

**TOWN OF GOFFSTOWN,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023**

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
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# PLODZIK & SANDERSON

*Professional Association/Certified Public Accountants*

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

## ***INDEPENDENT AUDITOR'S REPORT***

To the Members of the Select Board  
Town of Goffstown  
Goffstown, New Hampshire

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, major governmental and proprietary funds, and the aggregate remaining fund information of the Town of Goffstown, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Goffstown'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, business-type activities, major governmental and proprietary funds, and the aggregate remaining fund information of the Town of Goffstown, as of December 31, 2023, and the respective changes in financial position and where applicable, cash flows thereof, 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 Goffstown and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 2-C to the financial statements, in the year ending December 31, 2023, the Town adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

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

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

***Town of Goffstown  
Independent Auditor's Report***

***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.
- 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 Goffstown'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 Goffstown's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

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

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Goffstown'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.

*Town of Goffstown  
Independent Auditor's Report*

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

October 16, 2024  
Concord, New Hampshire

*Plodzik & Sanderson  
Professional Association*

## **Management Discussion and Analysis**

As management of the Town of Goffstown, New Hampshire (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2023.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of four components:

1. Government-wide financial statements,
2. Fund financial statements,
3. Notes to the financial statements,
4. Required supplementary information (including this management discussion and analysis).

This also contains the other supplementary information (SI) which includes the combining and individual fund schedules. There was no single audit for fiscal year ended December 31, 2023.

### ***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, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, reimbursement-based grant funding, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, health and welfare, and culture and recreation. The business-type activities include sewer activities.

### ***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. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources readily accessible at the end of fiscal year. Such information may be useful in evaluating the Town's near-term financial requirements.

Due to the focus of governmental funds being narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financial decisions. Reconciliations are provided to facilitate the comparison between governmental funds and governmental activities.

### ***Proprietary Funds***

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds. The Town currently only operates one enterprise fund.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria is met:

1. Activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges,
2. Laws or regulations require the activity's costs of providing services be recovered with fees and charges, and
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation and debt service.

The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, in more detail. Specifically, the Town's enterprise fund is used to account for sewer operations, which is considered to be a major fund.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### ***Notes to Financial Statements***

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

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

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is required to be disclosed by accounting principles generally accepted in the United States of America (GAAP).

Included in this report are exhibits and notes pertaining to the Town's share of participation in the New Hampshire Retirement System (NHRS). These have a continual impact on the Town's government-wide financial statements and the associated RSI may shed light on otherwise ambiguous figures reported in the government-wide financial statements.

Also included in this report is other supplementary information which includes individual schedules for the major general fund, schedules for nonmajor governmental funds, and schedules for custodial funds which distinguish between the various governmental and custodial funds operated by the Town, as well as delve deeper into the budgetary performance and fund balance impact of the General Fund.

Government-Wide Financial Analysis

Statement of Net Position - Governmental Activities

Net position of the Town of Goffstown as of December 31, 2023 and 2022 is as follows:

	2023	2022 (As Restated)	Change	% of Change
Capital Assets, Net	\$ 35,877,791	\$ 36,722,647	\$ (844,856)	-2.30%
Other Assets	33,930,254	31,101,346	2,828,908	9.10%
Total Assets	69,808,045	67,823,993	1,984,052	2.93%
Total Deferred Outflows of Resources	4,030,975	5,067,305	(1,036,330)	-20.45%
Long-term Liabilities	24,785,867	24,854,622	(68,755)	-0.28%
Other Liabilities	15,358,087	13,271,999	2,086,088	15.72%
Total Liabilities	40,143,954	38,126,621	2,017,333	5.29%
Total Deferred Inflows of Resources	3,240,864	4,850,980	(1,610,116)	-33.19%
Net Position:				
Net Investment in Capital Assets	34,060,021	34,748,219	(688,198)	-1.98%
Restricted	2,264,023	2,039,109	224,914	11.03%
Unrestricted	(5,869,662)	(6,873,631)	1,003,969	-14.61%
Total Net Position	\$ 30,454,382	\$ 29,913,697	\$ 540,685	1.81%

Statement of Activities - Governmental Activities

Changes in net position for the years ending December 31, 2023 and 2022 are as follows:

	2023	2022	Change	% of Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,598,854	\$ 1,637,477	\$ (38,623)	-2.36%
Operating Grants and Contributions	815,765	2,119,224	(1,303,459)	-61.51%
General Revenues:				
Property and Other Taxes	18,994,334	15,835,378	3,158,956	19.95%
Licenses and Permits	3,626,988	3,635,960	(8,972)	-0.25%
Grants and Contributions	2,186,996	2,148,421	38,575	1.80%
Miscellaneous	1,302,782	537,337	765,445	142.45%
Total Revenues	28,525,719	25,913,797	2,611,922	10.08%
Expenses				
General Government	4,921,104	4,856,264	64,840	1.34%
Public Safety	10,777,613	6,264,188	4,513,425	72.05%
Public Works	10,576,098	10,870,766	(294,668)	-2.71%
Health and Welfare	31,261	29,428	1,833	6.23%
Culture and Recreation	1,641,551	1,485,611	155,940	10.50%
Interest - Long-term Debt	49,155	61,084	(11,929)	-19.53%
Total Expenditures	27,996,782	23,567,341	4,429,441	18.79%
Transfers	11,748	11,748	-	0.00%
Change in Net Position	540,685	2,346,456	(1,805,771)	-76.96%
Net Position, Beginning of Year, As Restated	29,913,697	27,567,241	2,346,456	8.51%
Net Position, End of Year	\$ 30,454,382	\$ 29,913,697	\$ 540,685	1.81%

Government-Wide Financial Analysis

Statement of Net Position - Business-type Activities

Net position of the Town of Goffstown as of December 31, 2023 and 2022 is as follows:

	2023	2022	Change	% of Change
Capital Assets, Net	\$ 3,111,900	\$ 2,955,498	\$ 156,402	5.29%
Other Assets	6,278,024	5,532,711	745,313	13.47%
Total Assets	9,389,924	8,488,209	901,715	10.62%
Total Deferred Outflows of Resources	40,716	51,185	(10,469)	-20.45%
Long-term Liabilities	232,775	232,426	349	0.15%
Other Liabilities	385,438	276,497	108,941	39.40%
Total Liabilities	618,213	508,923	109,290	21.47%
Total Deferred Inflows of Resources	17,598	22,636	(5,038)	-22.26%
Net Position:				
Net Investment in Capital Assets	3,111,900	2,955,498	156,402	5.29%
Unrestricted	5,682,929	5,052,337	630,592	12.48%
Total Net Position	\$ 8,794,829	\$ 8,007,835	\$ 786,994	9.83%

Statement of Activities - Business-type Activities

Changes in net position for the years ending December 31, 2023 and 2022 are as follows:

	2023	2022	Change	% of Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,672,275	\$ 1,743,094	\$ (70,819)	-4.06%
Operating Grants and Contributions	131,038	-	131,038	100.00%
General Revenues:				
Miscellaneous	200,265	71,192	129,073	181.30%
Total Revenues	2,003,578	1,814,286	189,292	10.43%
Expenses				
Sanitation	1,204,836	1,994,163	(789,327)	-39.58%
Transfers	(11,748)	(11,748)	-	0.00%
Change in Net Position	786,994	(179,877)	966,871	-537.52%
Net Position, Beginning of Year, As Restated	8,007,835	8,187,712	(179,877)	-2.20%
Net Position, End of Year	\$ 8,794,829	\$ 8,007,835	\$ 786,994	9.83%

### Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$30,454,382, a change of \$540,685, and net position in business-type activities was \$8,794,829, a change of \$786,994. As the net position of the Governmental Activities was restated, please refer to Note 17, Prior Period Adjustments, contained within the Notes to the Financial Statements for further information.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$15,588,654, a change of \$271,564 in comparison to the prior year. As the previous year's combined governmental funds fund balance was restated, please refer to Note 17, Prior Period Adjustments, contained within the Notes to the Financial Statements for further information.
- As of the close of the current fiscal year, total fund balance for the General Fund was \$11,114,740, a change of \$(688,285). As the previous year's General Fund fund balance was restated, please refer to Note 17, Prior Period Adjustments, contained within the Notes to the Financial Statements for further information.

### Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

#### *Governmental Funds*

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing financial requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for appropriation during the next fiscal year, depending upon various factors and budgetary constraints.

#### *General Fund*

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,580,208 (non-GAAP basis), while total fund balance was \$11,114,740, which includes capital reserve funds and other similar assets. GAAP basis fund balance accounts for \$645,810 in deferred property taxes collected within 60 days of the fiscal year-end. Unassigned fund balance increased by \$81,303, primarily resulting from favorable budgetary results of \$331,303 and amounts voted from prior year's surplus of \$(250,000). The favorable budgetary results saw a significant decrease from the prior year, reflecting a tight budget and operating costs continuing to rise, primarily in planned road projects.

<u>General Fund</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u> <i>(As restated)</i>	<u>Change</u>
Unassigned fund balance (non-GAAP basis)	\$ 7,580,208	\$ 7,498,905	\$ 81,303
Total fund balance (non-GAAP basis)	\$ 11,114,740	\$ 11,803,025	\$ (688,285)

The change in unassigned fund balance (non-GAAP basis) can be seen here:

Revenue shortfall	\$ (220,774)
Expenditures less than budget	552,077
Use of prior fund balance	<u>(250,000)</u>
Total	<u><u>\$ 81,303</u></u>

Included in the total fund balance of the General Fund are the Town's capital reserve funds with the following balance:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Change</u>
Capital Reserve	<u>\$ 1,843,810</u>	<u>\$ 1,506,662</u>	<u>\$ 337,148</u>
Total	<u><u>\$ 1,843,810</u></u>	<u><u>\$ 1,506,662</u></u>	<u><u>\$ 337,148</u></u>

*Nonmajor Governmental Funds*

The fund balance of nonmajor governmental funds changed by \$959,849, primarily resulting from a net surplus from activity across the Town's various special revenue and permanent funds. This includes, but is not limited to, significant conversions of property previously taxed at current use status, good collection rate for emergency medical services, and gains or donations in permanent funds dedicated to funding future programs.

***Proprietary Funds***

Propriety funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise fund (Sewer Fund and blended reserves) at the end of the year amounted to \$5,682,929, a change of \$630,592 in comparison to the prior year resulting primarily to no unforeseen costs allocated to net position, as seen in the prior year's restatements. Meaningful gains to proprietary fund reserves are vital to mitigating rate increases in the future as significant sewer project costs continue to rise, thereby stabilizing long-term customer costs.

**General Fund Budgetary Highlights**

As reflected in Schedules 1-3 in the Financial Statements, the General Fund experienced a revenue shortfall of \$220,774; however, this was saved by an unexpended balance of appropriations of \$552,077. In summary, the General Fund ran a tight budget in 2023, resulting in a relatively miniscule budget surplus of \$331,303.

## Capital Assets and Debt Administration

### *Capital Assets*

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$38,989,691 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery, equipment, and furnishings, and infrastructure. Major capital asset additions during the fiscal year included the following:

- Conservation Land – Executory Interest in Clarkridge Farm Conservation Easement at 421 Pattee Hill Rd., Map 10-3 and 11-1 (various sub-lots therein) - \$25,000.00
- Land – Map 30, Lot 46 - \$5,000.00
- 2022-2023 Network Upgrades (costs allocated to years, as incurred) - \$201,745.81
- 2023 Durabull Trailer (Elections) - \$11,529.00
- 2023-2024 Dark Fiber Project (Construction-in-Progress for 2023) - \$110,145.10
- 2022-2023 Motorola G Simulcast Radio System (Project Completed 2023) - \$1,903,093.24
- 2023 Ford F-250 Superduty (Fire) - \$55,755.00
- 2023 Ford Explorer Interceptors (Police) - \$128,596.05
- 2023 Recycling Compactor - \$73,600.80
- 2024 Mac Moving (Live) Floor Trailers (x2 - DPW) - \$292,480.00
- 2023 Ver-Mac Message Signs (x2 - DPW) - \$36,800.00
- 2023 Bobcat S66 Skid Steer Loader (DPW) - \$67,858.36
- Infrastructure – Tatro Drive Sidewalk Extension - \$128,137.00
- 2023-2024 Mast Rd. Traffic System Upgrades (Completed in 2024) - \$79,948.50
- 2023 Ford F-350 Pickup Truck (Parks) - \$52,439.00

Major capital disposals and/or retirements included the following:

- 2017 Firelite Transport (retired – sold to local municipality due to lack of use)
- 2010 Compactor (trade-in – replaced during installation of new equipment above)
- 2020 Ambulance (retired – totaled in not-at-fault motor vehicle accident and salvaged to Primex)
- 2015 Ford Explorer (retired – sold via auction)
- 2013 Ford Escape (retired – sold via auction)
- 2013 Ford Taurus Interceptor (retired – sold via auction)
- 2013 Ford Taurus Interceptor (retired – sold via auction)
- 2013 Ford Taurus Interceptor (retired – sold via auction)
- 2004 Ford F-350 (retired – sold via auction)
- 2000 Sterling Vac-con Truck (retired – sold via auction)
- 1992 Sidewalk Plow (retired – sold via auction)

Of the major capital additions in the current year, the new radio system for emergency services was entirely grant funded through federal dollars.

Capital asset changes in the proprietary Sewer Fund were entirely infrastructural and related to on-going projects that will be depreciated upon project completion.

Additional information on capital assets can be found in the Notes to the Basic Financial Statements.

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

At the end of the current fiscal year, total bonded debt outstanding was \$1,817,770, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Basic Financial Statements.

### **Restatement of Prior Financial Statements**

A restatement is the act of revising one or more of the Town's previous financial statements to account for an error, misstatement, or omission. For the purposes of these financial statements, this means a change to the beginning fund balance, as any impact that would have otherwise impacted revenues or expenditures in a previous period would have closed into fund balance effective at the end of that fiscal year.

As a result of many factors, such as a change of auditors, a change of staff, and a more detailed look into various miscellaneous balances and activity during and subsequent to the fiscal year, two restatements were made to rectify accounting errors, misstatements, or omissions. The following is a summary of those restatements:

#### ***Insurance Reimbursements***

The practice for handling insurance costs and associated reimbursements has been largely to track that activity on the balance sheet, as these costs and associated reimbursements from Primex or other outside insurance companies (where damage is not at-fault) may cross fiscal periods. Due to the nature and timing of these transactions, costs when invoiced may not be clearly identified as reimbursement-related, resulting in an accumulation of reimbursements from insurance carried in the balance sheet tied to expenditures from prior periods.

This restatement recognizes those accumulations as revenue in prior periods to offset the previously improper negative impact on fund balance in prior periods when costs were charged to budgetary expenditure lines, rather than the insurance reimbursement account held on the balance sheet.

#### ***60-Day Availability Period – Reporting Adjustment***

Consistent with all municipalities reporting in the State of New Hampshire, an adjustment is made at year-end for reporting that recognizes the deferral of property tax revenues that aren't available within 60 days subsequent to the fiscal year end-date. Under current guidance, the "60-day rule" is a reporting requirement for tax revenues, and while this is largely an estimation for reporting, it is based on actual tax collections between January 1 and February 29 (applicable to 2024).

Inconsistent with the vast majority of municipalities in the State of New Hampshire, the Town of Goffstown defers 100% of taxes billed and recognizes collections as revenues, which then reduces the deferral. This method of recognition is universally used in states with tighter reporting requirements, such as Massachusetts, but is very uncommon in the State of New Hampshire due to the NHDRA reporting budgetary requirements.

It is because of this opposite recognition that the adjustment made in the financial statements to recognize the 60-Day Rule was entered opposite of its intended impact. Where taxes are recognized as revenue when billed, a deferral is added at the end of the year, reducing revenue by the amount deemed "uncollectible" within 60 days. This same treatment was done in our financial preparation, improperly increasing our tax revenue deferral and reducing tax revenue in 2022. This error was not caught in the financial statement review. The result, identified in the 2023 financial statement preparation, is the reversal of the improper impact and recognition of that same reporting figure against beginning unassigned fund balance.

This was performed through mutual understanding between our administration and our auditors, as while we do rely on our auditors to prepare our financial statements, we are entirely responsible for the figures we present in them and the review of all and any adjustments made in the financial statement preparation.

### **Economic Factors and Current Conditions**

In fiscal year 2023, supplemental funding provided by COVID-19 response grants were still active, providing funding for the final costs associated with the public safety radio system. In addition, State budget surplus remitted to the Town in 2022 provided for additional supplementary funding in future periods to supplement road and bridge repair, maintenance and upgrades. These are generally recognized as revenue deferred until associated costs are recognized. Some road project and bridge project costs were allocated against these grants in 2023, including the Juniper Drive road project and the Henry Bridge project.

There were many open positions across various departments throughout the fiscal year, and planned efforts to remedy this issue included a wage and salary study to remain competitive with other local municipalities, as well as renegotiation of three out of four current collective bargaining agreements that are coming to an end in 2023. In 2023, four public safety positions were supplemented by federally-funded public safety grants. In 2024, those four positions will also be funded by grants.

In fiscal year 2023, the Town expected no use of fund balance to offset taxes, as a result of the implementation of the new Fund Balance Policy. The goals of the Board reflect positive sustainable financial health for the Town and this will continue to be expressed in future periods.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Goffstown, New Hampshire's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Finance Director  
Town of Goffstown  
16 Main Street  
Goffstown, New Hampshire 03045

***BASIC FINANCIAL STATEMENTS***

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

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,338,844	\$ 2,417,436	\$ 28,756,280
Investments	3,685,630	3,745,493	7,431,123
Taxes receivable (net)	1,713,460	-	1,713,460
Accounts receivable (net)	891,816	-	891,816
Sewer fees receivable (net)	-	167,699	167,699
Special assessments receivable	316,598	-	316,598
Intergovernmental receivable	842,533	-	842,533
Internal balances	52,604	(52,604)	-
Voluntary tax liens reserved until collected	86,020	-	86,020
Tax dedeed property, subject to resale	2,749	-	2,749
Capital assets:			
Land and construction in progress	7,362,100	601,293	7,963,393
Other capital assets, net of depreciation	28,515,691	2,510,607	31,026,298
Total assets	<u>69,808,045</u>	<u>9,389,924</u>	<u>79,197,969</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Amounts related to pensions	3,662,127	36,991	3,699,118
Amounts related to other postemployment benefits	368,848	3,725	372,573
Total deferred outflows of resources	<u>4,030,975</u>	<u>40,716</u>	<u>4,071,691</u>
<b>LIABILITIES</b>			
Accounts payable	282,011	61,101	343,112
Accrued salaries and benefits	38,771	-	38,771
Retainage payable	-	34,346	34,346
Contracts payable	-	227,946	227,946
Accrued interest payable	21,858	-	21,858
Intergovernmental payable	15,015,261	62,045	15,077,306
Other payable	6	-	6
Long-term liabilities:			
Due within one year	182,821	-	182,821
Due in more than one year	24,603,046	232,775	24,835,821
Total liabilities	<u>40,143,774</u>	<u>618,213</u>	<u>40,761,987</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	14,815	-	14,815
Unavailable revenue - grants	1,383,778	-	1,383,778
Unavailable revenue - other	133,941	342	134,283
Amounts related to pensions	151,258	1,528	152,786
Amounts related to other postemployment benefits	1,557,072	15,728	1,572,800
Total deferred inflows of resources	<u>3,240,864</u>	<u>17,598</u>	<u>3,258,462</u>
<b>NET POSITION</b>			
Net investment in capital assets	34,060,021	3,111,900	37,171,921
Restricted	2,264,023	-	2,264,023
Unrestricted	(5,869,662)	5,682,929	(186,733)
Total net position	<u>\$ 30,454,382</u>	<u>\$ 8,794,829</u>	<u>\$ 39,249,211</u>

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

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

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
General government	\$ 4,921,104	\$ 90,382	\$ 10,000	\$ (4,820,722)	\$ -	\$ (4,820,722)
Public safety	10,777,613	1,053,619	442,228	(9,281,766)	-	(9,281,766)
Highways and streets	8,965,702	-	363,537	(8,602,165)	-	(8,602,165)
Sanitation	1,610,396	197,982	-	(1,412,414)	-	(1,412,414)
Welfare	31,261	-	-	(31,261)	-	(31,261)
Culture and recreation	1,641,551	254,313	-	(1,387,238)	-	(1,387,238)
Conservation	-	2,558	-	2,558	-	2,558
Interest on long-term debt	49,155	-	-	(49,155)	-	(49,155)
Total governmental activities	<u>27,996,782</u>	<u>1,598,854</u>	<u>815,765</u>	<u>(25,582,163)</u>	<u>-</u>	<u>(25,582,163)</u>
<b>Business-type activities:</b>						
Sewer	1,204,836	1,672,275	131,038	-	598,477	598,477
Total	<u>\$ 29,201,618</u>	<u>\$ 3,271,129</u>	<u>\$ 946,803</u>	<u>(25,582,163)</u>	<u>598,477</u>	<u>(24,983,686)</u>
General revenues:						
Taxes:						
Property				18,549,097	-	18,549,097
Other				445,237	-	445,237
Motor vehicle permit fees				3,506,116	-	3,506,116
Licenses and other fees				120,872	-	120,872
Grants and contributions not restricted to specific programs				2,186,996	-	2,186,996
Unrestricted investment earnings				419,059	200,265	619,324
Miscellaneous				883,723	-	883,723
Total general revenues				<u>26,111,100</u>	<u>200,265</u>	<u>26,311,365</u>
Transfers				11,748	(11,748)	-
Change in net position				540,685	786,994	1,327,679
Net position, beginning, as restated (see Note 17)				29,913,697	8,007,835	37,921,532
Net position, ending				<u>\$ 30,454,382</u>	<u>\$ 8,794,829</u>	<u>\$ 39,249,211</u>

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

**EXHIBIT C-1**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2023**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,480,855	\$ 3,857,989	\$ 26,338,844
Investments	2,413,851	1,271,779	3,685,630
Taxes receivable	1,713,460	-	1,713,460
Accounts receivable (net)	79,197	812,619	891,816
Intergovernmental receivable	826,489	16,044	842,533
Interfund receivable	139,376	31,000	170,376
Voluntary tax liens reserved until collected	86,020	-	86,020
Tax deeded property, subject to resale	2,749	-	2,749
Total assets	<u>\$ 27,741,997</u>	<u>\$ 5,989,431</u>	<u>\$ 33,731,428</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 258,672	\$ 23,339	\$ 282,011
Accrued salaries and benefits	38,771	-	38,771
Intergovernmental payable	14,993,633	21,628	15,015,261
Interfund payable	31,000	86,772	117,772
Other payable	6	-	6
Total liabilities	<u>15,322,082</u>	<u>131,739</u>	<u>15,453,821</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	1,171,234	-	1,171,234
Unavailable revenue - grants	-	1,383,778	1,383,778
Unavailable revenue - other	133,941	-	133,941
Total deferred inflows of resources	<u>1,305,175</u>	<u>1,383,778</u>	<u>2,688,953</u>
<b>FUND BALANCES</b>			
Nonspendable	2,749	1,009,627	1,012,376
Restricted	-	1,254,396	1,254,396
Committed	1,843,810	2,209,891	4,053,701
Assigned	1,042,163	-	1,042,163
Unassigned	8,226,018	-	8,226,018
Total fund balances	<u>11,114,740</u>	<u>4,473,914</u>	<u>15,588,654</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,741,997</u>	<u>\$ 5,989,431</u>	<u>\$ 33,731,428</u>

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

**EXHIBIT C-2**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**December 31, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances of governmental funds (Exhibit C-1)		\$ 15,588,654
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 67,977,516	
Less accumulated depreciation	<u>(32,099,725)</u>	
		35,877,791
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	\$ 3,662,127	
Deferred inflows of resources related to pensions	(151,258)	
Deferred outflows of resources related to OPEB	368,848	
Deferred inflows of resources related to OPEB	<u>(1,557,072)</u>	
		2,322,645
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (117,772)	
Payables	<u>117,772</u>	
		-
Long-term revenue (taxes) is not available to pay current period expenditures, and therefore, is deferred in the governmental funds.		1,156,419
Long-term receivables are not current financial resources, therefore, are not reported in the governmental funds.		316,598
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(21,858)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 1,365,000	
Unamortized bond premium	119,340	
Note	333,430	
Compensated absences	353,139	
Accrued landfill postclosure care costs	269,517	
Net pension liability	19,382,465	
Other postemployment benefits	<u>2,962,976</u>	
		<u>(24,785,867)</u>
Net position of governmental activities (Exhibit A)		<u>\$ 30,454,382</u>

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

**EXHIBIT C-3**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2023**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 17,205,700	\$ 208,000	\$ 17,413,700
Licenses and permits	3,626,988	-	3,626,988
Intergovernmental	2,791,282	474,105	3,265,387
Charges for services	339,139	1,259,715	1,598,854
Miscellaneous	765,283	274,873	1,040,156
Total revenues	<u>24,728,392</u>	<u>2,216,693</u>	<u>26,945,085</u>
<b>EXPENDITURES</b>			
Current:			
General government	5,332,852	27,425	5,360,277
Public safety	8,283,971	581,284	8,865,255
Highways and streets	4,347,802	24,362	4,372,164
Sanitation	1,539,220	-	1,539,220
Welfare	30,876	-	30,876
Culture and recreation	1,377,590	227,570	1,605,160
Debt service:			
Principal	105,000	-	105,000
Interest and other charges	103,019	-	103,019
Capital outlay	4,318,895	385,403	4,704,298
Total expenditures	<u>25,439,225</u>	<u>1,246,044</u>	<u>26,685,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(710,833)</u>	<u>970,649</u>	<u>259,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	22,548	-	22,548
Transfers out	-	(10,800)	(10,800)
Total other financing sources (uses)	<u>22,548</u>	<u>(10,800)</u>	<u>11,748</u>
Net change in fund balances	(688,285)	959,849	271,564
Fund balances, beginning, as restated (see Note 17)	11,803,025	3,514,065	15,317,090
Fund balances, ending	<u>\$ 11,114,740</u>	<u>\$ 4,473,914</u>	<u>\$ 15,588,654</u>

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

**EXHIBIT C-4**  
**TOWN OF GOFFSTOWN, 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 December 31, 2023*

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

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 271,564
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay	\$ 1,673,843	
Depreciation expense	<u>(2,282,037)</u>	(608,194)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.		(236,662)
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (10,800)	
Transfers out	<u>10,800</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	\$ 1,628,463	
Change in long-term receivable	<u>(47,829)</u>	1,580,634
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of bond principal	\$ 105,000	
Repayment of note principal	42,478	
Amortization of bond premium	<u>9,180</u>	156,658
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	\$ 2,206	
Increase in compensated absences payable	(45,581)	
Increase in accrued landfill postclosure care costs	(51,117)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(817,861)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>289,038</u>	(623,315)
Changes in net position of governmental activities (Exhibit B)		<u>\$ 540,685</u>

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

**EXHIBIT D**  
**TOWN OF GOFFSTOWN, 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 December 31, 2023**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 17,327,314	\$ 17,327,314	\$ 17,031,934	\$ (295,380)
Licenses and permits	3,576,750	3,576,750	3,626,988	50,238
Intergovernmental	2,699,978	2,699,978	2,791,282	91,304
Charges for services	354,710	354,710	339,139	(15,571)
Miscellaneous	729,500	729,500	678,135	(51,365)
Total revenues	<u>24,688,252</u>	<u>24,688,252</u>	<u>24,467,478</u>	<u>(220,774)</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,052,768	5,452,766	5,406,453	46,313
Public safety	8,809,084	8,672,068	8,278,005	394,063
Highways and streets	3,903,156	3,986,723	3,976,612	10,111
Sanitation	1,411,098	1,547,306	1,529,920	17,386
Welfare	40,391	40,391	30,876	9,515
Culture and recreation	1,411,283	1,425,228	1,377,590	47,638
Debt service:				
Principal	105,000	105,000	105,000	-
Interest	49,776	49,776	49,775	1
Other	53,244	53,244	53,244	-
Capital outlay	2,875,000	3,378,298	3,351,248	27,050
Total expenditures	<u>24,710,800</u>	<u>24,710,800</u>	<u>24,158,723</u>	<u>552,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,548)</u>	<u>(22,548)</u>	<u>308,755</u>	<u>331,303</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	22,548	22,548	22,548	-
Transfers out	(250,000)	(250,000)	(250,000)	-
Total other financing sources (uses)	<u>(227,452)</u>	<u>(227,452)</u>	<u>(227,452)</u>	<u>-</u>
Net change in fund balances	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	81,303	<u>\$ 331,303</u>
Unassigned fund balance, beginning, as restated (see Note 17)			7,498,905	
Unassigned fund balance, ending			<u>\$ 7,580,208</u>	

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

**EXHIBIT E-1**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Net Position**  
**December 31, 2023**

	Business-type Activities <u>Proprietary Fund</u> <u>(Sewer)</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,417,436
Investments	3,745,493
Sewer fees receivable (net)	167,699
Capital assets:	
Land and construction in progress	601,293
Other capital assets, net of depreciation	<u>2,510,607</u>
Total assets	<u>9,442,528</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts related to pensions	36,991
Amounts related to other postemployment benefits	<u>3,725</u>
Total deferred outflows of resources	<u>40,716</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	61,101
Retainage payable	34,346
Contract payable	227,946
Intergovernmental payable	62,045
Internal balances	52,604
Long term liabilities:	
Due in more than one year	<u>232,775</u>
Total liabilities	<u>670,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - other	342
Amounts related to pensions	1,528
Amounts related to other postemployment benefits	<u>15,728</u>
Total deferred inflows of resources	<u>17,598</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,111,900
Unrestricted	<u>5,682,929</u>
Total net position	<u>\$ 8,794,829</u>

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

**EXHIBIT E-2**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2023**

	Business-type Activities
	Proprietary Fund (Sewer)
Operating revenues:	
User charges	\$ 1,567,174
Miscellaneous	105,101
Total operating revenues	1,672,275
Operating expenses:	
Salaries and wages	299,505
Operation and maintenance	659,531
Contractual services	82,437
Materials and supplies	31,653
Depreciation	131,710
Total operating expenses	1,204,836
Operating gain	467,439
Nonoperating revenue:	
Interest income	200,265
Intergovernmental revenues	131,038
Total nonoperating revenue	331,303
Other financing uses:	
Transfers out	(11,748)
Change in net position	786,994
Net position, beginning	8,007,835
Net position, ending	\$ 8,794,829

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

**EXHIBIT E-3**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended December 31, 2023**

	Business-type Activities
	Proprietary Fund (Sewer)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers and users	\$ 1,666,929
Payments to employees	(165,920)
Payments to suppliers	(792,485)
Net cash provided by operating activities	708,524
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of fixed assets	(288,112)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Intergovernmental revenue	131,038
Operating transfers out	(11,748)
Net cash provided by non-capital financing activities:	119,290
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investments	(186,269)
Interest on investments	200,265
Net cash provided by investing activities	13,996
Net change in cash and cash equivalents	553,698
Cash and cash equivalents, beginning	1,863,738
Cash and cash equivalents, ending	\$ 2,417,436
<b>Reconciliation of Operating Gain to Net Cash Provided by Operating Activities</b>	
Operating gain	\$ 467,439
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation expense	131,710
Change in accounts receivable	5,346
Change in deferred outflows related to pensions	(9,733)
Change in deferred outflows related to OPEB	(736)
Change in accounts payable	124,796
Change in accrued salaries and benefits	3,448
Change in retainage payable	(19,313)
Change in compensated absences	439
Change in net pension liability	(749)
Change in OPEB liability	839
Change in deferred inflows related to pensions	2,222
Change in deferred inflows related to OPEB	2,816
Total adjustments	241,085
Net cash provided by operating activities	\$ 708,524

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

**EXHIBIT F-1**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

	Private Purpose Trust	Other Custodial Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 54,703	\$ 510,650	\$ 565,353
Investments	894,434	699,443	1,593,877
Accounts receivable	-	99,835	99,835
Intergovernmental receivable	-	14,415,475	14,415,475
Total assets	<u>949,137</u>	<u>15,725,403</u>	<u>16,674,540</u>
<b>LIABILITIES</b>			
Intergovernmental payables:			
School	<u>-</u>	<u>14,415,475</u>	<u>14,415,475</u>
<b>NET POSITION</b>			
Restricted	<u>\$ 949,137</u>	<u>\$ 1,309,928</u>	<u>\$ 2,259,065</u>

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

**EXHIBIT F-2**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2023**

	Private Purpose Trust	All Custodial Funds	Total
<b>ADDITIONS</b>			
Contributions	\$ 10,000	\$ 310,838	\$ 320,838
Change in fair market value	80,335	-	80,335
Investment earnings	65,023	29,400	94,423
Taxes collected for other governments	-	33,305,561	33,305,561
Motor vehicle permit fees collected	-	1,118,047	1,118,047
Total additions	<u>155,358</u>	<u>34,763,846</u>	<u>34,919,204</u>
<b>DEDUCTIONS</b>			
Benefits paid	26,423	43,935	70,358
Payments of taxes to other governments	-	33,305,561	33,305,561
Payments of motor vehicle permit fees	-	1,118,047	1,118,047
Total deductions	<u>26,423</u>	<u>34,467,543</u>	<u>34,493,966</u>
Net change in fiduciary net position	128,935	296,303	425,238
Net position, beginning	820,202	1,013,625	1,833,827
Net position, ending	<u>\$ 949,137</u>	<u>\$ 1,309,928</u>	<u>\$ 2,259,065</u>

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

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**1-A Reporting Entity**

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

**1-B Basis of Accounting and Measurement Focus**

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

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

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

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated, except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

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

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current 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 GOFFSTOWN, NEW HAMPSHIRE**  
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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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 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 ten nonmajor governmental funds.

**Proprietary Fund Financial Statements** – Include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the major proprietary fund.

The proprietary fund is reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town reports the sewer as a major proprietary fund which accounts for the activities related to the operation of the sewer treatment plant, pumping station, and sewer lines. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the related expendable trust funds are consolidated in the sewer fund.

**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 as are the proprietary funds explained above.

The Town reports the following fiduciary funds:

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

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

### ***1-C Cash and Cash Equivalents***

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash pool is maintained that is available for use by all funds. Each fund’s portion of this pool is reflected on the combined financial statements under the caption “cash and cash equivalents.”

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

**1-D Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the Town's sewer fund considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

**1-E Investments**

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

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

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

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

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

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

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

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

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

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

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**Investments in Certain External Investment Pools** – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the Town in accordance with the NHPDIP’s Information Statement.

**1-F Receivables**

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

**1-G Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position. Capital assets of the proprietary fund are capitalized in the fund and the cost basis for the proprietary fund capital assets is the same as that used for general capital assets.

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

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

	<u>Years</u>
<b>Capital Asset Classes:</b>	
Buildings	40
Building improvements	40
Machinery, vehicles, and furnishings	5
Infrastructure	30 - 75

**1-H Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as “internal balances.” 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 proprietary funds, transfers are reported after nonoperating revenues and expenses. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

**1-I Property Taxes**

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 8, 2023 and October 13, 2023, and due on July 3, 2023 and December 12, 2023. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

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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, Goffstown School District, and Hillsborough County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2023 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 2,595,512,800
For all other taxes	\$ 2,706,202,200

The tax rates and amounts assessed for the year ended December 31, 2023 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$6.50	\$ 17,588,409
School portion:		
State of New Hampshire	\$1.31	3,394,811
Local	\$10.17	27,520,664
County portion	\$0.88	2,390,086
Total	\$18.86	\$ 50,893,970

***1-J Accounts Payable***

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2023.

***1-K Deferred Outflows/Inflows of Resources***

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

*Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The Town has 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 are reported as deferred inflows of resources. In addition, unavailable revenues from grants, donations, and other sources arise when the related eligible expenditures will not be made until the subsequent period.

***1-L Compensated Absences***

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

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

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
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***1-M Long-term Obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund Statements of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

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

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

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

***1-N Defined Benefit Pension Plan***

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

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

***1-O Postemployment Benefits Other Than Pensions (OPEB)***

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

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

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

***1-P Net Position/Fund Balances***

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

**Net investment in capital assets** – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of the bond and note that are attributable to the acquisition, construction, or improvement of those assets.

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

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
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**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 are more transparent. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

**Unassigned** – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

Per the Town's fund balance policy, the adequacy of unassigned fund balance in the general fund should take into account each government's own unique circumstances. GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating expenditures, plus any amounts defined in the municipality's stabilization fund policy, if applicable. The Goffstown Select Board deems it appropriate to exclude from consideration assigned and committed fund balance and focus on unassigned fund balance- rather than on unrestricted fund balance.

The Town shall achieve and maintain a minimum unassigned fund balance at 12% of the calculated general fund operating expenditures as defined above.

The Town shall work toward maintaining an unassigned fund balance of at least 16% of the general fund operating expenditures as defined above.

There are three ways to access unassigned fund balance.

1. At tax rate setting time the Select Board can use fund balance to stabilize the town side of the tax rate.
2. The Select Board may propose appropriations of any amount of unassigned fund balance in excess of the designated percentage, as allowed by NH law. These appropriations must go before the voters at Town Meeting.
3. The Select Board may appropriate unassigned fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the designated percentage. Emergency use of fund balance must follow the current legal procedure at the time of the transaction. An emergency purpose does not include the offsetting of property taxes or mismanagement of funds.

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
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**1-Q Use of Estimates**

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

**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 and proprietary sewer funds, as well as the nonmajor EMS fund. Except as reconciled below, the budget was adopted on a basis consistent with US 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.

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. For the fiscal year 2023, none of the beginning general fund unassigned fund balance was applied for this purpose and \$250,000 was voted from unassigned fund balance as a transfer to the capital reserve funds.

**2-B Budgetary Reconciliation to GAAP Basis**

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

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 24,490,026
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	87,148
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	173,766
Per Exhibit C-3 (GAAP basis)	\$ 24,750,940

*(Continued)*

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*Budgetary reconciliation to GAAP basis continued:*

Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 24,408,723
Adjustments:	
Basis differences:	
Encumbrances, beginning	2,322,665
Encumbrances, ending	(1,042,163)
GASB Statement No. 54:	
To eliminate transfers between the general fund and blended funds	(250,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 25,439,225</u>

**2-C Accounting Change**

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and have determined that none of the agreements have met the requirements of the pronouncement.

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town’s deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town’s agent in the Town’s name. The FDIC currently insures the first \$250,000 of the Town’s deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town’s deposits was \$29,321,633 and the bank balances totaled \$29,412,935. Petty cash totaled \$1,900.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 28,756,280
Cash per Statement of Net Position - Fiduciary Funds (Exhibit F-1)	<u>565,353</u>
Total cash and cash equivalents	<u>\$ 29,321,633</u>

**NOTE 4 – INVESTMENTS**

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

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The Town has the following recurring fair value measurements as of December 31, 2023:

	Fair Value Hierarchy		Total
	Level 1	Level 2	
Investments type:			
Common stock	\$ 1,037,388	\$ -	\$ 1,037,388
Equity mutual funds	349,509	-	349,509
Corporate bonds	-	265,374	265,374
U.S. Government agency bonds	-	197,329	197,329
U.S. Treasury bonds	-	300,604	300,604
Total fair value of investments	<u>\$ 1,386,897</u>	<u>\$ 763,307</u>	<u>2,150,204</u>
Investments carried at amortized cost:			
NH Public Deposit Investment Pool			6,874,796
Total investments			<u>\$ 9,025,000</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. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town has the following remaining maturities as of December 31, 2023:

Investments Type	Reported Balance	Exempt from Disclosure	Remaining Maturity (in Years)		
			Less than 1 Year	1-5 Years	6-10 Years
Common stock	\$ 1,037,388	\$ 1,037,388	\$ -	\$ -	\$ -
Equity mutual funds	349,509	349,509	-	-	-
Corporate bonds	265,374	-	24,707	193,696	46,971
U.S. Government agency bonds	197,329	-	-	97,362	99,967
U.S. Treasury bonds	300,604	-	-	234,641	65,963
Total	<u>2,150,204</u>	<u>1,386,897</u>	<u>\$ 24,707</u>	<u>\$ 525,699</u>	<u>\$ 212,901</u>
Investments carried at amortized cost:					
New Hampshire Public Deposit Investment Pool	6,874,796	6,874,796			
Total investments	<u>\$ 9,025,000</u>	<u>\$ 8,261,693</u>			

The Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt From Disclosure	Rating as of Year End	
			AAA	Baa
Common stock	\$ 1,037,388	\$ 1,037,388	\$ -	\$ -
Equity mutual funds	349,509	349,509	-	-
Corporate bonds	265,374	-	216,198	49,176
U.S. Government agency bonds	197,329	-	197,329	-
U.S. Treasury bonds	300,604	-	300,604	-
Total	<u>\$ 2,150,204</u>	<u>\$ 1,386,897</u>	<u>\$ 714,131</u>	<u>\$ 49,176</u>

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 7,431,123
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit F-1)	1,593,877
Total investments	<u>\$ 9,025,000</u>

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**NOTE 5 – TAXES RECEIVABLE**

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2023. Taxes receivable by year for the governmental activities and major general fund are as follows:

Property:	
Levy of 2023	\$ 1,292,496
Unredeemed (under tax lien):	
Levy of 2022	330,152
Levy of 2021	83,194
Yield	77
Betterment	7,541
Taxes receivable	<u>\$ 1,713,460</u>

**NOTE 6 – OTHER RECEIVABLES**

Receivables at December 31, 2023, consisted of accounts (billings for police details, sewer, ambulance, 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 December 31, 2023 for the Town's individual major and nonmajor funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Governmental Funds			Proprietary	Fiduciary
			General	Nonmajor	Total	Fund Sewer	Fund Custodial
Receivables:							
Accounts	\$ 2,202,058	\$ -	\$ 79,197	\$ 2,122,861	\$ 2,202,058	\$ -	\$ 99,835
Special assessments	316,598	-	-	-	-	-	-
Intergovernmental	842,533	-	826,489	16,044	842,533	-	14,415,475
Fees (sewer)	-	177,682	-	-	-	177,682	-
Gross receivables	<u>3,361,189</u>	<u>177,682</u>	<u>905,686</u>	<u>2,138,905</u>	<u>3,044,591</u>	<u>177,682</u>	<u>14,515,310</u>
Less:							
Allowance for uncollectibles	<u>(1,310,242)</u>	<u>(9,983)</u>	<u>-</u>	<u>(1,310,242)</u>	<u>(1,310,242)</u>	<u>(9,983)</u>	<u>-</u>
Net total receivables	<u>\$ 2,050,947</u>	<u>\$ 167,699</u>	<u>\$ 905,686</u>	<u>\$ 828,663</u>	<u>\$ 1,734,349</u>	<u>\$ 167,699</u>	<u>\$ 14,515,310</u>

<sup>1</sup> Fiduciary Funds - intergovernmental receivables represent property taxes collected on behalf of the Goffstown School District. 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 9.

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 is as follows:

	Balance, beginning	Additions	Deletions	Balance, ending
<b>Governmental activities:</b>				
At cost:				
Not being depreciated:				
Land	\$ 6,191,171	\$ 30,000	\$ -	\$ 6,221,171
Construction in progress	2,566,735	221,229	(1,647,036)	1,140,928
Total capital assets not being depreciated	<u>8,757,906</u>	<u>251,229</u>	<u>(1,647,036)</u>	<u>7,362,099</u>

*(Continued)*

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Capital assets continued:

	Balance, beginning	Additions	Deletions	Balance, ending
Being depreciated:				
Buildings and building improvements	8,186,767	-	-	8,186,767
Machinery, vehicles, and furnishings	14,831,413	2,941,513	(1,003,628)	16,769,298
Infrastructure	35,531,215	128,137	-	35,659,352
Total capital assets being depreciated	58,549,395	3,069,650	(1,003,628)	60,615,417
Total all capital assets	67,307,301	3,320,879	(2,650,664)	67,977,516
Less accumulated depreciation:				
Buildings and building improvements	(3,845,457)	(181,307)	-	(4,026,764)
Machinery, vehicles, and furnishings	(9,758,146)	(1,216,992)	766,966	(10,208,172)
Infrastructure	(16,981,051)	(883,738)	-	(17,864,789)
Total accumulated depreciation	(30,584,654)	(2,282,037)	766,966	(32,099,725)
Net book value, capital assets being depreciated	27,964,741	787,613	(236,662)	28,515,692
Net book value, all governmental activities capital assets	\$ 36,722,647	\$ 1,038,842	\$ (1,883,698)	\$ 35,877,791
<b>Business-type activities:</b>				
At cost:				
Not being depreciated:				
Construction in progress	\$ 313,181	\$ 288,112	\$ -	\$ 601,293
Being depreciated:				
Machinery, vehicles, and furnishings	50,513	-	-	50,513
Infrastructure	16,375,571	-	-	16,375,571
Total capital assets being depreciated	16,426,084	-	-	16,426,084
Total all capital assets	16,739,265	288,112	-	17,027,377
Less accumulated depreciation:				
Machinery, vehicles, and furnishings	(10,103)	(10,102)	-	(20,205)
Infrastructure	(13,773,664)	(121,608)	-	(13,895,272)
Total accumulated depreciation	(13,783,767)	(131,710)	-	(13,915,477)
Net book value, capital assets being depreciated	2,642,317	(131,710)	-	2,510,607
Net book value, all business-type activities capital assets	\$ 2,955,498	\$ 156,402	\$ -	\$ 3,111,900

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:

<b>Governmental activities:</b>		
General government	\$ 61,966	
Public safety	1,658,143	
Highways and streets	561,928	
Total depreciation expense	\$ 2,282,037	
<b>Business-type activities:</b>		
Sanitation	\$ 131,710	

**NOTE 8 – INTERFUND BALANCES AND TRANSFERS**

**Interfund Balances** - The composition of interfund balances as of December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Sewer (Proprietary)	\$ 52,604
General	Nonmajor	86,772
Nonmajor	General	31,000
		\$ 170,376

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

**Interfund Transfers** - The composition of interfund transfers for the year ended December 31, 2023 is as follows:

	Transfer In:		
	General Fund	Proprietary Fund Sewer	Total
	Transfer out:		
General fund	\$ -	\$ 11,748	\$ 11,748
Nonmajor funds	10,800	-	10,800
Total	\$ 10,800	\$ 11,748	\$ 22,548

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

**NOTE 9 – INTERGOVERNMENTAL PAYABLES**

Amounts due to other governments at December 31, 2023 consist of the following:

	Governmental Activities	Business-type Activities	Governmental Funds			Proprietary Fund Sewer	Fiduciary Fund Custodial
			General	Nonmajor	Total		
Property taxes due to:							
Custodial funds <sup>2</sup>	\$ 14,415,475	\$ -	\$ 14,415,475	\$ -	\$ 14,415,475	\$ -	\$ -
Goffstown School District <sup>3</sup>	-	-	-	-	-	-	14,415,475
Balance due to:							
City of Manchester	29,308	54,874	29,308	-	29,308	54,874	-
New Hampshire Retirement System	561,963	7,171	544,145	17,818	561,963	7,171	-
Other miscellaneous	8,515	-	4,705	3,810	8,515	-	-
Total intergovernmental payables due	\$ 15,015,261	\$ 62,045	\$ 14,993,633	\$ 21,628	\$ 15,015,261	\$ 62,045	\$ 14,415,475

<sup>2</sup> Property taxes due to the custodial fund represent amounts collected by the Town on behalf of the Goffstown School District and are reported as a component of general fund cash at year-end.

<sup>3</sup> Property taxes due to the Goffstown School District represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

**NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred outflows of resources are as follows:

	Government-wide			Proprietary Fund Sewer
	Governmental Activities	Business-type Activities	Total	
Amounts related to pensions, see Note 12	\$ 3,662,127	\$ 36,991	\$ 3,699,118	\$ 36,991
Amounts related to OPEB, see Note 13	368,848	3,725	372,573	3,725
Total deferred outflows of resources	\$ 4,030,975	\$ 40,716	\$ 4,071,691	\$ 40,716

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Deferred inflows of resources are as follows:

	Government-wide			Governmental Funds			Proprietary
	Governmental Activities	Business-type Activities	Total	General	Nonmajor	Total	Fund Sewer
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ -	\$ -	\$ 1,171,234	\$ -	\$ 1,171,234	\$ -
Property taxes collected in advance	14,815	-	14,815	-	-	-	-
Grants	1,383,778	-	1,383,778	-	1,383,778	1,383,778	-
Other miscellaneous	133,941	342	134,283	133,941	-	133,941	342
Amounts related to pensions, see Note 12	151,258	1,528	152,786	-	-	-	1,528
Amounts related to OPEB, see Note 13	1,557,072	15,728	1,572,800	-	-	-	15,728
<b>Total deferred inflows of resources</b>	<b>\$ 3,240,864</b>	<b>\$ 17,598</b>	<b>\$ 3,258,462</b>	<b>\$ 1,305,175</b>	<b>\$ 1,383,778</b>	<b>\$ 2,688,953</b>	<b>\$ 17,598</b>

**NOTE 11 – LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2023:

	Balance			Balance	Due Within	Due In More
	January 1, 2023	Additions	Reductions	December 31, 2023	One Year	Than One Year
<b>Governmental activities:</b>						
Direct placement - bond payable	\$ 1,470,000	\$ -	\$ (105,000)	\$ 1,365,000	\$ 105,000	\$ 1,260,000
Premium	128,520	-	(9,180)	119,340	9,180	110,160
Total bond payable	1,598,520	-	(114,180)	1,484,340	114,180	1,370,160
Direct borrowing - note payable	375,908	-	(42,478)	333,430	43,694	289,736
Compensated absences	307,558	45,581	-	353,139	15,963	337,176
Accrued landfill postclosure care costs	218,400	51,117	-	269,517	8,984	260,533
Net pension liability	19,308,237	74,228	-	19,382,465	-	19,382,465
Net other postemployment benefits	3,045,999	-	(83,023)	2,962,976	-	2,962,976
Total long-term liabilities	\$ 24,854,622	\$ 170,926	\$ (239,681)	\$ 24,785,867	\$ 182,821	\$ 24,603,046
<b>Business-type activities:</b>						
Compensated absences	\$ 6,625	\$ 439	\$ -	\$ 7,064	\$ -	\$ 7,064
Net pension liability	195,033	749	-	195,782	-	195,782
Net other postemployment benefits	30,768	-	(839)	29,929	-	29,929
Total long-term liabilities	\$ 232,426	\$ 1,188	\$ (839)	\$ 232,775	\$ -	\$ 232,775

The long-term bond and note are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2023	Current Portion
Direct placement - bond payable:						
Fire station	\$ 2,300,000	2016	2036	2.50%	\$ 1,365,000	\$ 105,000
Bond premium					119,340	9,180
Total					1,484,340	114,180
Direct borrowing - note payable:						
Lynchville/Danis Park	\$ 900,000	2010	2030	2.86%	333,430	43,694
Total					\$ 1,817,770	\$ 157,874

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The annual requirements to amortize the general obligation bond and note outstanding as of December 31, 2023, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond - Direct Placement			Note - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 105,000	\$ 45,554	\$ 150,554	\$ 43,694	\$ 9,549	\$ 53,243
2025	105,000	41,333	146,333	44,946	8,298	53,244
2026	105,000	36,062	141,062	46,233	7,011	53,244
2027	105,000	30,791	135,791	47,557	5,687	53,244
2028	105,000	28,670	133,670	48,919	4,325	53,244
2029-2033	525,000	99,461	624,461	102,081	4,406	106,487
2034-2037	315,000	19,026	334,026	-	-	-
Totals	\$ 1,365,000	\$ 300,897	\$ 1,665,897	\$ 333,430	\$ 39,276	\$ 372,706

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

**Accrued Landfill Postclosure Care Costs** – The Town ceased operating its landfill in 2001. 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 liability for landfill postclosure care costs has a balance of \$269,517 as of December 31, 2023. The estimated total current cost of the landfill postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2023. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN**

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

**Benefits Provided** – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service.

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For Group II members not vested by 1/1/12 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

Years of Creditable Service as of 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

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

**Contributions** – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For the period of January 1, 2023 to June 30, 2023, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. For the period of July 1, 2023 to December 31, 2023, the Town contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2023 was \$2,046,830 which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2023 the Town reported a liability of \$19,578,247 (\$19,382,465 for the governmental activities and \$195,782 for the business-type activities and proprietary fund) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2023, the Town’s proportion was 0.35% which was an increase of 0.01% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$2,105,319. At December 31, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 1,406,090	\$ 144,918
Changes in assumptions	515,289	-
Net difference between projected and actual investment earnings on pension plan investments	283,135	-
Differences between expected and actual experience	500,268	7,868
Contributions subsequent to the measurement date	994,336	-
Total	<u>\$ 3,699,118</u>	<u>\$ 152,786</u>

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The \$994,336 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 December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2024	\$ 1,051,822
2025	132,635
2026	1,325,136
2027	42,403
2028	-
Thereafter	-
Totals	<u>\$ 2,551,996</u>

**Actuarial Assumptions** – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly apply to 2023 measurements:

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

**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 long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public Equity	<u>50.00%</u>	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	<u>20.00%</u>	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	<u>100.00%</u>	

**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

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funding policy as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Pension Plan investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2023	\$ 26,565,311	\$ 19,578,247	\$ 13,608,228

**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 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**13-A New Hampshire Retirement System (NHRS)**

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

**Benefits Provided** - Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

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

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

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

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

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2023, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan

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based on fund balances. For the period of January 1, 2023 to June 30, 2023, the Town contributed 3.21% for police and fire, and 0.31% for other employees. For the period of July 1, 2023 to December 31, 2023, the Town contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2023 was \$147,291, which was paid in full.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB** – At December 31, 2023, the Town reported a liability of \$1,278,890 (\$1,266,101 for governmental activities and \$12,789 for the business-type activities and proprietary fund) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2023, the Town’s proportion was 0.37% which was an increase of 0.01% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$85,397. At December 31, 2023, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 1,537
Contributions subsequent to the measurement date	67,490
Total	\$ 69,027

The \$67,490 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 December 31, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2024	\$ (254)
2025	(1,942)
2026	4,155
2027	(422)
2028	-
Thereafter	-
Totals	\$ 1,537

**Actuarial Assumptions** – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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**Long-term Rates of Return** – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	50.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	100.00%	

**Discount Rate** – The discount rate used to measure the total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2023	\$ 1,389,000	\$ 1,278,890	\$ 1,182,822

**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.

**13-B Town of Goffstown Retiree Health Benefit Program**

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

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

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**Employees Covered by Benefit Terms** – At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	40
Active employees	<u>131</u>
Total participants covered by OPEB plan	<u><u>171</u></u>

**Total OPEB Liability** – The Town’s total OPEB liability of \$1,714,014 (\$1,696,875 for the governmental activities and \$17,140 for the business-type activities and proprietary fund) was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022.

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

Discount Rate:	3.72%
Healthcare Cost Trend Rates:	
Current Year Trend	6.50%
Second Year Trend	6.00%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2026
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 December 31, 2023

Mortality rates were based on the RP-2014 Total Dataset Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2021.

**Changes in the Total OPEB Liability**

	December 31,	
	2022	2023
OPEB liability, beginning of year	\$ 1,830,406	\$ 1,717,299
Changes for the year:		
Service cost	99,455	71,878
Interest	40,368	63,993
Assumption changes	(223,926)	-
Difference between actual and expected experience	84,951	-
Benefit payments	<u>(113,955)</u>	<u>(139,156)</u>
OPEB liability, end of year	<u><u>\$ 1,717,299</u></u>	<u><u>\$ 1,714,014</u></u>

**Sensitivity of the Town’s OPEB Liability to Changes in the Discount Rate** – The January 1, 2022 actuarial valuation was prepared using a discount rate of 3.72%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$1,863,149 or by 8.70%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$1,579,664 or by 7.84%.

	Discount Rate		
	1% Decrease	Baseline 3.72%	1% Increase
Total OPEB Liability	<u><u>\$ 1,863,149</u></u>	<u><u>\$ 1,714,014</u></u>	<u><u>\$ 1,579,664</u></u>

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**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The January 1, 2022 actuarial valuation was prepared using an initial trend rate of 6.50%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$1,946,342 or by 13.55%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$1,519,376 or by 11.34%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 6.50%	1% Increase
Total OPEB Liability	<u>\$ 1,519,676</u>	<u>\$ 1,714,014</u>	<u>\$ 1,946,342</u>

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2023, the Town recognized OPEB expense of \$90,759. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 221,821	\$ 1,032,371
Differences between expected and actual experience	81,725	540,429
Total	<u>\$ 303,546</u>	<u>\$ 1,572,800</u>

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

Fiscal Year Ending June 30,	
2024	\$ (226,630)
2025	(226,630)
2026	(226,630)
2027	(218,232)
2028	(206,399)
Thereafter	(164,733)
Totals	<u>\$ (1,269,254)</u>

**NOTE 14 - ENCUMBRANCES**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2023 are as follows:

General fund:	
General government	\$ 104,451
Public safety	11,385
Highways and streets	10,000
Capital outlay	916,327
Total encumbrances	<u>\$ 1,042,163</u>

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**NOTE 15 – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES, PROPRIETARY FUND,  
AND FIDUCIARY FUNDS NET POSITION**

Governmental and business-type activities, proprietary and fiduciary funds net position reported on the Statements of Net Position at December 31, 2023 include the following:

	Government-wide Financial Statements			Fiduciary Funds
	Governmental Activities	Business-type Activities and Proprietary Fund	Total	
Net investment in capital assets:				
Net book value, all capital assets	\$ 35,877,791	\$ 3,111,900	\$ 38,989,691	\$ -
Less:				
Direct placement - bond payable	(1,365,000)	-	(1,365,000)	-
Unamortized bond premiums	(119,340)	-	(119,340)	-
Direct borrowing - note payable	(333,430)	-	(333,430)	-
Total net investment in capital assets	<u>34,060,021</u>	<u>3,111,900</u>	<u>37,171,921</u>	<u>-</u>
Restricted net position:				
Library	175,534	-	175,534	-
Escrows and impact fees	737,511	-	737,511	-
Perpetual care - nonexpendable	1,009,627	-	1,009,627	-
Perpetual care - expendable	341,351	-	341,351	-
Individuals, organizations, and other governments	-	-	-	2,259,065
Total restricted net position	<u>2,264,023</u>	<u>-</u>	<u>2,264,023</u>	<u>2,259,065</u>
Unrestricted	<u>(5,869,662)</u>	<u>5,682,929</u>	<u>(186,733)</u>	<u>-</u>
Total net position	<u>\$ 30,454,382</u>	<u>\$ 8,794,829</u>	<u>\$ 39,249,211</u>	<u>\$ 2,259,065</u>

**NOTE 16 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>			
Tax dedeed property	\$ 2,749	\$ -	\$ 2,749
Permanent fund - principal balance	-	1,009,627	1,009,627
Total nonspendable fund balance	<u>2,749</u>	<u>1,009,627</u>	<u>1,012,376</u>
<b>Restricted:</b>			
Library	-	175,534	175,534
Escrows and impact fees	-	737,511	737,511
Permanent fund - income balance	-	341,351	341,351
Total restricted fund balance	<u>-</u>	<u>1,254,396</u>	<u>1,254,396</u>
<b>Committed:</b>			
Expendable trust funds	1,843,810	-	1,843,810
EMS	-	1,347,608	1,347,608
Conservation commission	-	301,240	301,240
Heritage commission	-	4,463	4,463
Parks and recreation	-	334,471	334,471
GTV cable	-	76,788	76,788
Special detail revolving	-	145,321	145,321
Total committed fund balance	<u>1,843,810</u>	<u>2,209,891</u>	<u>4,053,701</u>

*(Continued)*

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Governmental fund balances continued:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Assigned:</b>			
Encumbrances	1,042,163	-	1,042,163
<b>Unassigned</b>	8,226,018	-	8,226,018
Total governmental fund balances	<u>\$ 11,114,740</u>	<u>\$ 4,473,914</u>	<u>\$ 15,588,654</u>

**NOTE 17 – PRIOR PERIOD ADJUSTMENTS**

Net position/fund balance at January 1, 2023 was restated to give retroactive effect to the following prior period adjustment:

	Governmental Activities	Governmental Fund	
		General (GAAP Basis)	General (Budgetary Basis)
To restate for insurance reimbursements recorded in due to others taxes and recognition of 60 day collections	\$ 27,553	\$ 27,553	\$ 27,553
property taxes and recognition of 60 day collections	-	944,088	-
Net position/fund balance, as previously reported	29,886,144	10,831,384	7,471,352
Net position/fund balance, as restated	<u>\$ 29,913,697</u>	<u>\$ 11,803,025</u>	<u>\$ 7,498,905</u>

**NOTE 18 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2023, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2023 to December 31, 2023 by Primex<sup>3</sup>, 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 Primex<sup>3</sup>. 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 Primex<sup>3</sup> 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 2023 the Town paid \$180,662 and \$191,684 respectively, to Primex for property, liability and worker's compensation. At this time, Primex<sup>3</sup> 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 19 – 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.

The Town had no such agreements as of December 31, 2023.

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**NOTE 20 – CONTINGENT LIABILITIES**

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

**NOTE 21 – 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 October 16, 2024, the date the December 31, 2023 financial statements were available to be issued, and the following events occurred that requires recognition or disclosure:

**Warrant Article #22 (March 2024)** – Established a revolving fund for the purpose of maintenance and replacement of the Town's dispatch center, hardware and software related to first responder dispatch services, including the first responder radio infrastructure.

**Warrant Article #23 (March 2024)** – Established a revolving fund for the purpose of funding operating and capital expenditures of Emergency Medical Services.

**Warrant Article #24 (March 2024)** – Discontinued the Emergency Medical Services Special Revenue Fund created in 2001.

**Warrant Article #25 (March 2024)** – Modified the existing Cable Access Revolving Fund established in 2013, to increase the amount of franchise fee revenues received from the cable franchise agreement from 40% to 70%.

***REQUIRED SUPPLEMENTARY INFORMATION***

**EXHIBIT G**  
**TOWN OF GOFFSTOWN, 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 December 31, 2023*  
**Unaudited**

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Town's proportion of the net pension liability	0.34%	0.34%	0.33%	0.31%	0.32%	0.30%	0.32%	0.34%	0.35%
Town's proportionate share of the net pension liability	\$ 13,581,973	\$ 18,149,475	\$ 16,423,078	\$ 15,138,099	\$ 15,211,519	\$ 19,190,914	\$ 14,147,893	\$ 19,503,270	\$ 19,578,247
Town's covered payroll (as of the measurement date)	\$ 7,484,563	\$ 7,559,419	\$ 7,653,505	\$ 7,698,200	\$ 7,923,476	\$ 7,770,005	\$ 7,913,788	\$ 8,681,598	\$ 9,759,836
Town's proportionate share of the net pension liability as a percentage of its covered payroll	181.47%	240.09%	214.58%	196.64%	191.98%	246.99%	178.78%	224.65%	200.60%
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%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.  
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**EXHIBIT H**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
*Schedule of Town Contributions - Pensions*  
**New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan**  
**For the Fiscal Year Ended December 31, 2023**  
**Unaudited**

Fiscal year-end	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2022
Contractually required contribution	\$ 1,173,354	\$ 1,220,621	\$ 1,270,031	\$ 1,355,312	\$ 1,375,779	\$ 1,332,897	\$ 1,466,614	\$ 2,014,944	\$ 2,046,830
Contributions in relation to the contractually required contributions	(1,173,354)	(1,220,621)	(1,270,031)	(1,355,312)	(1,375,779)	(1,332,897)	(1,466,614)	(2,014,944)	(2,046,830)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year-end)	\$ 7,423,050	\$ 7,575,164	\$ 7,625,858	\$ 7,822,590	\$ 7,782,890	\$ 8,332,449	\$ 8,973,276	\$ 9,403,814	\$ 9,548,427
Contributions as a percentage of covered payroll	15.81%	16.11%	16.65%	17.33%	17.68%	16.00%	16.34%	21.43%	21.44%

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2023**

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

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

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

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

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits G and H represent the actuarial determined costs associated with the Town's pension plan at December 31, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**EXHIBIT I**  
**TOWN OF GOFFSTOWN, 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 December 31, 2023*  
**Unaudited**

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2022
Town's proportion of the net OPEB liability	0.23%	0.32%	0.33%	0.29%	0.31%	0.36%	0.37%
Town's proportionate share of the net OPEB liability (asset)	\$ 1,031,008	\$ 1,479,509	\$ 1,432,389	\$ 1,258,542	\$ 1,254,151	\$ 1,359,467	\$ 1,278,890
Town's covered payroll (as of the measurement date)	\$ 7,623,505	\$ 7,698,200	\$ 7,923,476	\$ 7,770,005	\$ 7,913,788	\$ 8,681,598	\$ 9,759,836
Town's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	13.52%	19.22%	18.08%	16.20%	15.85%	15.66%	13.10%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%	10.75%

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

**EXHIBIT J**  
**TOWN OF GOFFSTOWN, 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 December 31, 2023*  
**Unaudited**

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2022
Contractually required contribution	\$ 137,218	\$ 146,444	\$ 149,103	\$ 133,463	\$ 150,499	\$ 155,761	\$ 147,291
Contributions in relation to the contractually required contribution	(137,218)	(146,444)	(149,103)	(133,463)	(150,499)	(155,761)	(147,291)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year end)	\$ 7,625,858	\$ 7,822,590	\$ 7,782,890	\$ 8,332,449	\$ 8,973,276	\$ 9,403,814	\$ 9,548,427
Contributions as a percentage of covered payroll	1.80%	1.87%	1.92%	1.60%	1.68%	1.66%	1.54%

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

**EXHIBIT K**  
**TOWN OF GOFFSTOWN, 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 December 31, 2023**  
**Unaudited**

	December 31,					
	2018	2019	2020	2021	2022	2023
OPEB liability, beginning of year	\$ 3,407,878	\$ 3,369,924	\$ 4,025,871	\$ 1,791,521	\$ 1,830,406	\$ 1,717,299
Changes for the year:						
Service cost	158,802	141,505	66,451	77,476	99,455	71,878
Interest	121,094	141,492	46,498	38,664	40,368	63,993
Assumption changes	(224,002)	495,030	(1,349,222)	13,730	(223,926)	-
Differences between actual and expected experience	-	-	(913,581)	-	84,951	-
Benefit payments	(93,848)	(122,080)	(84,496)	(90,985)	(113,955)	(139,156)
OPEB liability, end of year	<u>\$ 3,369,924</u>	<u>\$ 4,025,871</u>	<u>\$ 1,791,521</u>	<u>\$ 1,830,406</u>	<u>\$ 1,717,299</u>	<u>\$ 1,714,014</u>
Covered payroll	<u>\$ 7,511,456</u>	<u>\$ 7,699,243</u>	<u>\$ 8,324,065</u>	<u>\$ 8,532,166</u>	<u>\$ 9,403,814</u>	<u>\$ 9,548,427</u>
Total OPEB liability as a percentage of covered payroll	44.86%	52.29%	21.52%	21.45%	18.26%	17.95%

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

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFIT LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2023**

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

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

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

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

As required by GASB Statement No. 75, Exhibits I and J represent the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

As required by GASB Statement No. 75, Exhibit K represents the actuarial determined costs associated with the Town's other postemployment benefits at December 31, 2023. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***

**SCHEDULE 1**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)*  
*For the Fiscal Year Ended December 31, 2023*

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 17,096,214	\$ 16,794,697	\$ (301,517)
Yield	5,000	6,888	1,888
Special assessment	50,000	50,122	122
Excavation	100	54	(46)
Payment in lieu of taxes	84,000	84,000	-
Interest and penalties on taxes	92,000	96,173	4,173
Total from taxes	<u>17,327,314</u>	<u>17,031,934</u>	<u>(295,380)</u>
<b>Licenses, permits, and fees:</b>			
Business licenses, permits, and fees	6,500	5,911	(589)
Motor vehicle permit fees	3,450,000	3,506,116	56,116
Building permits	87,500	82,217	(5,283)
Other	32,750	32,744	(6)
Total from licenses, permits, and fees	<u>3,576,750</u>	<u>3,626,988</u>	<u>50,238</u>
<b>Intergovernmental:</b>			
<b>State:</b>			
Meals and rooms distribution	1,750,395	1,750,395	-
Highway block grant	431,321	431,267	(54)
Other	6,000	5,334	(666)
<b>Federal:</b>			
Other	324,409	404,919	80,510
<b>Other:</b>			
Local government	187,853	199,367	11,514
Total from intergovernmental	<u>2,699,978</u>	<u>2,791,282</u>	<u>91,304</u>
<b>Charges for services:</b>			
Income from departments	354,710	339,139	(15,571)
<b>Miscellaneous:</b>			
Sale of municipal property	50,000	40,927	(9,073)
Interest on investments	450,000	415,748	(34,252)
Cable fees	198,000	184,304	(13,696)
Other	31,500	37,156	5,656
Total from miscellaneous	<u>729,500</u>	<u>678,135</u>	<u>(51,365)</u>
<b>Other financing sources:</b>			
Transfers in	22,548	22,548	-
Total revenues and other financing sources	24,710,800	<u>\$ 24,490,026</u>	<u>\$ (220,774)</u>
Amounts voted from fund balance	250,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 24,960,800</u>		

See Independent Auditor's Report.

**SCHEDULE 2**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Major General Fund**  
*Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)*  
**For the Fiscal Year Ended December 31, 2023**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ 1,590	\$ 489,014	\$ 477,910	\$ 8,618	\$ 4,076
Election and registration	-	276,837	269,337	-	7,500
Financial administration	20,050	1,506,171	1,461,383	52,803	12,035
Revaluation of property	-	197,219	176,402	-	20,817
Planning and zoning	9,210	345,281	256,525	40,250	57,716
Cemeteries	-	189,414	161,098	-	28,316
Insurance, not otherwise allocated	-	2,422,880	2,509,684	-	(86,804)
Other	-	25,950	20,513	2,780	2,657
Total general government	<u>30,850</u>	<u>5,452,766</u>	<u>5,332,852</u>	<u>104,451</u>	<u>46,313</u>
Public safety:					
Police	2,563	4,136,672	3,845,312	4,440	289,483
Fire	14,788	3,409,331	3,411,086	6,945	6,088
Building inspection	-	128,799	113,873	-	14,926
Emergency management	-	10,783	5,381	-	5,402
Other	-	986,483	908,319	-	78,164
Total public safety	<u>17,351</u>	<u>8,672,068</u>	<u>8,283,971</u>	<u>11,385</u>	<u>394,063</u>
Highways and streets:					
Highways and streets	381,190	3,294,357	3,641,940	10,000	23,607
Other	-	692,366	705,862	-	(13,496)
Total highways and streets	<u>381,190</u>	<u>3,986,723</u>	<u>4,347,802</u>	<u>10,000</u>	<u>10,111</u>
Sanitation:					
Solid waste collection	9,300	1,547,306	1,539,220	-	17,386
Welfare:					
Administration and direct assistance	-	20,391	10,876	-	9,515
Vendor payments and other	-	20,000	20,000	-	-
Total welfare	<u>-</u>	<u>40,391</u>	<u>30,876</u>	<u>-</u>	<u>9,515</u>
Culture and recreation:					
Parks and recreation	-	597,222	580,508	-	16,714
Library	-	828,006	797,082	-	30,924
Total culture and recreation	<u>-</u>	<u>1,425,228</u>	<u>1,377,590</u>	<u>-</u>	<u>47,638</u>
Debt service:					
Principal of long-term debt	-	105,000	105,000	-	-
Interest on long-term debt	-	49,775	49,775	-	-
Interest on tax anticipation notes	-	1	-	-	1
Other	-	53,244	53,244	-	-
Total debt service	<u>-</u>	<u>208,020</u>	<u>208,019</u>	<u>-</u>	<u>1</u>
Capital outlay	1,883,974	3,378,298	4,318,895	916,327	27,050
Other financing uses:					
Transfers out	-	250,000	250,000	-	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 2,322,665</u>	<u>\$ 24,960,800</u>	<u>\$ 25,689,225</u>	<u>\$ 1,042,163</u>	<u>\$ 552,077</u>

See Independent Auditor's Report.

**SCHEDULE 3**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Major General Fund**  
**Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended December 31, 2023**

Unassigned fund balance, beginning, as restated (see Note 17)		\$ 7,498,905
Changes:		
Amounts voted from fund balance		(250,000)
2023 Budget summary:		
Revenue shortfall (Schedule 1)	\$ (220,774)	
Unexpended balance of appropriations (Schedule 2)	<u>552,077</u>	
Budget surplus		<u>331,303</u>
Unassigned fund balance, ending		7,580,208
<b>Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis</b>		
To record collection of property taxes within 60 days of the fiscal year-end, previously deferred under modified accrual basis of accounting		<u>645,810</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u>\$ 8,226,018</u>

See Independent Auditor's Report.

**SCHEDULE 4**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2023**

	Special Revenue Funds				
	Grants	EMS	Conservation	Heritage	Parks and Recreation
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,375,205	\$ 767,776	\$ 270,240	\$ 4,463	\$ 334,471
Investments	-	-	-	-	-
Accounts receivable (net)	-	664,310	-	-	-
Due from other governments	16,044	-	-	-	-
Interfund receivable	-	-	31,000	-	-
Total assets	<u>\$ 1,391,249</u>	<u>\$ 1,432,086</u>	<u>\$ 301,240</u>	<u>\$ 4,463</u>	<u>\$ 334,471</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 7,471	\$ 15,105	\$ -	\$ -	\$ -
Intergovernmental payable	-	9,507	-	-	-
Interfund payable	-	59,866	-	-	-
Total liabilities	<u>7,471</u>	<u>84,478</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - grants	<u>1,383,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	1,347,608	301,240	4,463	334,471
Total fund balances	<u>-</u>	<u>1,347,608</u>	<u>301,240</u>	<u>4,463</u>	<u>334,471</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,391,249</u>	<u>\$ 1,432,086</u>	<u>\$ 301,240</u>	<u>\$ 4,463</u>	<u>\$ 334,471</u>

Special Revenue Funds					
GTV Cable	Special Detail Revolving	Library	Escrows and Impact Fees	Permanent Fund	Total
\$ 15,166	\$ 130,035	\$ 192,440	\$ 688,994	\$ 79,199	\$ 3,857,989
-	-	-	-	1,271,779	1,271,779
66,332	19,650	-	62,327	-	812,619
-	-	-	-	-	16,044
-	-	-	-	-	31,000
<u>\$ 81,498</u>	<u>\$ 149,685</u>	<u>\$ 192,440</u>	<u>\$ 751,321</u>	<u>\$ 1,350,978</u>	<u>\$ 5,989,431</u>
\$ 763	\$ -	\$ -	\$ -	\$ -	\$ 23,339
3,947	4,364	-	3,810	-	21,628
-	-	16,906	10,000	-	86,772
<u>4,710</u>	<u>4,364</u>	<u>16,906</u>	<u>13,810</u>	<u>-</u>	<u>131,739</u>
-	-	-	-	-	1,383,778
-	-	-	-	1,009,627	1,009,627
-	-	175,534	737,511	341,351	1,254,396
76,788	145,321	-	-	-	2,209,891
<u>76,788</u>	<u>145,321</u>	<u>175,534</u>	<u>737,511</u>	<u>1,350,978</u>	<u>4,473,914</u>
<u>\$ 81,498</u>	<u>\$ 149,685</u>	<u>\$ 192,440</u>	<u>\$ 751,321</u>	<u>\$ 1,350,978</u>	<u>\$ 5,989,431</u>

See Independent Auditor's Report.

**SCHEDULE 5**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended December 31, 2023**

	Special Revenue Funds				
	Grants	EMS	Conservation	Heritage	Parks and Recreation
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 208,000	\$ -	\$ -
Intergovernmental	400,846	-	-	-	-
Charges for services	-	801,383	-	-	91,445
Miscellaneous	-	-	307	48	9,908
Total revenues	<u>400,846</u>	<u>801,383</u>	<u>208,307</u>	<u>48</u>	<u>101,353</u>
<b>EXPENDITURES</b>					
Current:					
General government	10,731	-	-	-	-
Public safety	26,578	391,346	-	-	-
Highways and streets	3,321	-	-	-	-
Culture and recreation	-	-	-	-	9,354
Capital outlay	360,216	-	25,187	-	-
Total expenditures	<u>400,846</u>	<u>391,346</u>	<u>25,187</u>	<u>-</u>	<u>9,354</u>
Excess of revenues over expenditures	<u>-</u>	<u>410,037</u>	<u>183,120</u>	<u>48</u>	<u>91,999</u>
<b>OTHER FINANCING USES</b>					
Transfers out	-	(9,800)	-	-	-
Net change in fund balances	-	400,237	183,120	48	91,999
Fund balances, beginning	-	947,371	118,120	4,415	242,472
Fund balances, ending	<u>\$ -</u>	<u>\$ 1,347,608</u>	<u>\$ 301,240</u>	<u>\$ 4,463</u>	<u>\$ 334,471</u>

Special Revenue Funds					
GTV Cable	Special Detail Revolving	Library	Escrows and Impact Fees	Permanent Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,000
71,809	-	1,450	-	-	474,105
162,868	204,019	-	-	-	1,259,715
-	-	8,111	81,527	174,972	274,873
<u>234,677</u>	<u>204,019</u>	<u>9,561</u>	<u>81,527</u>	<u>174,972</u>	<u>2,216,693</u>
-	-	-	4,911	11,783	27,425
-	163,360	-	-	-	581,284
-	-	-	21,041	-	24,362
215,805	-	2,411	-	-	227,570
-	-	-	-	-	385,403
<u>215,805</u>	<u>163,360</u>	<u>2,411</u>	<u>25,952</u>	<u>11,783</u>	<u>1,246,044</u>
<u>18,872</u>	<u>40,659</u>	<u>7,150</u>	<u>55,575</u>	<u>163,189</u>	<u>970,649</u>
-	-	(1,000)	-	-	(10,800)
18,872	40,659	6,150	55,575	163,189	959,849
57,916	104,662	169,384	681,936	1,187,789	3,514,065
<u>\$ 76,788</u>	<u>\$ 145,321</u>	<u>\$ 175,534</u>	<u>\$ 737,511</u>	<u>\$ 1,350,978</u>	<u>\$ 4,473,914</u>

See Independent Auditor's Report.

**SCHEDULE 6**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Fiduciary Net Position**  
**December 31, 2023**

	Custodial Funds				Total
	Taxes	Trust Funds	School Impact Fees	State of NH Motor Vehicle Registrations	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 510,650	\$ -	\$ 510,650
Investments	-	699,443	-	-	699,443
Accounts receivable	-	-	99,835	-	99,835
Intergovernmental receivables	14,415,475	-	-	-	14,415,475
Total assets	<u>14,415,475</u>	<u>699,443</u>	<u>610,485</u>	<u>-</u>	<u>15,725,403</u>
<b>LIABILITIES</b>					
Intergovernmental payables:					
School	14,415,475	-	-	-	14,415,475
<b>NET POSITION</b>					
Restricted	<u>\$ -</u>	<u>\$ 699,443</u>	<u>\$ 610,485</u>	<u>\$ -</u>	<u>\$ 1,309,928</u>

See Independent Auditor's Report.

**SCHEDULE 7**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Custodial Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended December 31, 2023**

	Custodial Funds				Total
	Taxes	Trust Funds	School Impact Fees	State of NH Motor Vehicle Permit Fees	
<b>Additions:</b>					
Contributions	\$ -	\$ 250,000	\$ 60,838	\$ -	\$ 310,838
Investment earnings	-	29,020	380	-	29,400
Tax collections for other governments	33,305,561	-	-	-	33,305,561
Motor vehicle permit fees collected	-	-	-	1,118,047	1,118,047
Total additions	<u>33,305,561</u>	<u>279,020</u>	<u>61,218</u>	<u>1,118,047</u>	<u>34,763,846</u>
<b>Deductions:</b>					
Trust fund reimbursements	-	43,935	-	-	43,935
Payments of taxes to other governments	33,305,561	-	-	-	33,305,561
Payments of motor vehicle permit fees	-	-	-	1,118,047	1,118,047
Total deductions	<u>33,305,561</u>	<u>43,935</u>	<u>-</u>	<u>1,118,047</u>	<u>34,467,543</u>
Change in net position	-	235,085	61,218	-	296,303
Net position, beginning	-	464,358	549,267	-	1,013,625
Net position, ending	<u>\$ -</u>	<u>\$ 699,443</u>	<u>\$ 610,485</u>	<u>\$ -</u>	<u>\$ 1,309,928</u>

See Independent Auditor's Report.



## **PLODZIK & SANDERSON**

*Professional Association/Certified Public Accountants*

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

### ***COMMUNICATION OF SIGNIFICANT DEFICIENCIES***

To the Members of the Select Board  
Town of Goffstown  
Goffstown, New Hampshire

In planning and performing our audit of the basic financial statements of the Town of Goffstown as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Goffstown's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Goffstown's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Town's internal control to be significant deficiencies:

#### **Segregation of Duties**

Segregation of duties is a crucial principle in the realm of internal controls and Town governance. Its importance lies in the enhancement of operational efficiency, risk mitigation, and the prevention of fraud. Segregating duties is integral to maintaining the integrity of a Town's operations, safeguarding its assets, and ensuring compliance with legal and regulatory requirements. The absence of an effective segregation of duties hinders proper checks and balances within the financial processes. Critical financial functions, such as authorization, recording, and reconciliation, should ideally be performed by different individuals to ensure comprehensive oversight.

The current organizational structure poses a significant segregation of duties risk as the Finance Director concurrently holds the positions of Assistant Town Administrator and Treasurer. In addition, the Town Administrator concurrently holds the position of Deputy Treasurer. This consolidation of roles creates a potential conflict of interest and undermines the fundamental principle of segregating incompatible functions.

The Town Administrator and Finance Director, by virtue of holding multiple key roles, may find it challenging to maintain independence and objectivity in financial decision-making processes. This lack of independence increases the risk of errors, fraud, or inappropriate financial practices going unnoticed. The current arrangement increases the likelihood of errors and irregularities remaining undetected. The combination of roles exposes the Town to an elevated risk of fraudulent activities, as there is insufficient separation of duties to deter and detect fraudulent transactions. This compromises the integrity of financial reporting and may lead to financial misstatements.

We recommend the Town reevaluate its organizational structure and redistribute the responsibilities of the Finance Director, Assistant Town Administrator, Treasurer and Deputy Treasurer to different individuals. Ideally, the roles of the Treasurer and Deputy Treasurer should not be a Town employee.

*Town of Goffstown  
Communication of Significant Deficiencies*

**Management's Response:** As of May 2024, the Governing Body approved the reorganization of the Finance Department with the intention of reducing overwork on limited personnel. This includes the addition of a position with the shifting of Human Resource and Assistant Administration into one role, creating an independent Finance Director position, and clearly defining the roles of each. The role of Treasurer and Finance Director shall remain combined, as the Governing Body does not see it fit to segregate the efficiencies created by this position. The administrative role in the financial system, as well as budgetary administration, will be absorbed by the Assistant Town Administrator to ensure independence and objectivity in the financial decision-making processes performed by the Finance Department.

**Purchasing**

Adhering to a purchasing policy is crucial for an organization as it ensures transparency, accountability, and legal compliance, promotes fair competition, mitigates risks, maintains financial control, and enhances efficiency and consistency through clear guidelines and procedures over procurement activities, ultimately fostering stakeholder confidence and ethical procurement practices. This commitment collectively establishes a foundation for responsible governance, trustworthy relationships, and sustainable business practices. The Town's current purchasing policy requires purchase orders for all purchases above \$5,000. In addition, for purchases between \$5,000 and \$24,999, written/verbal quotes are required to be documented and attached to the purchase order. If the purchase is over \$25,000, a sealed bid/request for proposals (RFPs) is required.

During our review of vendor disbursements, we noted instances where the purchasing policy was not being followed. We noted:

- One instance where a purchase was above \$25,000 but no purchase order or sealed bid/request for proposal was initiated and completed.
- One instance where a purchase was above \$5,000, but no written/verbal quotes were documented and attached to the purchase order.
- Two instances where purchases were above \$25,000 but no sealed bid/request for proposal was initiated and completed.

While the purchasing policy allows for emergency purchases, a purchase order is required, and the competitive procurement provisions can only be waived by the Select Board for a purchase over the sealed bid/RFP limits. No additional documentation was provided to support that the instances noted above were considered emergency related.

Not adhering to a purchasing policy can have severe consequences for a Town, including a lack of transparency in procurement processes, heightened risks of fraud and financial mismanagement, and potential legal consequences for violating procurement regulations. The absence of clear guidelines may lead to unfair competition, favoritism in vendor selection, and budgetary deviations, compromising overall financial control. In addition, inefficiencies and inconsistencies in procurement activities may arise, affecting the Town's ability to standardize processes. Furthermore, stakeholders' confidence may diminish, impacting relationships with employees, vendors, and the public.

We recommend the Town complete a comprehensive reevaluation and revision of the purchasing policy to better align with current practices and procedures. This will ensure its effectiveness, alignment with Town goals and regulatory requirements and promote adherence to established guidelines.

**Management's Response:** The Governing Body has continued to receive request for waiver of the existing purchasing policy as the economy has outgrown the dollar amount thresholds set by the current policy. Additionally, the increase in documentation requirements have added significant administrative burden to departments, which negatively impacts operations and the Town's ability to act quickly when cost-savings opportunities arise. The Town has begun development of an updated policy and procedures through a new formal purchasing policy, with drafts submitted for review as early as June 2024. This includes clearer exemption definitions to attune more to current practices in Town procurements, as well as stricter verbiage on compliance with federal grant programs. The drafts are under review and plans are in place to adopt a revised policy prior to the 2024 year-end.

The Town of Goffstown's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control over financial reporting and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

October 16, 2024  
Concord, New Hampshire

*Plodzik & Sanderson  
Professional Association*