526	\$ 1,958,428	\$ 2,052,846	\$ 2,158,310	\$ 2,223,231	\$ 2,259,148	\$ 2,259,148	\$ 2,474,976	\$ 2,581,944
Town'd proportionate share of the net pension liability as a percentage of its covered payroll	185.54%	156.20%	163.21%	212.14%	194.47%	175.47%	173.41%	237.19%	145.49%	188.93%
Plan fiduciary net position as a percentage of the total pension liability	66.32%	59.81%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

EXHIBIT G
TOWN OF NEW LONDON, NEW HAMPSHIRE
Schedule of Town Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 208,194	\$ 265,225	\$ 270,685	\$ 293,253	\$ 312,662	\$ 342,430	\$ 354,313	\$ 378,165	\$ 492,440	\$ 539,393
Contributions in relation to the contractually required contributions	(208,194)	(265,225)	(270,685)	(293,253)	(312,662)	(342,430)	(354,313)	(378,165)	(492,440)	(539,393)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$ 1,942,187	\$ 1,964,526	\$ 1,958,428	\$ 2,052,846	\$ 2,158,310	\$ 2,223,231	\$ 2,259,148	\$ 2,474,976	\$ 2,581,944	\$ 2,843,225
Contributions as a percentage of covered payroll	-10.72%	-13.50%	-13.82%	-14.29%	-14.49%	-15.40%	-15.68%	-15.28%	-19.07%	-18.97%

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

***Schedule of the Town’s Proportionate Share of Net Pension Liability and
Schedule of Town Contributions - Pensions***

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town’s pension plan at June 30, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT H
TOWN OF NEW LONDON, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Town's proportion of the net OPEB liability	0.04591256%	0.04950727%	0.07123418%	0.07363274%	0.07028644%	0.06695437%	0.07571799%
Town's proportionate share of the net OPEB liability (asset)	\$ 222,265	\$ 226,364	\$ 326,143	\$ 322,814	\$ 307,650	\$ 268,123	\$ 286,128
Town's covered payroll (as of measurement date)	\$ 2,052,846	\$ 2,158,310	\$ 2,223,231	\$ 2,259,148	\$ 2,259,148	\$ 2,474,976	\$ 2,581,944
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.83%	10.49%	14.67%	14.29%	13.62%	10.83%	11.08%
Plan fiduciary net position as a percentage of the total OPEB liability	5.21%	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT I
TOWN OF NEW LONDON, NEW HAMPSHIRE
Schedule of Town Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended June 30, 2023
Unaudited

Fiscal year-end	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	\$ 26,678	\$ 29,343	\$ 31,509	\$ 33,603	\$ 32,878	\$ 31,889	\$ 34,619
Contributions in relation to the contractually required contribution	(26,678)	(29,343)	(31,509)	(33,603)	(32,878)	(31,889)	(34,619)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll (as of fiscal year end)	<u>\$ 2,052,846</u>	<u>\$ 2,158,310</u>	<u>\$ 2,223,231</u>	<u>\$ 2,259,148</u>	<u>\$ 2,474,976</u>	<u>\$ 2,581,944</u>	<u>\$ 2,843,225</u>
Contributions as a percentage of covered payroll	-1.30%	-1.36%	-1.42%	-1.49%	-1.33%	-1.24%	-1.22%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT J
TOWN OF NEW LONDON, NEW HAMPSHIRE
Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended June 30, 2023
Unaudited

	June 30,		
	2021	2022	2023
OPEB liability, beginning of year	\$ 749,196	\$ 806,568	\$ 733,992
Changes for the year:			
Service cost	39,196	40,986	31,661
Interest	17,383	18,184	26,864
Assumption changes and difference between actual and expected experience	4,491	(120,312)	76,527
Benefit payments	(3,698)	(11,434)	(13,576)
OPEB liability, end of year	<u>\$ 806,568</u>	<u>\$ 733,992</u>	<u>\$ 855,468</u>
Covered payroll	<u>\$ 2,292,387</u>	<u>\$ 2,565,915</u>	<u>\$ 2,746,071</u>
Total OPEB liability as a percentage of covered payroll	35.18%	28.61%	31.15%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Schedule of the Town’s Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of Town Contributions – Other Postemployment Benefits

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town’s other postemployment benefits at June 30, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Changes in Town’s Total Other Postemployment Benefits Liability and Related Ratios

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town’s other postemployment benefits at June 30, 2023. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF NEW LONDON, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 6,035,741	\$ 6,033,736	\$ (2,005)
Land use change	50,000	157,583	107,583
Yield	3,000	7,757	4,757
Timber	-	78,691	78,691
Interest and penalties on taxes	41,000	23,021	(17,979)
Total from taxes	<u>6,129,741</u>	<u>6,300,788</u>	<u>171,047</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	49,800	57,679	7,879
Motor vehicle permit fees	1,117,600	1,138,704	21,104
Other	75,550	84,784	9,234
Total from licenses, permits, and fees	<u>1,242,950</u>	<u>1,281,167</u>	<u>38,217</u>
Intergovernmental:			
State:			
Meals and rooms distribution	382,420	382,420	-
Highway block grant	134,116	247,395	113,279
Water pollution grants	78,445	26,148	(52,297)
Other	18,797	-	(18,797)
Federal:			
Other	-	185,865	185,865
Total from intergovernmental	<u>613,778</u>	<u>841,828</u>	<u>228,050</u>
Charges for services:			
Income from departments	<u>104,963</u>	<u>181,583</u>	<u>76,620</u>
Miscellaneous:			
Sale of municipal property	78,070	70,618	(7,452)
Interest on investments	15,510	82,889	67,379
Other	135,875	178,043	42,168
Total from miscellaneous	<u>229,455</u>	<u>331,550</u>	<u>102,095</u>
Other financing sources:			
Transfers in	<u>974,539</u>	<u>792,101</u>	<u>(182,438)</u>
Total revenues and other financing sources	9,295,426	<u>\$ 9,729,017</u>	<u>\$ 433,591</u>
Unassigned fund balance used to reduce tax rate	450,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 9,745,426</u>		

See Independent Auditor's Report.

SCHEDULE 2
TOWN OF NEW LONDON, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 351,186	\$ 363,260	\$ 7,750	\$ (19,824)
Election and registration	-	110,534	103,808	-	6,726
Financial administration	-	365,656	363,432	-	2,224
Revaluation of property	-	92,447	56,350	-	36,097
Legal	-	10,500	30,857	-	(20,357)
Personnel administration	-	97,794	113,179	-	(15,385)
Planning and zoning	-	124,196	107,924	-	16,272
General government buildings	-	200,175	257,462	-	(57,287)
Cemeteries	-	32,224	29,979	-	2,245
Insurance, not otherwise allocated	-	98,823	107,713	-	(8,890)
Advertising and regional associations	-	18,818	18,818	-	-
Total general government	-	1,502,353	1,552,782	7,750	(58,179)
Public safety:					
Police	40,950	1,353,443	1,308,936	328	85,129
Fire	16,800	594,536	599,109	9,891	2,336
Emergency management	-	29,212	26,027	-	3,185
Other	-	519,709	485,161	6,953	27,595
Total public safety	57,750	2,496,900	2,419,233	17,172	118,245
Highways and streets:					
Administration	-	1,041,857	980,891	-	60,966
Highways and streets	16,367	563,300	518,537	13,813	47,317
Street lighting	-	9,500	11,767	-	(2,267)
Total highways and streets	16,367	1,614,657	1,511,195	13,813	106,016
Sanitation:					
Solid waste disposal	-	490,238	494,027	4,508	(8,297)
Solid waste clean-up	-	17,000	27,116	-	(10,116)
Total sanitation	-	507,238	521,143	4,508	(18,413)
Health:					
Administration	-	6,340	6,267	-	73
Health agencies	-	244,684	244,262	-	422
Total health	-	251,024	250,529	-	495
Welfare:					
Administration and direct assistance	-	5,470	5,518	-	(48)
Intergovernmental welfare payments	-	6,000	6,000	-	-
Vendor payments and other	-	16,000	12,572	-	3,428
Total welfare	-	27,470	24,090	-	3,380
Culture and recreation:					
Parks and recreation	-	192,785	154,233	-	38,552
Patriotic purposes	-	300	228	-	72
Other	3,000	26,000	23,691	3,000	2,309
Total culture and recreation	3,000	219,085	178,152	3,000	40,933
Conservation	-	65,048	59,331	-	5,717

(Continued)

SCHEDULE 2 (Continued)
TOWN OF NEW LONDON, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal on long-term debt	-	424,708	342,706	-	82,002
Interest on long-term debt	-	119,413	102,296	-	17,117
Interest on tax anticipation notes	-	1	-	-	1
Total debt service	-	544,122	445,002	-	99,120
Capital outlay	-	965,539	690,860	-	274,679
Other financing uses:					
Transfers out	-	1,551,990	1,551,990	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 77,117	\$ 9,745,426	\$ 9,204,307	\$ 46,243	\$ 571,993

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF NEW LONDON, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended June 30, 2023

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 1,912,471
Changes:		
Unassigned fund balance used to reduce 2022-2023 tax rate		(450,000)
2022-2023 Budget summary:		
Revenue surplus (Schedule 1)	\$ 433,591	
Unexpended balance of appropriations (Schedule 2)	571,993	
2022-2023 Budget surplus		1,005,584
Increase in restricted fund balance		(14,707)
Increase in committed from surplus, fund balance		(12,000)
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,441,348
<i>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</i>		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(6,399)
Elimination of the allowance for uncollectible taxes		40,000
Unassigned fund balance, ending (GAAP basis, Exhibit C-1)		\$ 2,474,949

SCHEDULE 4
TOWN OF NEW LONDON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds					Capital Project Funds			Total
	Sewer	Conservation	Recreation	Recycling	Special Details	Miscellaneous	Whipple	Permanent Fund	
		Commission				Projects 2020	Town Hall		
ASSETS									
Cash and cash equivalents	\$ 269,876	\$ 26,599	\$ 14,439	\$ 18,771	\$ 18,602	\$ -	\$ -	\$ 300,834	\$ 649,121
Investments	2,763	-	-	-	-	-	-	1,700,389	1,703,152
Accounts receivable	166,753	-	-	-	-	-	-	-	166,753
Interfund receivable	-	-	-	-	-	-	-	7,349	7,349
Accrued interest receivable	-	-	-	-	-	-	-	501	501
Total assets	\$ 439,392	\$ 26,599	\$ 14,439	\$ 18,771	\$ 18,602	\$ -	\$ -	\$ 2,009,073	\$ 2,526,876
LIABILITIES									
Accounts payable	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193
Intergovernmental payable	166,714	-	-	-	-	-	-	-	166,714
Interfund payable	66,054	-	810	13,771	1,574	-	143,281	-	225,490
Total liabilities	232,961	-	810	13,771	1,574	-	143,281	-	392,397
FUND BALANCES (DEFICIT)									
Nonspendable	-	-	-	-	-	-	-	1,896,884	1,896,884
Restricted	206,431	26,599	-	-	-	-	-	112,189	345,219
Committed	-	-	13,629	5,000	17,028	-	-	-	35,657
Unassigned (deficit)	-	-	-	-	-	-	(143,281)	-	(143,281)
Total fund balances (deficit)	206,431	26,599	13,629	5,000	17,028	-	(143,281)	2,009,073	2,134,479
Total liabilities and fund balances	\$ 439,392	\$ 26,599	\$ 14,439	\$ 18,771	\$ 18,602	\$ -	\$ -	\$ 2,009,073	\$ 2,526,876

See Independent Auditor's Report.

SCHEDULE 5
TOWN OF NEW LONDON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds					Capital Project Funds			Total
	Sewer	Conservation	Recreation	Recycling	Special Details	Miscellaneous	Whipple	Permanent Fund	
		Commission				Projects 2020	Town Hall		
REVENUES									
Intergovernmental	\$ 52,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,297
Charges for services	726,318	-	13,021	40,687	10,117	-	-	-	790,143
Miscellaneous	9,192	1,599	-	2	-	-	-	55,869	66,662
Total revenues	<u>787,807</u>	<u>1,599</u>	<u>13,021</u>	<u>40,689</u>	<u>10,117</u>	<u>-</u>	<u>-</u>	<u>55,869</u>	<u>909,102</u>
EXPENDITURES									
Current:									
General government	38,596	-	-	-	-	-	-	-	38,596
Public safety	-	-	-	-	8,513	-	-	-	8,513
Sanitation	736,476	-	-	26,918	-	-	-	-	763,394
Culture and recreation	-	-	8,473	-	-	-	-	34,124	42,597
Conservation	-	584	-	-	-	-	-	-	584
Debt service:									
Principal	130,835	-	-	-	-	-	-	-	130,835
Interest	43,487	-	-	-	-	-	-	-	43,487
Capital outlay	6,103	-	-	-	-	-	143,281	-	149,384
Total expenditures	<u>955,497</u>	<u>584</u>	<u>8,473</u>	<u>26,918</u>	<u>8,513</u>	<u>-</u>	<u>143,281</u>	<u>34,124</u>	<u>1,177,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167,690)</u>	<u>1,015</u>	<u>4,548</u>	<u>13,771</u>	<u>1,604</u>	<u>-</u>	<u>(143,281)</u>	<u>21,745</u>	<u>(268,288)</u>
OTHER FINANCING USES									
Transfers out	-	-	-	(13,771)	-	(54,707)	-	(10,339)	(78,817)
Net change in fund balances	(167,690)	1,015	4,548	-	1,604	(54,707)	(143,281)	11,406	(347,105)
Fund balances, beginning	374,121	25,584	9,081	5,000	15,424	54,707	-	1,997,667	2,481,584
Fund balances (deficit), ending	<u>\$ 206,431</u>	<u>\$ 26,599</u>	<u>\$ 13,629</u>	<u>\$ 5,000</u>	<u>\$ 17,028</u>	<u>\$ -</u>	<u>\$ (143,281)</u>	<u>\$ 2,009,073</u>	<u>\$ 2,134,479</u>

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF NEW LONDON, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
June 30, 2023

	Custodial Funds				Total
	Taxes	Trust Funds	Escrows	Motor Vehicle Permit Fees	
ASSETS					
Cash and cash equivalents	\$ -	\$ 1,482,445	\$ 1,321	\$ -	\$ 1,483,766
Investments	-	634,140	-	-	634,140
Intergovernmental receivables	7,439,298	-	-	-	7,439,298
Total assets	<u>7,439,298</u>	<u>2,116,585</u>	<u>1,321</u>	<u>-</u>	<u>9,557,204</u>
LIABILITIES					
Intergovernmental payables:					
School	5,494,844	-	-	-	5,494,844
County	1,681,319	-	-	-	1,681,319
Precinct	263,135	-	-	-	263,135
Total liabilities	<u>7,439,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,439,298</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 2,116,585</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 2,117,906</u>

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF NEW LONDON, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023

	Custodial Funds				Total
	Taxes	Trust Funds	Escrows	Motor Vehicle Permit Fees	
ADDITIONS					
Contributions	\$ -	\$ 60,937	\$ 1,326	\$ -	\$ 62,263
Investment earnings	-	54,448	-	-	54,448
Change in fair market value	-	15,972	-	-	15,972
Taxes collected for other governments	14,806,455	-	-	-	14,806,455
Fees collected for the State of New Hampshire	-	-	-	324,496	324,496
Total additions	<u>14,806,455</u>	<u>131,357</u>	<u>1,326</u>	<u>324,496</u>	<u>15,263,634</u>
DEDUCTIONS					
Payments to other governments	14,806,455	200,600	-	-	15,007,055
Payments of motor vehicle fees to the State of New Hampshire	-	-	-	324,496	324,496
Fees paid	-	-	5	-	5
Total deductions	<u>14,806,455</u>	<u>200,600</u>	<u>5</u>	<u>324,496</u>	<u>15,331,556</u>
Change in net position	-	(69,243)	1,321	-	(67,922)
Net position, beginning	-	2,185,828	-	-	2,185,828
Net position, ending	<u>\$ -</u>	<u>\$ 2,116,585</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 2,117,906</u>

See Independent Auditor's Report.