

**TOWN OF NEW LONDON
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025**

TOWN OF NEW LONDON, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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JUNE 30, 2025

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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 governmental fund, and aggregate remaining fund information of the Town of New London as of and for the year ended June 30, 2025, 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 governmental fund, and aggregate remaining fund information of the Town of New London, as of June 30, 2025, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New London's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 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.

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

- 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.

Emphasis of Matter – Changes in Accounting Principles

As discussed in Note 2-C to the financial statements, in the year ending June 30, 2025, the Town adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Also as discussed in Note 2-C to the financial statements, in the year ending June 30, 2025, the Town adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.



TOWN OF NEW LONDON, NEW HAMPSHIRE

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Management's Discussion & Analysis June 30, 2025

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, 2025. The financial statements presented here include the 12-month period July 1, 2024 through June 30, 2025.

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, 2025, was \$13,032,679 as compared to the restated prior year amount of \$11,965,268, at the end of June 30, 2024. Net position increased by \$1,067,411 from June 30, 2024 to June 30, 2025.

As of June 30, 2025, the Town's total net position consisted of \$8,220,055 in net investment in capital assets, restricted net position of \$2,549,609, and unrestricted net position of \$2,263,015. The Town's long-term obligations of \$11,418,707 consisted of \$5,155,282 in general obligation bonds/notes payable and related unamortized premium, \$554,609 in compensated absences payable, \$258,000 in accrued landfill post-closure care costs, \$4,816,360 in net pension liability, and \$634,456 in other postemployment benefits payable.

During the period, the Town's expenses of \$10,422,286 were \$1,067,411 less than revenues. Revenues consisted of charges for services (\$1,224,003), operating grants and contributions (\$303,342), and general revenues (\$9,962,352) - 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, and the permanent funds are consolidated as Nonmajor Governmental funds. The Nonmajor funds are the Conservation Commission, Recreation, Recycling, Special Details, Sewer and Permanent Fund, 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 \$8,220,055. Restricted net position of \$2,549,609 are restricted by constraints imposed

from outside the Town, such as cemetery, library trust funds and capital projects. As of June 30, 2025, unrestricted net position of the Town is \$2,263,015.

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, 2025 and June 30, 2024 are shown below.

Comparative Net Position

	<u>FY2024</u>	<u>FY2025</u>	<u>Amount Change</u>	<u>% Change</u>
Total assets	\$ 35,201,127	\$ 37,474,657	\$ 2,273,530	6.5%
Deferred outflows of resources	1,313,202	1,117,948	(195,254)	-14.9%
Long-term liabilities outstanding	8,517,583	11,418,707	2,901,124	34.1%
Other liabilities	12,488,947	9,082,646	(3,406,301)	-27.3%
Total liabilities	<u>21,006,530</u>	<u>20,501,353</u>	<u>(505,177)</u>	-2.4%
Deferred inflows of resources:	<u>3,542,531</u>	<u>5,058,573</u>	<u>1,516,042</u>	42.8%
Net position:				
Net investment in capital assets	7,529,760	8,220,055	690,295	9.2%
Restricted	2,428,206	2,549,609	121,403	5.0%
Unrestricted	2,007,302	2,263,015	255,713	-12.7%
Total net position	<u>\$ 11,965,268</u>	<u>\$ 13,032,679</u>	<u>\$ 1,067,411</u>	8.9%

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 \$10,422,186; total revenues were \$11,489,697 resulting in an increase of net position of \$1,067,411. The largest share of revenue, \$7,198,789 (about 63% of total revenues), was from property taxes. The Town’s expenditures were largely for public safety (26%), highways & streets (25%), sanitation (12%) and general government (20%).

Program expenses increased by \$414,351 or 4.1%, in FY2025 (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 2025, New London collected \$297,053 in dispatch fees.

During the period, the Town’s expenses were \$1,067,411 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 6/30/2024	Fiscal Year Ending 6/30/2025	Amount of Change	% Change
Governmental activities:				
General government	\$ 3,083,363	\$ 2,130,141	\$ (953,222)	-30.9%
Public safety	2,270,682	2,711,512	440,830	19.4%
Highways and streets	1,870,081	2,609,359	739,278	39.5%
Sanitation	1,181,880	1,272,614	90,734	7.7%
Health	255,640	264,812	9,172	3.6%
Welfare	59,128	48,370	(10,758)	-18.2%
Culture and recreation	1,047,421	1,116,010	68,589	6.5%
Conservation	71,982	148,355	76,373	106.1%
Interest on long-term debt	167,758	121,113	(46,645)	-27.8%
Total governmental activities	<u>10,007,935</u>	<u>10,422,286</u>	<u>414,351</u>	<u>4.1%</u>
Program revenues:				
Charges for services	939,883	1,224,003	284,120	30.2%
Operating grants and contributions	655,446	303,342	(352,104)	-53.7%
General revenues:				
Property taxes and other taxes	6,168,081	7,198,789	1,030,708	16.7%
Motor vehicle permit fees	1,280,229	1,341,591	61,362	4.8%
Licenses and other fees	108,931	116,428	7,497	6.9%
Grants and contributions not related to specific programs	526,204	540,885	14,681	2.8%
Miscellaneous	860,850	764,659	(96,191)	-11.2%
Total revenues	<u>10,539,624</u>	<u>11,489,697</u>	<u>950,073</u>	<u>9.0%</u>
Change in net position				
Net position, beginning	11,433,579	11,965,268		
Net position, ending	11,965,268	13,032,679		
Change in net position	<u>\$ 531,689</u>	<u>\$ 1,067,411</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 FY2025. Budgeted revenues and other financing sources totaled \$10,199,743 and actual revenues and other financing sources equaled \$11,624,294, for a revenue surplus of \$824,551. Other than property taxes, the largest general revenue received by the Town of New London is from motor vehicles registrations. In fiscal year 2025, the Town recognized \$7,130,334

in property taxes and \$1,319,179 in motor vehicle fees. The Town also receives revenue shared by the State of New Hampshire in the form of meals & rooms tax (\$428,352 in 2025) and highway block grant (\$139,369 in 2025).

Budgeted appropriations and encumbrances from prior year totaled 10,824,263 while actual expenditures plus encumbered to subsequent year were 10,809,380 leaving an unexpended balance of appropriations of \$14,883. This amount along with the revenue shortfall make up the 2025 Budget surplus of 839,434.

The following significant budgetary items are noted:

General Government: The General Government budget represents 17.34% of the total Town budget.

Public Safety: The Public Safety budget makes up 27.20% of the total budget.

Highways & Streets: The Public Works Department comprises 16.41% 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 2025 was \$2,724,763 which is an increase of \$239,434 over fiscal year 2024. Key factors in the unassigned fund balance are:

Unassigned fund balance, June 30, 2024	\$ 2,485,329
FY2025 revenue surplus	824,551
FY2025 unexpended balance of appropriations	14,883
Use of fund balance	(600,000)
Unassigned fund balance, June 30, 2025	<u>\$ 2,724,763</u>
 Difference FY2024 to FY2025	 \$ 239,434

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 FY2025 the New London Sewer Department paid 53.19% 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.

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 2024	FY 2025	Change	% Change
Sewer	63,639	88,883	25,244	39.7%
Conservation Commission	20,917	25,260	4,343	20.8%
Recreation	17,854	28,466	10,612	59.4%
Recycling	5,000	801	(4,199)	-84.0%
Special Details	25,436	27,925	2,489	9.8%

CAPITAL ASSETS

Total Capital Assets increased 0.6% during FY2025.

Capital Assets

	FY2024	FY2025	Change	% Change
Land	\$ 4,358,449	\$ 4,583,449	\$ 225,000	5.2%
Construction in progress	203,666	49,887	(153,779)	-75.5%
Building and building improvements	3,334,004	3,157,990	(176,014)	-5.3%
Machinery, equipment, and vehicles	2,901,944	2,975,668	73,724	2.5%
Infrastructure	2,498,419	2,608,343	109,924	4.4%
Total	\$ 13,296,482	\$ 13,375,337	\$ 78,855	0.6%

DEBT ADMINISTRATION

Long-Term Debt

Long Term Liabilities

	FY2024	FY2025	Change	% Change
General obligation bonds/notes payable	\$ 5,766,722	\$ 5,155,282	\$ (611,440)	-10.6%
Compensated absences	293,383	554,609	261,226	89.0%
Accrued landfill post-closure care costs	255,000	258,000	3,000	1.2%
Net pension liability	5,028,561	4,816,360	(212,201)	-4.2%
Other postemployment benefits payable - NHRS	270,439	275,081	4,642	1.7%
Other postemployment benefits payable - Single employer	874,842	359,375	(515,467)	-58.9%
Total	\$ 12,488,947	\$ 11,418,707	\$ (1,070,240)	-8.6%

As of the close of fiscal year 2025, the Town has a \$5,155,282 liability for long-term bonds/notes that reduces overall net position. Total bonds/notes decreased by \$611,440 which represents regularly scheduled payments on bonds/notes payable with new debt of \$49,887.

This does not mean that the Town has this entire payment requirement for next year; rather, \$591,794 of these obligations are due to be paid during the fiscal year ending June 30, 2026 (as shown on Note 12).

FUTURE BUDGETARY IMPLICATIONS

2025 Town Meeting approved the fiscal year operating budget from July 1, 2025 - June 30, 2026. This budget is a 5.83 increase in appropriations over FY2025, 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, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 11,968,138
Investments	4,087,918
Taxes receivables (net)	6,828,281
Account receivables	93,395
Accrued interest receivable	50,458
Intergovernmental receivable	1,060,635
Tax dedeed property, subject to resale	10,495
Capital assets, not being depreciated	4,633,336
Capital assets, net of accumulated depreciation	8,742,001
Total assets	37,474,657
DEFERRED OUTFLOWS OF RESOURCES	1,117,948
LIABILITIES	
Accounts payable	55,077
Accrued interest payable	75,177
Intergovernmental payable	8,952,392
Long-term liabilities:	
Due within one year	600,394
Due in more than one year	10,818,313
Total liabilities	20,501,353
DEFERRED INFLOWS OF RESOURCES	5,058,573
NET POSITION	
Net investment in capital assets	8,220,055
Restricted	2,549,609
Unrestricted	2,263,015
Total net position	\$ 13,032,679

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, 2025

	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
General government	\$ 2,130,141	\$ -	\$ 84,654	\$ (2,045,487)
Public safety	2,711,512	329,265	-	(2,382,247)
Highways and streets	2,609,359	-	139,369	(2,469,990)
Sanitation	1,272,614	876,819	79,319	(316,476)
Health	264,812	-	-	(264,812)
Welfare	48,370	-	-	(48,370)
Culture and recreation	1,116,010	17,919	-	(1,098,091)
Conservation	148,355	-	-	(148,355)
Interest on long-term debt	121,113	-	-	(121,113)
Total governmental activities	<u>\$ 10,422,286</u>	<u>\$ 1,224,003</u>	<u>\$ 303,342</u>	<u>(8,894,941)</u>
General revenues and contributions:				
Taxes:				
Property				7,130,334
Other				68,455
Motor vehicle permit fees				1,341,591
Licenses and other fees				116,428
Grants and contributions not restricted to specific programs				540,885
Unrestricted investment earnings				286,714
Miscellaneous				423,936
Change in fair value of investments				54,009
Total general revenues				<u>9,962,352</u>
Change in net position				1,067,411
Net position, beginning, as restated (see Note 20)				11,965,268
Net position, ending				<u>\$ 13,032,679</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, 2025

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 10,657,048	\$ 1,311,090	\$ 11,968,138
Investments	2,583,292	1,408,944	3,992,236
Taxes receivable	6,868,281	-	6,868,281
Accounts receivable	-	93,395	93,395
Accrued interest receivable	29,271	21,187	50,458
Intergovernmental receivable	113,065	13,218	126,283
Interfund receivable	438,213	8,200	446,413
Tax deeded property, subject to resale	10,495	-	10,495
Restricted assets:			
Investments	95,682	-	95,682
Total assets	<u>\$ 20,795,347</u>	<u>\$ 2,856,034</u>	<u>\$ 23,651,381</u>
LIABILITIES			
Accounts payable	\$ 51,911	\$ 3,166	\$ 55,077
Intergovernmental payable	8,952,392	-	8,952,392
Interfund payable	-	446,413	446,413
Total liabilities	<u>9,004,303</u>	<u>449,579</u>	<u>9,453,882</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,338,661</u>	<u>24,148</u>	<u>4,362,809</u>
FUND BALANCES			
Nonspendable	95,682	1,986,478	2,082,160
Restricted	211,863	338,637	550,500
Committed	4,366,882	57,192	4,424,074
Assigned	34,984	-	34,984
Unassigned	2,742,972	-	2,742,972
Total fund balances	<u>7,452,383</u>	<u>2,382,307</u>	<u>9,834,690</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,795,347</u>	<u>\$ 2,856,034</u>	<u>\$ 23,651,381</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, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances of governmental funds (Exhibit C-1)		\$ 9,834,690
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 23,606,411	
Less accumulated depreciation	<u>(10,231,074)</u>	
		13,375,337
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	\$ 1,037,317	
Deferred inflows of resources related to pensions	(148,195)	
Deferred outflows of resources related to OPEB - NHRS	32,586	
Deferred outflows of resources related to OPEB - Single employer	48,045	
Deferred inflows of resources related to OPEB - NHRS	(65)	
Deferred inflows of resources related to OPEB - Single employer	<u>(569,295)</u>	
		400,393
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (446,413)	
Payables	<u>446,413</u>	
		-
Other long-term assets are not available to pay for current period expenditures, and therefore, are reported as deferred inflows of resources in the governmental funds.		
		934,352
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(75,177)
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	\$ 21,791	
Allowance for uncollectible property taxes	<u>(40,000)</u>	
		(18,209)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bonds	\$ 1,849,700	
Notes	3,049,703	
Unamortized bond premium	255,879	
Compensated absences	554,609	
Accrued landfill postclosure care costs	258,000	
Net pension	4,816,360	
Other postemployment benefits liability:		
NHRS	275,081	
Single employer	<u>359,375</u>	
		<u>(11,418,707)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$13,032,679</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, 2025

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 7,179,899	\$ -	\$ 7,179,899
Licenses and permits	1,458,019	-	1,458,019
Intergovernmental	791,056	156,585	947,641
Charges for services	306,492	921,570	1,228,062
Miscellaneous	575,417	139,664	715,081
Change in fair value of investments	54,009	-	54,009
Total revenues	<u>10,364,892</u>	<u>1,217,819</u>	<u>11,582,711</u>
EXPENDITURES			
Current:			
General government	1,907,100	47,362	1,954,462
Public safety	2,689,352	28,774	2,718,126
Highways and streets	1,613,053	-	1,613,053
Sanitation	580,016	691,021	1,271,037
Health	264,812	-	264,812
Welfare	48,370	-	48,370
Culture and recreation	965,636	20,802	986,438
Conservation	158,339	863	159,202
Debt service:			
Principal	387,710	136,741	524,451
Interest	114,642	37,582	152,224
Capital outlay	1,068,414	102,124	1,170,538
Total expenditures	<u>9,797,444</u>	<u>1,065,269</u>	<u>10,862,713</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	36,925	-	36,925
Transfers out	-	(36,925)	(36,925)
Total other financing sources (uses)	<u>36,925</u>	<u>(36,925)</u>	<u>-</u>
Net change in fund balances	604,373	115,625	719,998
Fund balances, beginning	6,848,010	2,266,682	9,114,692
Fund balances, ending	<u>\$ 7,452,383</u>	<u>\$ 2,382,307</u>	<u>\$ 9,834,690</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, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances of governmental funds (Exhibit C-3)		\$ 719,998
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Capital outlay expenditures	\$ 876,071	
Depreciation expense	<u>(797,216)</u>	78,855
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (36,925)	
Transfers out	<u>36,925</u>	-
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 tax revenue		10,400
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		(56,333)
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.		
Proceeds of debt	\$ (49,887)	
Repayment of bonds/notes principal	638,902	
Amortization of bond premium	<u>22,425</u>	611,440
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest expense	\$ 11,492	
Increase in compensated absences payable	(261,226)	
Increase in accrued landfill postclosure care costs	(3,000)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(68,037)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits - NHRS	(4,328)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits - single employer	<u>28,150</u>	<u>(296,949)</u>
Changes in net position of governmental activities (Exhibit B)		<u><u>\$1,067,411</u></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, 2025

	Budgeted Amounts Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 7,175,567	\$ 7,190,299	\$ 14,732
Licenses and permits	1,230,950	1,435,354	204,404
Intergovernmental	592,034	791,056	199,022
Charges for services	224,677	306,492	81,815
Miscellaneous	182,836	414,189	231,353
Total revenues	<u>9,406,064</u>	<u>10,137,390</u>	<u>731,326</u>
EXPENDITURES			
Current:			
General government	1,872,692	1,908,900	(36,208)
Public safety	2,937,845	2,683,120	254,725
Highways and streets	1,772,208	1,618,649	153,559
Sanitation	562,433	579,316	(16,883)
Health	264,718	264,812	(94)
Welfare	36,497	48,370	(11,873)
Culture and recreation	244,671	212,694	31,977
Conservation	77,695	158,339	(80,644)
Debt service:			
Principal	392,311	387,710	4,601
Interest	115,876	114,642	1,234
Capital outlay	782,903	1,068,414	(285,511)
Total expenditures	<u>9,059,849</u>	<u>9,044,966</u>	<u>14,883</u>
Excess of revenues over expenditures	<u>346,215</u>	<u>1,092,424</u>	<u>746,209</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	793,679	886,904	93,225
Transfers out	(1,739,894)	(1,739,894)	-
Total other financing sources (uses)	<u>(946,215)</u>	<u>(852,990)</u>	<u>93,225</u>
Net change in fund balances	<u>\$ (600,000)</u>	239,434	<u>\$ 839,434</u>
Unassigned fund balance, beginning		2,485,329	
Unassigned fund balance, ending		<u>\$ 2,724,763</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
June 30, 2025

	Private Purpose Trust	All Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 120,905	\$ 2,442,255
Investments	-	964
Intergovernmental receivables	-	8,928,449
Total assets	120,905	11,371,668
LIABILITIES		
Intergovernmental payables:		
School	-	6,612,499
County	-	1,759,228
Precinct/District	-	556,722
Total liabilities	-	8,928,449
NET POSITION		
Restricted	\$ 120,905	\$ 2,443,219

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, 2025

	Private Purpose Trust	All Custodial Funds
ADDITIONS		
Contributions	\$ 4,431	\$ 200,000
Investment earnings	5,166	101,780
Taxes collected for other governments	-	17,404,065
Fees collected for the State of New Hampshire	-	353,547
Total additions	9,597	18,059,392
DEDUCTIONS		
Benefits paid	4,000	-
Payments of taxes to other governments	-	17,404,065
Payments of motor vehicle fees to State	-	353,547
Total deductions	4,000	17,757,612
Change in fiduciary net position	5,597	301,780
Net position, beginning	115,308	2,141,439
Net position, ending	\$ 120,905	\$ 2,443,219

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, 2025

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TOWN OF NEW LONDON, NEW HAMPSHIRE
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AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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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, 2025

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 accounting principles generally accepted in the United States of America as applied to government units, hereafter referred to as generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The Town of New London's significant 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 GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units- an Amendment of GASB Statement No. 14*. The Town has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. These statements present summaries of governmental activities for the Town accompanied by a total column. Governmental activities normally are supported through property taxes and intergovernmental revenues.

The *Statement of Net Position* presents the financial position of the Town at year-end. This Statement includes all of the Town's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, with the difference being reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) operating grants and contributions. Property taxes and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds and are presented in the other governmental column of the fund financial statements.

The effect of interfund activity has been eliminated from the government-wide financial statements.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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

Financial Statement Presentation – A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

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.

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 six 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 – is 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 – is 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-D 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.

New Hampshire statutes require that the Town treasurer have custody of all money belonging to the Town and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all such monies in participation units in the public deposit investment pool established pursuant to NH RSA 383:22 or in solvent banks in the State. Funds may be deposited in banks outside 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 of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Restricted Assets

Restricted assets occur when statutory limitation is placed on the use of the assets as they are earmarked for a specific purpose and are unavailable for general use.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

1-F 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; and
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

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

Fair Value Measurement of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using the 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 – Quoted prices for identical investments in active markets;

Level 2 – Observable inputs other than those in Level 1; and

Level 3 – Unobservable inputs.

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, the level of the fair value hierarchy is 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 as Level 1. Corporate fixed income securities and certain government securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair value for shares in registered mutual funds and exchange traded funds are based on published share prices and classified in Level 1.

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-G Receivables

Receivables in the government-wide and governmental fund financial statements represent amounts due to the Town at June 30, and are recorded as revenue, which will be collected in the future and consist primarily of accounts and intergovernmental receivables.

1-H Capital Assets

Capital assets are reported 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.

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 assets lives are not capitalized.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund’s measurement focus. Capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized as assets in the government-wide Statement of Net Position.

In the government-wide financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

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

1-I Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” 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-J 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 9, 2024, and November 4, 2024, and due on July 1, 2024, October 1, 2024, January 2, 2025, and March 31, 2025, respectively. 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, 2025 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, 2024, utilized in the setting of the tax rate was as follows:

Total assessment valuation with utilities	\$ 2,066,090,489
Total assessment valuation without utilities	\$ 2,045,119,189

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

The tax rates and amounts assessed for the year ended June 30, 2025 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$3.52	\$ 7,275,899
School portion:		
State of New Hampshire	\$1.26	2,582,131
Local	\$5.13	10,596,687
County portion	\$1.70	3,506,170
Precinct portions:		
New London-Springfield	\$1.10	719,077
Total	\$12.71	\$24,679,964

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 that time. 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) which 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 five 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 resource. In addition, unavailable revenues from grants and donations arises when the related eligible expenditures will not be made until the subsequent period.

1-L 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 and Statement of Net Position.

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-M Compensated Absences

The Town employees are granted vacation, sick leave, and other forms of paid time off (PTO) in varying amounts based on length of service and employee classification. It is the Town's policy to recognize a liability for compensated absences that have been earned but not yet used, provided the following criteria are met:

- The leave is attributable to services already rendered by the employee.
- The leave accumulates and can be carried forward to a future reporting period.

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- The leave is more likely than not, this threshold means the likelihood is greater than 50%, to be used for time off, paid in cash upon separation, or settled through other noncash means.

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* 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

In the Government-wide Financial Statements, net position is reported in the following categories:

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 future period.

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.

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 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; or (b) are legally or contractually required to be maintained intact.

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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 – The portion of fund balance that has not been restricted, committed, or assigned for a specific purpose

When multiple net position/fund balance classifications are available for use, it is the Town’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.

As recommended by the DRA, the Town will strive to maintain an unassigned fund balance in its governmental funds equal to 5-17% of the total General Fund expenditures (which includes the Town, School, and County).

1-Q Certain Risk Disclosures

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability or revenue debt vulnerable to the risk of a substantial impact. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Evaluated potential concentrations and constraints in accordance with GASB Statement No. 102 and determined that none existed that would require disclosure.

1-R Use of Estimates

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

1-S Material Change in Fund Classification

The accompanying financial statements reflect a change in classification from the prior year. Specifically, the Permanent fund which did not qualify as a major fund for the current fiscal year. As such it was 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 fund. Except as reconciled below, the budget was adopted on a basis consistent with United States generally accepted accounting principles.

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.

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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 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. In the fiscal year 2025, \$600,000 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 each 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)	\$ 11,024,294
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	237,902
To eliminate transfers between the general fund and blended funds	(849,979)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(10,400)
Per Exhibit C-3 (GAAP basis)	<u>\$ 10,401,817</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 10,784,860
Adjustments:	
Basis differences:	
Encumbrances, beginning	24,520
Encumbrances, ending	(24,984)
GASB Statement No. 54:	
To record expenditures of the blended funds during the year	752,942
To eliminate transfers between the general fund and blended funds	(1,739,894)
Per Exhibit C-3 (GAAP basis)	<u>\$ 9,797,444</u>

2-C Changes in Accounting Principles

During the fiscal year, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments.

Also, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This Statement will provide the users of the financial statements with information about risks related to the Town's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement aims to provide the users with essential timely information to better understand and anticipate these specific vulnerabilities.

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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 collateral. As of year-end, the carrying amount of the Town's deposits was \$14,531,298 and the bank balances totaled \$14,623,772. Petty cash totaled \$589.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 11,968,138
Cash per Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)	<u>2,563,160</u>
Total cash and cash equivalents	<u>\$ 14,531,298</u>

NOTE 4 – RESTRICTED ASSETS

Certain Town investments are restricted for the following purposes:

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

NOTE 5 – INVESTMENTS

Note 1-F 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 and cost measurements as of June 30, 2025:

	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
Investments type:				
Certificates of deposit	\$ -	\$ 814,896	\$ -	\$ 814,896
Equity exchange traded funds	12,424	-	-	12,424
Fixed income mutual funds	802,089	-	-	802,089
Preferred Stock	301,578	-	-	301,578
U.S. Treasury bonds	1,115,839	-	-	1,115,839
Total fair value of investments	<u>\$ 2,231,930</u>	<u>\$ 814,896</u>	<u>\$ -</u>	<u>\$ 3,046,826</u>
Investments carried at amortized cost:				
NH Public Deposit Investment Pool				1,042,056
Total investments				<u>\$ 4,088,882</u>

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 the Trustees of trust Funds investment policies follow the prudent person rule, which requires the preservation of principal and the amount of regularity of the income derived from there. The Town has the following remaining maturities as of June 30, 2025:

Investments Type	Reported Balance	Exempt from Disclosure	Remaining Maturity (in Years)	
			Less than 1	1-5
Certificates of deposit	\$ 814,896	\$ -	\$ -	\$ 814,896
Equity exchange traded funds	12,424	12,424	-	-
Fixed income mutual funds	802,089	802,089	-	-
New Hampshire Public Deposit Investment Pool	1,042,056	1,042,056	-	-
Preferred Stock	301,578	301,578	-	-
U.S. Treasury bonds	1,115,839	-	1,115,839	-
Total	<u>\$ 4,088,882</u>	<u>\$ 2,158,147</u>	<u>\$ 1,115,839</u>	<u>\$ 814,896</u>

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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 fund investment policy states that asset allocation of the trust funds will be dependent on the frequency of the cash needs of each fund. The asset allocation will be limited to obligations of the United States Government and its agencies; corporate debenture 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 deposit and the public deposit investment fund. As of June 30, 2025, 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	\$ 814,896	\$ 814,896	\$ -
Equity exchange traded funds	12,424	12,424	-
Fixed income mutual funds	802,089	802,089	-
New Hampshire Public Deposit Investment Pool	1,042,056	1,042,056	-
Preferred Stock	301,578	301,578	-
U.S. Treasury bonds	1,115,839	-	1,115,839
Total	<u>\$ 4,088,882</u>	<u>\$ 2,973,043</u>	<u>\$ 1,115,839</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 total investments is held by one individual issuer.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$4,087,918
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit E-1)	964
Total investments	<u>\$4,088,882</u>

NOTE 6 – TAXES RECEIVABLE

Taxes receivables represent the amount of current and prior year taxes which have not been collected as of June 30, 2025. 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 2025	\$6,766,526	\$6,766,526
Levy of 2024	72,510	72,510
Unredeemed (under tax lien):		
Levy of 2023	21,111	21,111
Levy of 2022	8,134	8,134
Less: allowance for estimated uncollectible taxes	(40,000)	-
Net taxes receivable	<u>\$6,828,281</u>	<u>\$6,868,281</u>

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NOTE 7 – RECEIVABLES

Receivables at June 30, 2025, consisted of accounts (billings for police details, sewer, and other user charges) and intergovernmental amounts arising from grants. 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, 2025 for the Town's individual major fund and nonmajor funds in the aggregate are as follows:

	Governmental	Governmental Funds			Fiduciary
	Activities	General	Nonmajor	Total	Funds
Receivables:					
Accounts	\$ 93,395	\$ -	\$ 93,395	\$ 93,395	\$ -
Intergovernmental	1,060,635	113,065	13,218	126,283	8,928,449
Total receivables	<u>\$ 1,154,030</u>	<u>\$ 113,065</u>	<u>\$ 106,613</u>	<u>\$ 219,678</u>	<u>\$ 8,928,449</u>

¹ Governmental Activities - intergovernmental receivable which represents State Aid for projects, see additional information in Note 16.

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, 2025 consisted of the following:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated				
Land	\$ 4,358,449	\$ 225,000	\$ -	\$ 4,583,449
Construction in progress	203,666	39,272	(193,051)	49,887
Total capital assets not being depreciated	<u>4,562,115</u>	<u>264,272</u>	<u>(193,051)</u>	<u>4,633,336</u>
Being depreciated:				
Buildings and building improvements	7,110,605	-	-	7,110,605
Equipment, machinery, and vehicles	8,075,088	594,850	(488,424)	8,181,514
Infrastructure	3,470,956	210,000	-	3,680,956
Total capital assets being depreciated	<u>18,656,649</u>	<u>804,850</u>	<u>(488,424)</u>	<u>18,973,075</u>
Total all capital assets	<u>23,218,764</u>	<u>1,069,122</u>	<u>(681,475)</u>	<u>23,606,411</u>
Less accumulated depreciation				
Buildings and building improvements	(3,776,601)	(176,014)	-	(3,952,615)
Equipment, machinery, and vehicles	(5,173,144)	(521,126)	488,424	(5,205,846)
Infrastructure	(972,537)	(100,076)	-	(1,072,613)
Total accumulated depreciation	<u>(9,922,282)</u>	<u>(797,216)</u>	<u>488,424</u>	<u>(10,231,074)</u>
Net book value, capital assets being depreciated	<u>8,734,367</u>	<u>7,634</u>	<u>-</u>	<u>8,742,001</u>
Net book value, all governmental activities capital assets	<u>\$ 13,296,482</u>	<u>\$ 271,906</u>	<u>\$ (193,051)</u>	<u>\$ 13,375,337</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	99,221
Highways and streets	412,347
Sanitation	88,162
Culture and recreation	92,256
Conservation	6,102
Total depreciation expense	<u>\$ 797,216</u>

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NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances at June 30, 2025 are as follows:

	Receivable:		
	General Fund	Nonmajor Fund	Total
Payable:			
General fund	\$ -	\$ 8,200	\$ 8,200
Nonmajor fund	438,213	-	438,213
Total	<u>\$ 438,213</u>	<u>\$ 8,200</u>	<u>\$ 446,413</u>

Interfund transfers during the year ended June 30, 2025 are as follows:

	Transfers In:
	General Fund
Transfers out:	
Nonmajor fund	<u>\$ 36,925</u>

NOTE 10 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at June 30, 2025 consist of the following:

	Governmental Funds	Fiduciary Funds
	General	Funds
Fees due to the State of New Hampshire	\$ 3,400	\$ -
Balance due to the Town of Newbury	20,543	-
Property taxes due to Custodial Fund	8,928,449	-
Balance due to Kearsarge Regional School District	-	6,612,499
Balance due to Merrimack County	-	1,759,228
Balance due to New London-Springfield Water Precinct	-	556,722
Total intergovernmental payables due	<u>\$ 8,952,392</u>	<u>\$ 8,928,449</u>

NOTE 11 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources at June 30, 2025 consist of the following:

	Governmental Activities
Amounts related to pensions, see Note 13	\$ 1,037,317
Amounts related to OPEB:	
NHRS, see Note 15-A	32,586
Single Employer, see Note 15-B	48,045
Total deferred inflows of resources	<u>\$ 1,117,948</u>

Deferred inflows of resources at June 30, 2025 consist of the following:

	Governmental Activities	Governmental Funds		
		General	Nonmajor Governmental	Total
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 21,791	\$ -	\$ 21,791
Property tax revenue committed, but not due until subsequent period	3,646,888	3,646,888	-	3,646,888
State aid grant received in advance of expenditures being made	600,000	600,000	-	600,000
Federal grant revenue collected in advance of eligible expenditures being made	24,148	-	24,148	24,148

(Continued)

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Deferred inflows of resources continued:

	Governmental Activities	Governmental Funds		
		General	Nonmajor Governmental	Total
State aid grant received in advance of expenditures being made	61,357	61,357	-	61,357
State HOP grant received in advance of expenditures being made	6,243	6,243	-	6,243
Donation revenue collected in advance of eligible expenditures being made	2,382	2,382	-	2,382
Amounts related to pensions, see Note 13	148,195	-	-	-
Amounts related to OPEB:				
NHRS, see Note 15-A	65	-	-	-
Single Employer, see Note 15-B	569,295	-	-	-
Total deferred inflows of resources	<u>\$ 5,058,573</u>	<u>\$ 4,338,661</u>	<u>\$ 24,148</u>	<u>\$ 4,362,809</u>

NOTE 12 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended June 30, 2025:

	Balance			Balance June 30, 2025	Due Within One Year	Due In More Than One Year
	July 1, 2024	Additions	Reductions			
Bond payable - direct placement	\$ 1,995,700	\$ -	\$ (146,000)	\$ 1,849,700	\$ 146,000	\$ 1,703,700
Note/loan payable - direct borrowing	3,492,718	49,887	(492,902)	3,049,703	423,369	2,626,334
Premium	278,304	-	(22,425)	255,879	22,425	233,454
Total bonds and notes/loans payable	<u>5,766,722</u>	<u>49,887</u>	<u>(661,327)</u>	<u>5,155,282</u>	<u>591,794</u>	<u>4,563,488</u>
Compensated absences	293,383	261,226	-	554,609	-	554,609
Accrued landfill postclosure care costs	255,000	3,000	-	258,000	8,600	249,400
Net pension liability	5,028,561	-	(212,201)	4,816,360	-	4,816,360
Net other postemployment benefits:						
NHRS	270,439	4,642	-	275,081	-	275,081
Single Employer	874,842	-	(515,467)	359,375	-	359,375
Total long-term liabilities	<u>\$ 12,488,947</u>	<u>\$ 318,755</u>	<u>\$ (1,388,995)</u>	<u>\$ 11,418,707</u>	<u>\$ 600,394</u>	<u>\$ 10,818,313</u>

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at June 30, 2025	Current Portion
Bonds payable - direct placements:						
2021 Bond refundings	\$ 1,622,000	2021	2035	1.42%	\$ 1,170,000	\$ 110,000
Town Hall Buiding Project	\$ 715,700	2024	2044	3.39%	679,700	36,000
Total direct placements					<u>1,849,700</u>	<u>146,000</u>
Notes/loans payable - direct borrowings:						
Library repairs	\$ 370,000	2011	2027	2.60%	49,332	24,666
Water Pollution Control State Revolving Loan	\$ 5,430,518	2016	2035	2.55%	2,320,543	209,689
Multi-purpose	\$ 460,000	2016	2027	1.90%	92,000	46,000
Library sprinkler system	\$ 250,000	2021	2032	2.30%	168,618	24,339
Fire pumper truck	\$ 589,500	2022	2027	3.69%	369,323	118,675
Water Pollution Control State Revolving Loan*	\$ 49,887	2025	-	-	49,887	-
Total direct borrowings					<u>3,049,703</u>	<u>423,369</u>
Total					<u>\$ 4,899,403</u>	<u>\$ 569,369</u>

*Loan is still in draw-down phase.

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The annual requirements to amortize all general obligation bonds and notes/loans outstanding as of June 30, 2025, including interest payments, are as follows:

Fiscal Year Ending June 30,	Direct Borrowings			Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 423,369	\$ 71,752	\$ 495,121	\$ 146,000	\$ 78,953	\$ 224,953
2027	432,991	60,289	493,280	146,000	71,507	217,507
2028	372,226	49,637	421,863	156,000	64,061	220,061
2029	250,107	39,453	289,560	156,000	56,105	212,105
2030	255,716	33,843	289,559	156,000	48,149	204,149
2031-2035	1,265,407	84,129	1,349,536	769,500	145,404	914,904
2036-2040	-	-	-	178,500	51,972	230,472
2041-2044	-	-	-	141,700	14,503	156,203
Totals	<u>2,999,816</u>	<u>\$ 339,103</u>	<u>\$ 3,338,919</u>	<u>\$ 1,849,700</u>	<u>\$ 530,654</u>	<u>\$ 2,380,354</u>
Plus note not yet in repayment		49,887				
Total notes payable		<u>\$ 3,049,703</u>				

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 recognition of these landfill postclosure care costs is based on the amount of the landfill used through the end of the year. The estimated total current cost of the landfill postclosure care \$258,000 as of June 30, 2025, 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, 2025. 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.

Bonds/Notes Authorized and Unissued – Bonds and notes authorized and unissued as of June 30, 2025 were as follows:

Per Town Meeting Vote of	Purpose	Unissued Amount
March 14, 2017	Miscellaneous Projects	\$ 180,291
March 15, 2023	Repairs and Renovations to Whipple Town Hall and Buker Building	159,300
March 15, 2023	Pump Station Standby Generator Upgrades	250,113 *
		<u>\$ 589,704</u>

*A \$49,887 drawdown was made in 2025 (see Note 12).

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS Plan, or the System) is a public employee retirement system that administers a cost-sharing multiple-employer defined benefit pension plan (Pension Plan). For additional NHRS information, please refer to the fiscal year 2024 Annual Comprehensive Financial Report, which can be found on the NHRS website at www.nhrs.org.

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.

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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%

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 2025, the Town contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2025 was \$587,838, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the Town reported a liability of \$4,816,360 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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. The Town’s proportion, measured at June 30, 2024, was 0.09% which was the same as its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Town recognized pension expense of \$655,879. At June 30, 2025, 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	\$ 342,260	\$ 23,624
Changes in assumptions	-	56,369
Net difference between projected and actual investment earnings on pension plan investments	-	67,234
Differences between expected and actual experience	107,219	968
Contributions subsequent to the measurement date	587,838	-
Total	<u>\$ 1,037,317</u>	<u>\$ 148,195</u>

The \$587,838 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, 2026. 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,	
2025	\$ (43,297)
2026	347,462
2027	15,859
2028	(18,740)
2029	-
Thereafter	-
Totals	<u>\$ 301,284</u>

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Actuarial Assumptions – The collective total pension liability was based on the following actuarial assumptions:

Inflation:	2.25%
Salary increases:	6.0% average, including inflation
Wage inflation:	3.00% (2.50% 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-2021.

The actuarial assumptions used in the June 30, 2023, valuation to alleviate the total pension liability measured as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

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. Following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target	30 Year Geometric Return*
	Allocation	
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	
Total	100.00%	

*Real rates of return are presented net of 2.50% inflation.

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	1% Increase 7.75%
		Rate Assumption 6.75%	
June 30, 2024	\$ 6,733,817	\$ 4,816,360	\$ 3,219,059

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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 – SUPPLEMENTAL RETIREMENT PLAN

All employees employed by the Town participate in a defined contribution pension plan administered by Nationwide. The Town has no requirement or obligation under State Statutes to contribute to this plan, however the Town has adopted the Supplemental Retirement Plan 457 for its employees. The Board of Selectmen has the authority to establish and amend the benefit provisions and contribution requirements of the plan. The Town contributes 0% of each employee’s salary and all amounts contributed are vested immediately. Also, employees may make voluntary contributions to the plan.

NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

15-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS Plan, 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 2024 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

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, 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 2025 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. 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 2025, the Town contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2025 was \$32,586, which was paid in full.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – At June 30, 2025, the Town reported a liability of \$275,081 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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. The Town’s proportion measured at June 30, 2024, was 0.09% which was an increase of 0.01% from its proportion measured as of June 30, 2023.

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For the year ended June 30, 2025, the Town recognized OPEB expense of \$36,430. At June 30, 2025, 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
Net difference between projected and actual investment earnings on OPEB plan investments	\$ -	\$ 65
Contributions subsequent to the measurement date	32,586	-
Total	\$ 32,586	\$ 65

The \$32,586 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, 2026. 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,	
2025	\$ (581)
2026	860
2027	(222)
2028	(122)
Thereafter	-
Totals	\$ (65)

Actuarial Assumptions – The total OPEB liability was based on the following actuarial assumptions:

Price inflation:	2.25% per year
Salary increases:	6.0% average, including inflation
Wage inflation:	3.0% (2.50% for teachers)
Investment rate of return:	6.75% net of OPEB 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-2021.

The actuarial assumptions used in the June 30, 2023, valuation, used to calculate the total pension liability as of June 30, 2024, were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

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 geometric real rates of return for each asset class:

Asset Class	Target Allocation	30 Year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	
Total	100.00%	

*Real rates of return are presented net of 2.50% inflation.

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Discount Rate – The discount rate used to measure the total OPEB liability 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	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Date	Date	Date	Date
June 30, 2024	\$ 300,935	\$ 275,081	\$ 257,219

Sensitivity of the Town’s Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Assumption – GASB No. 75 requires the sensitivity of the OPEB liability to the healthcare cost trend assumption. Since the medical subsidy benefits are fixed stipends, there is no sensitivity to changes in the healthcare cost trend assumption.

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.

15-B 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. The Town OPEB plan is not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The total OPEB liability is based on the Town offering retirees postemployment healthcare insurance governed by RSA 100-A:50. The retirees pay 100% of the premium cost to participate and are included in the same pool as the active members. The inclusion of the retirees in the same pool affects the insurance rates of the active employees as the rates for the retirees are assumed to be higher due to the age consideration, thereby creating an implicit rate subsidy.

Funding Policy – The Town’s funding policy for the implicit rate subsidy is a pay-as-you-go basis.

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 July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	44
Total participants covered by OPEB plan	46

Total OPEB Liability – The Town’s total OPEB liability of \$359,375 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. The Town contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report through request of the Town business office.

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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:	5.20%
Healthcare Cost Trend Rates:	
Current Year Trend	8.00%
Second Year Trend	7.50%
Ultimate Trend	4.00%
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 June 30, 2025.

Mortality rates were as follows:

Pre-Retirement: PubG-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2021.

Post-Retirement:

Healthy Retirees: 102% of PubG-2010 headcount-weighted Retiree General Mortality Tables for males and 107% of PubG-2010 below median headcount-weighted Retiree general mortality Tables for females, projected with fully generational mortality improvement using scale MP-2021.

Surviving spouses: PubG-2010 Contingent Survivor general Mortality Tables, projected with fully generational mortality improvement using scale MP-2021.

Disabled Retirees: PubG-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2021.

Changes in the Total OPEB Liability

	June 30,	
	2024	2025
OPEB liability beginning of year	\$ 855,468	\$ 874,842
Changes for the year:		
Service cost	33,480	32,716
Interest	32,035	35,522
Assumption changes and difference between actual and expected experience	(23,589)	(573,373)
Benefit payments	(22,552)	(10,332)
OPEB liability end of year	<u>\$ 874,842</u>	<u>\$ 359,375</u>

Sensitivity of the Town’s OPEB Liability to Changes in the Discount Rate – The July 1, 2024, actuarial valuation was prepared using a discount rate of 5.20%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$327,593 or by 8.84%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$395,414 or by 10.03%.

	Discount Rate		
	1% Decrease	Baseline 5.20%	1% Increase
Total OPEB Liability	<u>\$ 395,414</u>	<u>\$ 359,375</u>	<u>\$ 327,593</u>

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Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The July 1, 2024, 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 \$409,243 or by 13.88%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$317,921 or by 11.54%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 8.00%	1% Increase
Total OPEB Liability	\$ 317,921	\$ 359,375	\$ 409,243

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the Town recognized OPEB expense of (\$20,787). At June 30, 2025, 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	\$ 48,045	\$ -
Differences between expected and actual experience	-	569,295
Total	\$ 48,045	\$ 569,295

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,	
2026	\$ (86,056)
2027	(86,056)
2028	(86,365)
2029	(78,296)
2030	(73,973)
Thereafter	(110,504)
Totals	\$ (521,250)

NOTE 16 – 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, 2025 the Town is due to receive the following annual amounts to offset debt payments:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 57,590	\$ 20,855	\$ 78,445
2027	58,876	19,569	78,445
2028	60,190	18,255	78,445
2029	61,533	16,912	78,445
2030	62,907	15,538	78,445
2031-2035	336,233	55,992	392,225
2036-2039	297,023	16,759	313,782
Total	\$ 934,352	\$ 163,880	\$ 1,098,232

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NOTE 17 - ENCUMBRANCES

Encumbrances outstanding in the general fund at June 30, 2025 are as follows:

General fund:	
General government	\$ 1,800
Public safety	11,788
Highways and streets	5,596
Sanitation	5,800
Total encumbrances	<u>\$ 24,984</u>

NOTE 18 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Net position reported on the government-wide and fiduciary fund Statements of Net Position at June 30, 2025 include the following:

	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 13,375,337	\$ -
Less:		
General obligation bonds/notes payable	(1,849,700)	-
Unamortized bond premiums	(255,879)	-
Notes payable	(3,049,703)	-
Total net investment in capital assets	<u>8,220,055</u>	<u>-</u>
Restricted net position:		
Conservation commission	25,260	-
Sewer	88,883	-
Library	224,494	-
Permanent funds	2,210,972	-
Individuals, organizations, and other governments	-	2,443,219
Total restricted net position	<u>2,549,609</u>	<u>2,443,219</u>
Unrestricted	<u>2,263,015</u>	<u>-</u>
Total net position	<u>\$ 13,032,679</u>	<u>\$ 2,443,219</u>

NOTE 19 – GOVERNMENTAL FUND BALANCES

Governmental fund balances at June 30, 2025 consist of the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:			
Library permanent fund - principal balance	\$ 95,682	\$ -	\$ 95,682
Permanent fund - principal balance	-	1,986,478	1,986,478
Total nonspendable fund balance	<u>95,682</u>	<u>1,986,478</u>	<u>2,082,160</u>
Restricted:			
Conservation commission	-	25,260	25,260
Sewer	-	88,883	88,883
Library	211,863	-	211,863
Permanent - income balance	-	224,494	224,494
Total restricted fund balance	<u>211,863</u>	<u>338,637</u>	<u>550,500</u>

(Continued)

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Governmental fund balances continued:

	General Fund	Nonmajor Funds	Total Governmental Funds
Committed:			
Expendable trust	4,366,882	-	4,366,882
Special revenue	-	57,192	57,192
Total committed fund balance	<u>4,366,882</u>	<u>57,192</u>	<u>4,424,074</u>
Assigned:			
Encumbrances	24,984	-	24,984
Abatement contingency	10,000	-	10,000
Total assigned fund balance	<u>34,984</u>	<u>-</u>	<u>34,984</u>
Unassigned	<u>2,742,972</u>	<u>-</u>	<u>2,742,972</u>
Total governmental fund balances	<u>\$ 7,452,383</u>	<u>\$ 2,382,307</u>	<u>\$ 9,834,690</u>

NOTE 20 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2025, changes to or within the Town’s financial statements resulted in an error correction which caused adjustments to and restatements of beginning fund balance, as follows:

	Governmental Activities
Fund balances at June 30, 2024 as previously reported	\$ 12,046,133
Error corrections:	
To adjust for construction in progress that should have been placed into service in prior years	(80,865)
Fund balance, as restated	<u>\$ 11,965,268</u>

NOTE 21 – 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 2025, 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 is a are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from July 1, 2024 to June 30, 2025 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 2024-25 the Town paid \$57,384 and \$135,888 respectively, to Primex³ for Workers’ Compensation and Property/Liability programs coverage. 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 22 – 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 agreements were identified.

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

NOTE 23 – CONTINGENT LIABILITIES

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

NOTE 24 – 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 22, 2026, the date the June 30, 2025 financial statements were available to be issued, and noted 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, 2025
Unaudited

Fiscal year-end	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Measurement date	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Town's proportion of the net pension liability	0.08%	0.08%	0.09%	0.08%	0.08%	0.08%	0.08%	0.09%	0.09%	0.09%
Town's proportionate share of the net pension liability	\$ 3,196,313	\$ 4,354,906	\$ 4,197,345	\$ 3,901,194	\$ 3,917,518	\$ 5,358,422	\$ 3,600,858	\$ 4,877,952	\$ 5,028,561	\$ 4,816,360
Town's covered payroll (as of the measurement date)	\$ 1,958,428	\$ 2,052,846	\$ 2,158,310	\$ 2,223,231	\$ 2,259,148	\$ 2,259,148	\$ 2,474,976	\$ 2,581,944	\$ 2,843,225	\$ 3,076,121
Town's proportionate share of the net pension liability as a percentage of its covered payroll	163.21%	212.14%	194.47%	175.47%	173.41%	237.19%	145.49%	188.93%	176.86%	156.57%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%	70.33%

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, 2025
Unaudited

Fiscal year-end	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Measurement date	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 270,685	\$ 293,253	\$ 312,662	\$ 342,430	\$ 354,313	\$ 378,165	\$ 492,440	\$ 539,393	\$ 559,837	\$ 587,838
Contributions in relation to the contractually required contributions	(270,685)	(293,253)	(312,662)	(342,430)	(354,313)	(378,165)	(492,440)	(539,393)	(559,837)	(587,838)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year-end)	\$ 1,958,428	\$ 2,052,846	\$ 2,158,310	\$ 2,223,231	\$ 2,259,148	\$ 2,474,976	\$ 2,581,944	\$ 2,843,225	\$ 3,076,121	\$ 3,287,051
Contributions as a percentage of covered payroll	13.82%	14.29%	14.49%	15.40%	15.68%	15.28%	19.07%	18.97%	18.20%	17.88%

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

***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, 2025. These schedules are presented to illustrate the requirement to show information for 10 years.

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, 2025
Unaudited

Fiscal year-end	June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Measurement date	June 30,								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Town's proportion of the net OPEB liability	0.05%	0.05%	0.07%	0.07%	0.07%	0.07%	0.08%	0.08%	0.09%
Town's proportionate share of the net OPEB liability (asset)	\$ 222,265	\$ 226,364	\$ 326,143	\$ 322,814	\$ 307,650	\$ 268,123	\$ 286,128	\$ 270,439	\$ 275,081
Town's covered payroll (as of the measurement date)	\$2,052,846	\$ 2,158,310	\$2,223,231	\$ 2,259,148	\$ 2,259,148	\$2,474,976	\$ 2,581,944	\$ 2,843,225	\$ 3,076,121
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%	9.51%	8.94%
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%	12.80%	14.01%

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, 2025
Unaudited

Fiscal year-end	June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Measurement date	June 30,								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 26,678	\$ 29,343	\$ 31,509	\$ 33,603	\$ 32,878	\$ 31,889	\$ 34,619	\$ 31,882	\$ 32,586
Contributions in relation to the contractually required contribution	(26,678)	(29,343)	(31,509)	(33,603)	(32,878)	(31,889)	(34,619)	(31,882)	(32,586)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$2,052,846	\$2,158,310	\$2,223,231	\$ 2,259,149	\$ 2,474,976	\$ 2,581,944	\$ 2,843,225	\$ 3,076,121	\$ 3,287,051
Contributions as a percentage of covered payroll	1.30%	1.36%	1.42%	1.49%	1.33%	1.24%	1.22%	1.04%	0.99%

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, 2025
Unaudited

	June 30,				
	2021	2022	2023	2024	2025
OPEB liability, beginning of year	\$ 749,196	\$ 806,568	\$ 733,992	\$ 855,468	\$ 874,842
Changes for the year:					
Service cost	39,196	40,986	31,661	33,480	32,716
Interest	17,383	18,184	26,864	32,035	35,522
Assumption changes and difference between actual and expected experience	4,491	(120,312)	76,527	(23,589)	(573,373)
Benefit payments	(3,698)	(11,434)	(13,576)	(22,552)	(10,332)
OPEB liability, end of year	<u>\$ 806,568</u>	<u>\$ 733,992</u>	<u>\$ 855,468</u>	<u>\$ 874,842</u>	<u>\$ 359,375</u>
Covered payroll	<u>\$2,292,387</u>	<u>\$2,565,915</u>	<u>\$2,746,071</u>	<u>\$3,076,121</u>	<u>\$3,009,764</u>
Total OPEB liability as a percentage of covered payroll	35.18%	28.61%	31.15%	28.44%	11.94%

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

TOWN OF NEW LONDON, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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, 2025. 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, 2025. 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, 2025

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 7,093,067	\$ 7,130,334	\$ 37,267
Land use change	50,000	25,707	(24,293)
Yield	1,500	1,233	(267)
Interest and penalties on taxes	31,000	33,025	2,025
Total from taxes	<u>7,175,567</u>	<u>7,190,299</u>	<u>14,732</u>
Licenses, permits, and fees:			
Business licenses, permits, and fees	37,800	36,293	(1,507)
Motor vehicle permit fees	1,117,600	1,319,179	201,579
Other	75,550	79,882	4,332
Total from licenses, permits, and fees	<u>1,230,950</u>	<u>1,435,354</u>	<u>204,404</u>
Intergovernmental:			
State:			
Meals and rooms distribution	426,707	428,352	1,645
Highway block grant	139,179	139,369	190
Water pollution grants	26,148	26,148	-
Other	-	84,654	84,654
Federal:			
Other	-	112,533	112,533
Total from intergovernmental	<u>592,034</u>	<u>791,056</u>	<u>199,022</u>
Charges for services:			
Income from departments	<u>224,677</u>	<u>306,492</u>	<u>81,815</u>
Miscellaneous:			
Sale of municipal property	19,000	42,630	23,630
Interest on investments	55,500	189,307	133,807
Other	108,336	182,252	73,916
Total from miscellaneous	<u>182,836</u>	<u>414,189</u>	<u>231,353</u>
Other financing sources:			
Transfers in	<u>793,679</u>	<u>886,904</u>	<u>93,225</u>
Total revenues and other financing sources	10,199,743	<u>\$ 11,024,294</u>	<u>\$ 824,551</u>
Unassigned fund balance used to reduce tax rate	600,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 10,799,743</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, 2025

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 400,354	\$ 396,850	\$ 1,800	\$ 1,704
Election and registration	-	139,028	125,264	-	13,764
Financial administration	-	462,980	446,922	-	16,058
Revaluation of property	-	95,777	96,377	-	(600)
Legal	-	15,500	20,144	-	(4,644)
Personnel administration	-	142,836	135,870	-	6,966
Planning and zoning	-	142,358	132,197	-	10,161
General government buildings	-	282,455	370,699	-	(88,244)
Cemeteries	-	30,967	25,247	-	5,720
Insurance, not otherwise allocated	-	140,840	137,933	-	2,907
Advertising and regional associations	-	19,597	19,597	-	-
Total general government	-	1,872,692	1,907,100	1,800	(36,208)
Public safety:					
Police	-	1,606,981	1,543,807	1,497	61,677
Fire	10,505	686,681	621,655	9,937	65,594
Emergency management	-	18,600	10,467	-	8,133
Other	7,515	625,583	513,423	354	119,321
Total public safety	18,020	2,937,845	2,689,352	11,788	254,725
Highways and streets:					
Administration	-	1,168,108	1,093,687	-	74,421
Highways and streets	-	592,100	507,658	5,596	78,846
Street lighting	-	12,000	11,708	-	292
Total highways and streets	-	1,772,208	1,613,053	5,596	153,559
Sanitation:					
Solid waste disposal	6,500	534,433	536,532	5,800	(1,399)
Solid waste clean-up	-	28,000	43,484	-	(15,484)
Total sanitation	6,500	562,433	580,016	5,800	(16,883)
Health:					
Administration	-	6,367	6,461	-	(94)
Health agencies	-	258,351	258,351	-	-
Total health	-	264,718	264,812	-	(94)
Welfare:					
Administration and direct assistance	-	5,497	5,497	-	-
Intergovernmental welfare payments	-	6,000	6,000	-	-
Vendor payments and other	-	25,000	36,873	-	(11,873)
Total welfare	-	36,497	48,370	-	(11,873)
Culture and recreation:					
Parks and recreation	-	243,371	211,427	-	31,944
Patriotic purposes	-	300	300	-	-
Other	-	1,000	967	-	33
Total culture and recreation	-	244,671	212,694	-	31,977
Conservation	-	77,695	158,339	-	(80,644)

(Continued)

See Independent Auditor's Report.

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, 2025

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal on long-term debt	-	392,311	387,710	-	4,601
Interest on long-term debt	-	115,875	114,642	-	1,233
Interest on tax anticipation notes	-	1	-	-	1
Total debt service	-	508,187	502,352	-	5,835
Capital outlay	-	782,903	1,068,414	-	(285,511)
Other financing uses:					
Transfers out	-	1,739,894	1,739,894	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 24,520	\$ 10,799,743	\$ 10,784,396	\$ 24,984	\$ 14,883

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, 2025

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis)		\$ 2,485,329
Changes:		
Unassigned fund balance used to reduce 2024-2025 tax rate		(600,000)
2024-25 Budget summary:		
Revenue surplus (Schedule 1)	\$ 824,551	
Unexpended balance of appropriations (Schedule 2)	<u>14,883</u>	
2024-25 Budget surplus		<u>839,434</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		2,724,763
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(21,791)
Elimination of the allowance for uncollectible taxes		<u>40,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 2,742,972</u></u>

SCHEDULE 4
TOWN OF NEW LONDON, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds					Permanent Fund	Total
	Sewer	Conservation Commission	Recreation	Recycling	Special Details		
ASSETS							
Cash and cash equivalents	\$406,349	\$ 26,123	\$ 34,399	\$ 36,401	\$ 32,143	\$ 775,675	\$ 1,311,090
Investments	3,034	-	-	-	-	1,405,910	1,408,944
Accounts receivable	92,927	-	-	-	468	-	93,395
Accrued interest receivable	-	-	-	-	-	21,187	21,187
Intergovernmental receivable	13,218	-	-	-	-	-	13,218
Interfund receivable	-	-	-	-	-	8,200	8,200
Total assets	<u>\$515,528</u>	<u>\$ 26,123</u>	<u>\$ 34,399</u>	<u>\$ 36,401</u>	<u>\$ 32,611</u>	<u>\$ 2,210,972</u>	<u>\$ 2,856,034</u>
LIABILITIES							
Accounts payable	\$ 3,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,166
Interfund payable	399,331	863	5,933	35,600	4,686	-	446,413
Total liabilities	<u>402,497</u>	<u>863</u>	<u>5,933</u>	<u>35,600</u>	<u>4,686</u>	<u>-</u>	<u>449,579</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - grants	24,148	-	-	-	-	-	24,148
FUND BALANCES							
Nonspendable	-	-	-	-	-	1,986,478	1,986,478
Restricted	88,883	25,260	-	-	-	224,494	338,637
Committed	-	-	28,466	801	27,925	-	57,192
Total fund balances	<u>88,883</u>	<u>25,260</u>	<u>28,466</u>	<u>801</u>	<u>27,925</u>	<u>2,210,972</u>	<u>2,382,307</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$515,528</u>	<u>\$ 26,123</u>	<u>\$ 34,399</u>	<u>\$ 36,401</u>	<u>\$ 32,611</u>	<u>\$ 2,210,972</u>	<u>\$ 2,856,034</u>

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, 2025

	Special Revenue Funds						Total	
	Conservation				Special	Permanent		
	Sewer	Commission	Recreation	Recycling	Details	Fund		
REVENUES								
Intergovernmental	\$ 156,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,585	
Charges for services	820,072	-	17,919	52,316	31,263	-	921,570	
Miscellaneous	6,900	5,206	-	2	-	127,556	139,664	
Total revenues	<u>983,557</u>	<u>5,206</u>	<u>17,919</u>	<u>52,318</u>	<u>31,263</u>	<u>127,556</u>	<u>1,217,819</u>	
EXPENDITURES								
Current:								
General government	47,362	-	-	-	-	-	47,362	
Public safety	-	-	-	-	28,774	-	28,774	
Sanitation	634,504	-	-	56,517	-	-	691,021	
Culture and recreation	-	-	7,307	-	-	13,495	20,802	
Conservation	-	863	-	-	-	-	863	
Debt service:								
Principal	136,741	-	-	-	-	-	136,741	
Interest	37,582	-	-	-	-	-	37,582	
Capital outlay	102,124	-	-	-	-	-	102,124	
Total expenditures	<u>958,313</u>	<u>863</u>	<u>7,307</u>	<u>56,517</u>	<u>28,774</u>	<u>13,495</u>	<u>1,065,269</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>25,244</u>	<u>4,343</u>	<u>10,612</u>	<u>(4,199)</u>	<u>2,489</u>	<u>114,061</u>	<u>152,550</u>	
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	(36,925)	(36,925)	
Net change in fund balances	25,244	4,343	10,612	(4,199)	2,489	77,136	115,625	
Fund balances beginning	63,639	20,917	17,854	5,000	25,436	2,133,836	2,266,682	
Fund balances, ending	<u>\$ 88,883</u>	<u>\$ 25,260</u>	<u>\$ 28,466</u>	<u>\$ 801</u>	<u>\$ 27,925</u>	<u>\$ 2,210,972</u>	<u>\$ 2,382,307</u>	

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF NEW LONDON, NEW HAMPSHIRE
Custodial Funds
Combining Schedule of Fiduciary Net Position
June 30, 2025

	Custodial Funds				Total
	Taxes	Trust Funds	Escrows	State of NH Motor Vehicle	
ASSETS					
Cash and cash equivalents	\$ -	\$ 2,440,929	\$ 1,326	\$ -	\$ 2,442,255
Investments	-	964	-	-	964
Intergovernmental receivables	8,928,449	-	-	-	8,928,449
Total assets	<u>8,928,449</u>	<u>2,441,893</u>	<u>1,326</u>	<u>-</u>	<u>11,371,668</u>
LIABILITIES					
Intergovernmental payables:					
School	6,612,499	-	-	-	6,612,499
County	1,759,228	-	-	-	1,759,228
Precinct	556,722	-	-	-	556,722
Total liabilities	<u>8,928,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,928,449</u>
NET POSITION					
Restricted	<u>\$ -</u>	<u>\$ 2,441,893</u>	<u>\$ 1,326</u>	<u>\$ -</u>	<u>\$ 2,443,219</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, 2025

	Custodial Funds				Total
	Taxes	Trust Funds	Escrows	State of NH Motor Vehicle	
ADDITIONS					
Contributions	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Investment earnings	-	101,780	-	-	101,780
Tax collections for other governments	17,404,065	-	-	-	17,404,065
Fees collected for the State of New Hampshire	-	-	-	353,547	353,547
Total additions	<u>17,404,065</u>	<u>301,780</u>	<u>-</u>	<u>353,547</u>	<u>18,059,392</u>
DEDUCTIONS					
Payments to other governments	17,404,065	-	-	-	17,404,065
Payments of motor vehicle fees to State	-	-	-	353,547	353,547
Total deductions	<u>17,404,065</u>	<u>-</u>	<u>-</u>	<u>353,547</u>	<u>17,757,612</u>
Net increase in fiduciary net position	-	301,780	-	-	301,780
Net position, beginning	-	2,140,113	1,326	-	2,141,439
Net position, ending	<u>\$ -</u>	<u>\$ 2,441,893</u>	<u>\$ 1,326</u>	<u>\$ -</u>	<u>\$ 2,443,219</u>

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