

**TOWN OF GOFFSTOWN,  
NEW HAMPSHIRE**

**ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2024**

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
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## **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, each major governmental and proprietary fund, and the aggregate remaining fund information of the Town of Goffstown, as of and for the year ended December 31, 2024, 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, each major governmental and proprietary fund, and the aggregate remaining fund information of the Town of Goffstown, as of December 31, 2024, 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 Matters – Changes in Accounting Principles***

As discussed in Note 2-C to the financial statements, in the year ending December 31, 2024, the Town adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment to GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

Also, as discussed in Note 2-C to the financial statements, in the year ending December 31, 2024, the Town adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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.

#### ***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

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

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.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

February 3, 2026  
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, 2024.

### **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, 2024.

### ***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 the sewer enterprise fund 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 the 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 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 the nonmajor governmental funds, and schedules for the 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, 2024 and 2023 is as follows:

	2023			
	2024	(As Restated)	Change	% of Change
Capital Assets, Net	\$ 35,583,324	\$ 35,877,791	\$ (294,467)	-0.82%
Other Assets	41,165,790	34,930,254	6,235,536	17.85%
Total Assets	76,749,114	70,808,045	5,941,069	8.39%
Total Deferred Outflows of Resources	2,674,553	4,030,975	(1,356,422)	-33.65%
Long-term Liabilities	21,736,622	24,785,867	(3,049,245)	-12.30%
Other Liabilities	19,996,743	15,358,087	4,638,656	30.20%
Total Liabilities	41,733,365	40,143,954	1,589,411	3.96%
Total Deferred Inflows of Resources	4,106,790	3,240,864	865,926	26.72%
Net Position:				
Net Investment in Capital Assets	33,923,428	34,060,021	(136,593)	-0.40%
Restricted	2,597,205	2,264,023	333,182	14.72%
Unrestricted	(2,937,121)	(4,869,662)	1,932,541	-39.69%
Total Net Position	\$ 33,583,512	\$ 31,454,382	\$ 2,129,130	6.77%

Statement of Activities - Governmental Activities

Changes in net position for the years ending December 31, 2024 and 2023 are as follows:

	2023			
	2024	(As Restated)	Change	% of Change
Revenues				
Program Revenues:				
Charges for Services	\$ 1,703,129	\$ 1,598,854	\$ 104,275	6.52%
Operating Grants and Contributions	1,051,557	815,765	235,792	28.90%
General Revenues:				
Property and Other Taxes	18,507,075	18,994,334	(487,259)	-2.57%
Licenses and Permits	3,938,377	3,626,988	311,389	8.59%
Grants and Contributions	2,262,013	2,186,996	75,017	3.43%
Miscellaneous	1,186,101	1,302,782	(116,681)	-8.96%
Total Revenues	28,648,252	28,525,719	122,533	0.43%
Expenses				
General Government	5,576,264	4,921,104	655,160	13.31%
Public Safety	9,501,691	10,777,613	(1,275,922)	-11.84%
Public Works	9,652,401	10,576,098	(923,697)	-8.73%
Health and Welfare	38,497	31,261	7,236	23.15%
Culture and Recreation	1,674,598	1,641,551	33,047	2.01%
Interest - Long-term Debt	87,419	49,155	38,264	77.84%
Total Expenditures	26,530,870	27,996,782	(1,465,912)	-5.24%
Transfers	11,748	11,748	-	-100.00%
Change in Net Position	2,129,130	1,000,000	1,129,130	112.91%
Net Position, Beginning of Year, As Restated	31,454,382	30,454,382	1,000,000	3.28%
Net Position, End of Year	\$ 33,583,512	\$ 31,454,382	\$ 2,129,130	6.77%

Government-Wide Financial Analysis

Statement of Net Position - Business-type Activities

Net position of the Town of Goffstown as of December 31, 2024 and 2023 is as follows:

	2024	2023 (As Restated)	Change	% of Change
Capital Assets, Net	\$ 4,568,757	\$ 4,051,928	\$ 516,829	12.76%
Other Assets	7,071,187	6,278,024	793,163	12.63%
Total Assets	11,639,944	10,329,952	1,309,992	12.68%
Total Deferred Outflows of Resources	27,016	40,716	(13,700)	-33.65%
Long-term Liabilities	207,435	232,775	(25,340)	-10.89%
Other Liabilities	369,691	385,421	(15,730)	-4.08%
Total Liabilities	577,126	618,196	(41,070)	-6.64%
Total Deferred Inflows of Resources	29,960	17,598	12,362	70.25%
Net Position:				
Net Investment in Capital Assets	4,568,757	4,051,928	516,829	12.76%
Unrestricted	6,491,117	5,682,946	808,171	14.22%
Total Net Position	\$11,059,874	\$ 9,734,874	\$ 1,325,000	13.61%

Statement of Activities - Business-type Activities

Changes in net position for the years ending December 31, 2024 and 2023 are as follows:

	2024	2023 (As Restated)	Change	% of Change
Revenues				
Program Revenues:				
Charges for Services	\$ 2,362,910	\$ 1,672,275	\$ 690,635	41.30%
Operating Grants and Contributions	-	131,038	(131,038)	-100.00%
General Revenues:				
Miscellaneous	215,109	200,265	14,844	7.41%
Total Revenues	2,578,019	2,003,578	574,441	28.67%
Expenses				
Sanitation	1,241,256	1,231,677	9,579	0.78%
Transfers	(11,748)	(11,748)	-	-100.00%
Change in Net Position	1,325,015	760,153	564,862	74.31%
Net Position, Beginning of Year, As Restated	9,734,859	8,974,706	760,153	8.47%
Net Position, End of Year	\$11,059,874	\$ 9,734,859	\$ 1,325,015	13.61%

## Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$33,583,512, a change of \$2,129,130 over the restated prior net position, and net position in business-type activities was \$11,059,874, a change of \$1,325,015 over the restated prior net position. As the net position of the Governmental Activities and Business-Type Activities were 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 \$17,471,575, a change of \$1,882,921 in comparison to the prior year. More than half of this change is attributable to the budgetary savings in the General Fund. See Schedule 5 near the end of the report for a clear breakdown of the aggregated funds' impact.
- As of the close of the current fiscal year, total fund balance for the General Fund was \$12,087,740, a change of \$973,000. This is a positive recovery of the negative change incurred in the prior year of \$(688,285).

## 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; however, it is primarily a tool to ensure operations flow smoothly without delays resulting from cash flow constraints until the next tax collection period. A healthy unassigned fund balance is a good indicator of assured business continuity.

### *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 \$9,252,550 (non-GAAP basis), while total fund balance was \$12,087,740, which includes capital reserve funds and other similar assets. GAAP basis fund balance accounts for \$547,848 in deferred property taxes collected within 60 days of the fiscal year-end. Unassigned fund balance increased by \$1,672,342, entirely resulting from favorable budgetary results. The favorable budgetary results saw a significant increase from the prior year, reflecting tight budgetary control in response to the default budget voted in for the 2024 fiscal year, as well as many vacant positions across most government departments.

<u>General Fund</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>Change</u>
Unassigned fund balance (non-GAAP basis)	\$ 9,252,550	\$ 7,580,208	\$ 1,672,342
Total fund balance (non-GAAP basis)	\$ 12,087,740	\$ 11,114,740	\$ 973,000

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

Revenue surplus	\$ 106,972
Unexpended balance of appropriations	<u>1,565,370</u>
Total	<u>\$ 1,672,342</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, 2024</u>	<u>December 31, 2023</u>	<u>Change</u>
Capital Reserve	\$ 1,814,324	\$ 1,843,810	\$ (29,486)
Total	<u>\$ 1,814,324</u>	<u>\$ 1,843,810</u>	<u>\$ (29,486)</u>

#### *Nonmajor Governmental Funds*

The fund balance of nonmajor governmental funds changed by \$909,921, 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, conversions of property previously taxed at current use status, good collection rate for emergency medical services, gains or donations in permanent funds dedicated to funding future programs, consistent billing for dispatch services in the newly established dispatch revolving fund, and positive inflows resulting from the newly established franchise fee allocation to the GTV revolving fund.

#### *Proprietary Funds*

Proprietary 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 \$6,491,117, a change of \$808,171 in comparison to the prior year, primarily resulting from positive inflows from sewer use charges. 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. The sewer enterprise fund primarily funds long-term capital infrastructure through pay-as-you-go financing, which requires long-term rate planning to ensure funds are available annually to replace and sustain existing systems.

#### **General Fund Budgetary Highlights**

As reflected in Schedules 1-3 in the Financial Statements, the General Fund experienced a revenue surplus of \$106,972. This was complemented by an unexpended balance of appropriations of \$1,565,370. In summary, the General Fund ran with both tight budgetary control and unplanned budgetary savings largely due to vacant positions across various departments. Vacant positions have a significant impact on government-matched benefit cost.

**Capital Assets and Debt Administration**

***Capital Assets***

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$40,152,081 (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:

- Town-wide Fiber Conversion (Previously Construction-in-Progress) - \$137,344.90
- 2024 Pirce Enforcer Fire Engine (Previously Construction-in-Progress) - \$705,313.00
- Mast Road Traffic System Upgrades (Previously Construction-in-Progress) - \$131,181.00
- Land – Map 27, Lot 6-1 (funded through capital reserves) - \$120,900.00
- Land – Map 34, Lot 164A—Rotary Park (funded through capital reserves) - \$5,000.00
- Used (Waste) Oil Furnace - \$19,778.13
- 2025 Felling 14’ Utility Trailer - \$15,209.68
- 2024 Talbert 20’ Utility Trailer - \$35,605.26
- 2023 Sidewalk Tractor - \$225,650.00
- 2024 Mack Garbage Truck - \$352,097.00
- 2024 John Deere Loader - \$244,220.08
- 2024 Ammann Vibratory Roller - \$20,865.00
- 2024 Ford Interceptors – 3 at \$43,500.00 each (cruiser only), \$21,763.83 to outfit
- Reclamation of Holly Street - \$604,850.00

Major capital disposals and/or retirements included the following:

- Roy Park Pool – Closed, filled in and retired
- Fire Engine #4 – Traded in for 2024 Pierce Enforcer
- 2002 SpecTec Trailer – Disposed, sold at auction
- 2008 John Deere Loader – Disposed, sold at auction
- 2011 Bobcat Skid Steer – Disposed, sold at auction
- 2014 Ford Interceptor – Disposed, sold at auction
- 2015 Ford Interceptor – Disposed, sold at auction

The majority of the capital asset acquisitions in the current year were made in accordance with the Capital Improvement Plan. All land acquired in the current year was purchased through capital reserves.

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 \$1,659,896, 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:

### ***Meetinghouse—Long-term Note Receivable***

The Meetinghouse long-term note receivable was established via a promissory note signed into effect November 14, 1995. The conditions of the note are 1% interest, paid annually, on the value of \$1,000,000 used to assist in the construction of senior citizen housing. The note is due for payment in full after forty (40) years and will mature on November 14, 2035, with payment due March 31, 2036.

This long-term receivable was identified as a reportable item following inquiry by finance staff regarding the budgeted interest income received annually.

This restatement recognizes the impact of this promissory note on government-wide net position, but no individual funds' balances are impacted by this recognition in accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). It was likely for this reason that this promissory note was not previously reported on any financial statements.

### ***Infrastructure Assets—Sewer Enterprise Fund***

Consistent with the General Fund and the treatment of roads and bridges, sewer infrastructure is generally recognized as a capital asset when fully or mostly replaced at current market cost. In the Sewer Enterprise Fund, one lump-sum infrastructure asset was recognized, likely using estimation, following the issuance of the applicable guidance via GASB Pronouncement No. 34. As the sewer infrastructure was not itemized throughout the system during this effort, this one lump-sum asset has been depreciated since inception and changes were recognized as new system improvements and expansions were added.

In an effort to itemize the sewer system over time and modernize the cost figures associated with any one segment of the sewer system, all major system replacements are now being added as capital assets and, at equivalent value, are being removed from the lump-sum sewer system asset.

Over the course of the next ten (10) years, we anticipate that the depreciation cost for the modernization and perpetual care of the sewer system will be more reflective of its annual cost of infrastructure deterioration. The effort to itemize the segments of the sewer system will also more accurately display the modern cost of any one system component and allow for ease of asset retirement and addition once those system segments have been replaced.

This restatement is one small step in recognizing significant segment replacements to the existing sewer system over the past two years that were once included in the lump-sum, fully depreciated system asset.

## **Economic Factors and Current Conditions**

The Town was subject to the conditions of a default budget in 2024. As such, the budgetary control placed upon departments was substantially tighter than in a regular operating year. Any budgetary savings were mostly derived from vacant positions across various departments, which further correlated to reduced benefit cost.

In fiscal year 2024, supplemental funding provided by COVID-19 response grants (specifically the InvestNH Municipal Per-Unit Grant, awarded to those governments who assisted in the development of affordable housing) were still active, providing funding for many small impactful government projects. As these funds followed the same rules as the initial ARPA tranche grant, these funds needed to be committed via contract by December 31, 2024, and expended by December 31, 2026.

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 2024, including the continuation of the Juniper Drive 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 came to an end in 2023. In 2024, four public safety positions were supplemented by federally-funded public safety grants. In 2025, those four positions will no longer be funded through federal grants, as the funding for those grants ended effective December 31, 2024.

In fiscal year 2024, 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, 2024**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,987,869	\$ 2,948,677	\$ 17,936,546
Investments	21,293,910	3,945,640	25,239,550
Taxes receivable (net)	1,764,608	-	1,764,608
Accounts receivable (net)	1,955,830	-	1,955,830
Sewer fees receivable (net)	-	229,474	229,474
Special assessments receivable	272,217	-	272,217
Intergovernmental receivable	785,260	-	785,260
Internal balances	52,604	(52,604)	-
Voluntary tax liens reserved until collected	50,743	-	50,743
Tax deceded property, subject to resale	2,749	-	2,749
Capital assets:			
Land and construction in progress	6,699,754	1,234,788	7,934,542
Other capital assets, net of depreciation	28,883,570	3,333,969	32,217,539
Total assets	<u>76,749,114</u>	<u>11,639,944</u>	<u>88,389,058</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>2,674,553</u>	<u>27,016</u>	<u>2,701,569</u>
<b>LIABILITIES</b>			
Accounts payable	2,226,764	35,992	2,262,756
Accrued salaries and benefits	259,040	-	259,040
Retainage payable	-	29,076	29,076
Contracts payable	-	83,341	83,341
Accrued interest payable	19,660	-	19,660
Intergovernmental payable	17,490,079	221,282	17,711,361
Other payable	1,200	-	1,200
Long-term liabilities:			
Due within one year	209,641	-	209,641
Due in more than one year	21,526,981	207,435	21,734,416
Total liabilities	<u>41,733,365</u>	<u>577,126</u>	<u>42,310,491</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>4,106,790</u>	<u>29,960</u>	<u>4,136,750</u>
<b>NET POSITION</b>			
Net investment in capital assets	33,923,428	4,568,757	38,492,185
Restricted	2,597,205	-	2,597,205
Unrestricted	(2,937,121)	6,491,117	3,553,996
Total net position	<u>\$ 33,583,512</u>	<u>\$ 11,059,874</u>	<u>\$ 44,643,386</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, 2024**

	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	\$ 5,576,264	\$ 114,284	\$ 405,524	\$ (5,056,456)	\$ -	\$ (5,056,456)
Public safety	9,501,691	1,043,620	556,745	(7,901,326)	-	(7,901,326)
Highways and streets	8,058,200	-	89,288	(7,968,912)	-	(7,968,912)
Sanitation	1,594,201	239,706	-	(1,354,495)	-	(1,354,495)
Welfare	38,497	-	-	(38,497)	-	(38,497)
Culture and recreation	1,674,598	305,519	-	(1,369,079)	-	(1,369,079)
Interest on long-term debt	87,419	-	-	(87,419)	-	(87,419)
Total governmental activities	<u>26,530,870</u>	<u>1,703,129</u>	<u>1,051,557</u>	<u>(23,776,184)</u>	<u>-</u>	<u>(23,776,184)</u>
<b>Business-type activities:</b>						
Sewer	1,241,256	2,362,910	-	-	1,121,654	1,121,654
Total	<u>\$ 27,772,126</u>	<u>\$ 4,066,039</u>	<u>\$ 1,051,557</u>	<u>(23,776,184)</u>	<u>1,121,654</u>	<u>(22,654,530)</u>
<b>General revenues:</b>						
Taxes:						
Property				18,262,602	-	18,262,602
Other				244,473	-	244,473
Motor vehicle permit fees				3,772,298	-	3,772,298
Licenses and other fees				166,079	-	166,079
Grants and contributions not restricted to specific programs				2,262,013	-	2,262,013
Unrestricted investment earnings				600,157	215,109	815,266
Miscellaneous				585,944	-	585,944
Total general revenues				<u>25,893,566</u>	<u>215,109</u>	<u>26,108,675</u>
Transfers				11,748	(11,748)	-
Change in net position				2,129,130	1,325,015	3,454,145
Net position, beginning, as restated (see Note 17)				31,454,382	9,734,859	41,189,241
Net position, ending				<u>\$ 33,583,512</u>	<u>\$ 11,059,874</u>	<u>\$ 44,643,386</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, 2024**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,665,069	\$ 4,322,800	\$ 14,987,869
Investments	19,816,285	1,477,625	21,293,910
Receivables, net of allowance for uncollectible:			
Taxes receivable	1,764,608	-	1,764,608
Accounts receivable (net)	96,198	859,632	955,830
Intergovernmental receivable	735,022	50,238	785,260
Interfund receivable	167,395	21,950	189,345
Voluntary tax liens reserved until collected	50,743	-	50,743
Tax deeded property, subject to resale	2,749	-	2,749
Total assets	<u>\$ 33,298,069</u>	<u>\$ 6,732,245</u>	<u>\$ 40,030,314</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,158,989	\$ 67,775	\$ 2,226,764
Accrued salaries and benefits	259,040	-	259,040
Intergovernmental payable	17,464,343	25,736	17,490,079
Interfund payable	21,950	114,791	136,741
Other payable	1,200	-	1,200
Total liabilities	<u>19,905,522</u>	<u>208,302</u>	<u>20,113,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,304,807</u>	<u>1,140,108</u>	<u>2,444,915</u>
<b>FUND BALANCES</b>			
Nonspendable	2,749	1,358,402	1,361,151
Restricted	-	1,238,803	1,238,803
Committed	1,814,324	2,786,630	4,600,954
Assigned	470,269	-	470,269
Unassigned	9,800,398	-	9,800,398
Total fund balances	<u>12,087,740</u>	<u>5,383,835</u>	<u>17,471,575</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,298,069</u>	<u>\$ 6,732,245</u>	<u>\$ 40,030,314</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, 2024**

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances of governmental funds (Exhibit C-1)		\$ 17,471,575
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 69,593,895	
Less accumulated depreciation	<u>(34,010,571)</u>	35,583,324
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	\$ 2,302,144	
Deferred inflows of resources related to pensions	(1,295,539)	
Deferred outflows of resources related to OPEB:		
Related to NHRS	70,351	
Related to Single employer	302,058	
Deferred inflows of resources related to OPEB:		
Related to NHRS	(267)	
Related to Single employer	<u>(1,636,322)</u>	(257,575)
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.		
Receivables	\$ (136,741)	
Payables	<u>136,741</u>	-
Long-term revenue (taxes) is not available to pay current period expenditures, and therefore, is deferred in the governmental funds.		
		1,270,253
Long-term receivables are not current financial resources, therefore, are not reported in the governmental funds.		
		1,272,217
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(19,660)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Bond	\$ 1,260,000	
Unamortized bond premium	110,160	
Note	289,736	
Compensated absences	413,033	
Accrued landfill postclosure care costs	273,406	
Net pension liability	16,876,997	
Other postemployment benefits		
NHRS	1,130,538	
Single employer	<u>1,382,752</u>	(21,736,622)
Net position of governmental activities (Exhibit A)		<u>\$ 33,583,512</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, 2024**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 18,414,872	\$ 22,750	\$ 18,437,622
Licenses and permits	3,938,377	-	3,938,377
Intergovernmental	2,666,165	647,405	3,313,570
Charges for services	412,869	1,290,260	1,703,129
Miscellaneous	760,419	425,682	1,186,101
Total revenues	<u>26,192,702</u>	<u>2,386,097</u>	<u>28,578,799</u>
<b>EXPENDITURES</b>			
Current:			
General government	5,702,321	171,375	5,873,696
Public safety	8,419,256	645,798	9,065,054
Highways and streets	4,135,478	111,091	4,246,569
Sanitation	1,594,263	-	1,594,263
Welfare	38,555	-	38,555
Culture and recreation	1,429,167	225,179	1,654,346
Debt service:			
Principal	105,000	-	105,000
Interest and other charges	98,797	-	98,797
Capital outlay	3,719,413	311,933	4,031,346
Total expenditures	<u>25,242,250</u>	<u>1,465,376</u>	<u>26,707,626</u>
Excess of revenues over expenditures	<u>950,452</u>	<u>920,721</u>	<u>1,871,173</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	973,000	909,921	1,882,921
Fund balances, beginning	11,114,740	4,473,914	15,588,654
Fund balances, ending	<u>\$ 12,087,740</u>	<u>\$ 5,383,835</u>	<u>\$ 17,471,575</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, 2024**

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances of governmental funds (Exhibit C-3)		\$ 1,882,921
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:		
Capital outlay expenditures	\$ 2,193,426	
Depreciation expense	<u>(2,409,929)</u>	(216,503)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		
		(77,964)
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	\$ 113,834	
Change in long-term receivable	<u>(44,381)</u>	69,453
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	43,694	
Amortization of bond premium	<u>9,180</u>	157,874
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	2,198	
Increase in compensated absences payable	\$ (59,894)	
Increase in accrued landfill postclosure care costs	(3,889)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	1,204	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>373,730</u>	313,349
Changes in net position of governmental activities (Exhibit B)		<u>\$ 2,129,130</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, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 18,522,863	\$ 18,522,863	\$ 18,512,834	\$ (10,029)
Licenses and permits	3,822,500	3,822,500	3,938,377	115,877
Intergovernmental	2,678,453	2,678,453	2,666,165	(12,288)
Charges for services	382,462	382,462	412,869	30,407
Miscellaneous	681,000	681,000	664,005	(16,995)
Total revenues	<u>26,087,278</u>	<u>26,087,278</u>	<u>26,194,250</u>	<u>106,972</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,583,319	6,079,479	5,647,219	432,260
Public safety	9,131,248	8,902,457	8,443,496	458,961
Highways and streets	4,062,120	4,240,677	4,125,478	115,199
Sanitation	1,413,363	1,529,854	1,594,263	(64,409)
Welfare	40,442	40,519	38,555	1,964
Culture and recreation	1,419,808	1,470,985	1,429,167	41,818
Debt service:				
Principal	105,000	105,000	105,000	-
Interest	45,555	45,555	45,554	1
Other	53,244	53,244	53,243	1
Capital outlay	2,705,000	3,217,229	3,188,381	28,848
Total expenditures	<u>25,559,099</u>	<u>25,684,999</u>	<u>24,670,356</u>	<u>1,014,643</u>
Excess of revenues over expenditures	<u>528,179</u>	<u>402,279</u>	<u>1,523,894</u>	<u>1,121,615</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	22,548	148,448	148,448	-
Transfers out	(550,727)	(550,727)	-	550,727
Total other financing sources (uses)	<u>(528,179)</u>	<u>(402,279)</u>	<u>148,448</u>	<u>550,727</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,672,342	<u>\$ 1,672,342</u>
Unassigned fund balance, beginning			7,580,208	
Unassigned fund balance, ending			<u>\$ 9,252,550</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, 2024**

	Business-type Activities
	Proprietary Fund (Sewer)
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,948,677
Investments	3,945,640
Sewer fees receivable (net)	229,474
Capital assets:	
Land and construction in progress	1,234,788
Other capital assets, net of depreciation	3,333,969
Total assets	11,692,548
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	27,016
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	35,992
Contract payable	83,341
Retainage payable	29,076
Intergovernmental payable	221,282
Internal balances	52,604
Long term liabilities:	
Due in more than one year	207,435
Total liabilities	629,730
<b>DEFERRED INFLOWS OF RESOURCES</b>	29,960
<b>NET POSITION</b>	
Net investment in capital assets	4,568,757
Unrestricted	6,491,117
Total net position	\$ 11,059,874

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, 2024**

	Business-type Activities Proprietary Fund (Sewer)
Operating revenues:	
User charges	\$ 2,353,368
Miscellaneous	9,542
Total operating revenues	2,362,910
Operating expenses:	
Salaries and wages	365,886
Operation and maintenance	617,042
Contractual services	122,737
Materials and supplies	18,925
Depreciation	116,666
Total operating expenses	1,241,256
Operating gain	1,121,654
Nonoperating revenue:	
Interest income	215,109
Other financing uses:	
Transfers out	(11,748)
Change in net position	1,325,015
Net position, beginning, as restated (see Note 17)	9,734,859
Net position, ending	\$ 11,059,874

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, 2024**

	Business-type Activities <u>Proprietary Fund (Sewer)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers and users	\$ 2,301,137
Payments to employees	(375,641)
Payments to suppliers	<u>(763,974)</u>
Net cash provided by operating activities	<u>1,161,522</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of fixed assets	<u>(633,495)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Operating transfers out	<u>(11,748)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investments	(200,147)
Interest on investments	<u>215,109</u>
Net cash provided by investing activities	<u>14,962</u>
Net change in cash and cash equivalents	531,241
Cash and cash equivalents, beginning	<u>2,417,436</u>
Cash and cash equivalents, ending	<u>\$ 2,948,677</u>
<b><i>Reconciliation of Operating Gain to Net Cash Provided by Operating Activities</i></b>	
Operating gain	<u>\$ 1,121,654</u>
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation expense	116,666
Change in accounts receivable	(61,773)
Change in deferred outflows related to pensions	13,737
Change in deferred outflows related to OPEB	(37)
Change in accounts payable	(3,306)
Change in accrued salaries and benefits	(7,171)
Change in retainage payable	(5,270)
Change in compensated absences	4,509
Change in net pension liability	(25,307)
Change in NHRS OPEB liability	(1,369)
Change in Single employer OPEB liability	(3,173)
Change in deferred inflows related to pensions	11,558
Change in deferred inflows related to OPEB	<u>804</u>
Total adjustments	<u>39,868</u>
Net cash provided by operating activities	<u>\$ 1,161,522</u>

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, 2024**

	Private Purpose Trust	Custodial Funds			State of NH Motor Vehicle Registrations	Total
		Taxes	Trust Funds	School Impact Fees		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 25,889	\$ -	\$ -	\$ 537,193	\$ -	\$ 563,082
Investments	1,033,777	-	540,253	-	-	1,574,030
Intergovernmental receivable	-	16,625,930	-	-	-	16,625,930
Total assets	<u>1,059,666</u>	<u>16,625,930</u>	<u>540,253</u>	<u>537,193</u>	<u>-</u>	<u>18,763,042</u>
<b>LIABILITIES</b>						
Intergovernmental payables:						
School	-	16,625,930	-	-	-	16,625,930
<b>NET POSITION</b>						
Restricted	<u>\$ 1,059,666</u>	<u>\$ -</u>	<u>\$ 540,253</u>	<u>\$ 537,193</u>	<u>\$ -</u>	<u>\$ 2,137,112</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, 2024**

	Private Purpose Trust	Custodial Fund			State of NH Motor Vehicle Registrations	Total
		Taxes	Trust Funds	School Impact Fees		
<b>ADDITIONS</b>						
Contributions	\$ 12,200	\$ -	\$ 250,000	\$ 299,847	\$ -	\$ 562,047
Change in fair market value	80,600	-	22,673	394	-	103,667
Investment earnings	54,055	-	-	-	-	54,055
Taxes collected for other governments	-	37,014,593	-	-	-	37,014,593
Motor vehicle permit fees collected	-	-	-	-	1,174,485	1,174,485
Total additions	<u>146,855</u>	<u>37,014,593</u>	<u>272,673</u>	<u>300,241</u>	<u>1,174,485</u>	<u>38,908,847</u>
<b>DEDUCTIONS</b>						
Trust fund distributions	36,326	-	431,863	-	-	468,189
Payments of taxes to other governments	-	37,014,593	-	-	-	37,014,593
Payments of motor vehicle permit fees	-	-	-	-	1,174,485	1,174,485
Distributions of impact fees	-	-	-	373,533	-	373,533
Total deductions	<u>36,326</u>	<u>37,014,593</u>	<u>431,863</u>	<u>373,533</u>	<u>1,174,485</u>	<u>39,030,800</u>
Net change in fiduciary net position	110,529	-	(159,190)	(73,292)	-	(121,953)
Net position, beginning	949,137	-	699,443	610,485	-	2,259,065
Net position, ending	<u>\$ 1,059,666</u>	<u>\$ -</u>	<u>\$ 540,253</u>	<u>\$ 537,193</u>	<u>\$ -</u>	<u>\$ 2,137,112</u>

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

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

**1-B Government-wide and Fund Financial Statements**

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

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

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

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

The effect of interfund activity has been eliminated from the government-wide financial statements, except those balances between governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

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

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

**Governmental Fund Financial Statements** – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

The Town reports the following major governmental fund:

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

Proprietary funds are 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 funds 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 fund 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. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary fund explained above.

The Town reports the following fiduciary funds:

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

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**Custodial Funds** – 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-D Cash and Cash Equivalents***

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

New Hampshire statutes require that the Town treasurer have custody of all money belonging to the Town and pay out the same only upon orders of the Select Board. The treasurer shall deposit all such monies in participation units in the public deposit investment pool established pursuant to NH RSA 383:22 or in solvent banks in the State. Funds may be deposited in banks outside the State if such banks pledge and deliver to a third-party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

***1-E Statement of Cash Flows***

For purposes of the Statement of Cash Flows, the Town 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-F Investments***

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

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

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

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

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

- Level 1** – Quoted prices for identical investments in active markets;
- Level 2** – Observable inputs other than those in Level 1; and
- Level 3** – Unobservable inputs.

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

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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-G Receivables**

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

**1-H Capital Assets**

Capital assets are reported in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$5,000 or more 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.

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

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

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

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

	<u>Years</u>
<b>Capital Asset Classes:</b>	
Buildings	40
Building improvements	40
Machinery, vehicles, and furnishings	5 - 10
Infrastructure	30 - 75

**1-I Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables** – Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year 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-type 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.

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**1-J Property Taxes**

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 20, 2024, and November 4, 2024, and were due on July 3, 2024 and December 18, 2024. 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.

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, 2024, utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 2,612,999,000
For all other taxes	\$ 2,744,025,800

The tax rates and amounts assessed for the year ended December 31, 2024, were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$ 6.89	\$ 18,909,511
School portion:		
State of New Hampshire	1.25	3,258,355
Local	11.43	31,367,575
County portion	0.87	2,388,663
Total	\$ 20.44	\$ 55,924,104

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

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

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

**1-L Long-term Obligations**

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

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

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

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

***1-M Compensated Absences***

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 financial resources are maintained separately and represent a reconciling item between the governmental fund and government-wide presentations.

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

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

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

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

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

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

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

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

In the government-wide, proprietary fund, and fiduciary fund financial statements, net position is reported in the following categories:

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

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

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

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

**Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

**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 Town's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

Per the Town's fund balance policy, the adequacy of unassigned fund balance in the general fund should be take into account each government's own unique circumstance. GFOA recommends, at a minimum, that general-purpose government, regardless of size, maintain unrestricted budgetary fund balance in their fund of no less than two months of regular general fund operating expenditures, plus any amounts defined in the municipality 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 assigned 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 appropriation 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.

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**1-Q Use of Estimates**

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

**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 United States generally accepted accounting principles.

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

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

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. In the fiscal year 2024, none of the beginning general fund unassigned fund balance was applied for this purpose.

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

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual is presented for each major governmental fund which had a budget. There are no differences between the budgetary basis and GAAP basis of accounting 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)	\$ 26,342,698
Adjustments:	
Basis differences:	
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	96,414
To eliminate transfers between the general fund and blended funds	(125,900)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	(97,962)
Per Exhibit C-3 (GAAP basis)	<u>\$ 26,215,250</u>
Expenditures:	
Per Exhibit D (budgetary basis)	\$ 24,670,356
Adjustments:	
Basis differences:	
Encumbrances, beginning	1,042,163
Encumbrances, ending	(470,269)
Per Exhibit C-3 (GAAP basis)	<u>\$ 25,242,250</u>

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**2-C Changes in Accounting Principles**

During the fiscal year, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. This statement will improve the clarity and consistency of the accounting and financial reporting requirements for accounting changes and error corrections.

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

**DETAILED NOTES ON ALL FUNDS**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Town’s deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town’s agent in the Town’s name. The FDIC currently insures the first \$250,000 of the Town’s deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by collateral. As of year-end, the carrying amount of the Town’s deposits was \$18,499,628 and the bank balances totaled \$18,547,639. Petty cash totaled \$1,900.

Cash and cash equivalents reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 17,936,546
Cash per Statement of Net Position - Fiduciary Funds (Exhibit F-1)	563,082
Total cash and cash equivalents	\$ 18,499,628

**NOTE 4 – INVESTMENTS**

Note 1-F describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of December 31, 2024:

	Fair Value Hierarchy		Total
	Level 1	Level 2	
Investments type:			
Common stock	\$ 1,262,804	\$ -	\$ 1,262,804
Equity mutual funds	370,536	-	370,536
Corporate bonds	-	385,522	385,522
U.S. Government agency bonds	-	221,687	221,687
U.S. Treasury bonds	-	253,887	253,887
Total fair value of investments	\$ 1,633,340	\$ 861,096	2,494,436
Investments carried at amortized cost:			
NH Public Deposit Investment Pool			24,319,144
Total investments			\$ 26,813,580

**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.

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The Town has the following remaining maturities as of December 31, 2024:

Investments Type	Reported Balance	Exempt from Disclosure	Remaining Maturity (in Years)		
			Less than 1 Year	1-5 Years	6-10 Years
Common stock	\$ 1,262,804	\$ 1,262,804	\$ -	\$ -	\$ -
Equity mutual funds	370,536	370,536	-	-	-
Corporate bonds	385,522	-	123,639	119,370	142,512
U.S. Government agency bonds	221,687	-	-	96,817	124,870
U.S. Treasury bonds	253,887	-	24,746	185,730	43,410
<b>Total</b>	<b>2,494,436</b>	<b>1,633,340</b>	<b>\$ 148,385</b>	<b>\$ 401,917</b>	<b>\$ 310,792</b>
Investments carried at amortized cost:					
New Hampshire Public Deposit Investment Pool	24,319,144	24,319,144			
<b>Total investments</b>	<b>\$ 26,813,580</b>	<b>\$ 25,952,484</b>			

**Credit Risk** - The Town has no formal policy on managing credit risk; however, state law limits investments as explained in Note 1-F. As of December 31, 2024, the Town's investment pool had the following credit risk structure:

Investments Type	Reported Balance	Exempt From Disclosure	Rating as of Year End						
			AA+	AA	AA-	A+	A	BBB+	BBB-
Common stock	\$ 1,262,804	\$ 1,262,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity mutual funds	370,536	370,536	-	-	-	-	-	-	-
Corporate bonds	385,522	-	-	47,645	98,851	140,821	48,671	24,700	24,833
U.S. Government agency bonds	221,687	-	221,687	-	-	-	-	-	-
U.S. Treasury bonds	253,887	-	253,887	-	-	-	-	-	-
<b>Total</b>	<b>\$ 2,494,436</b>	<b>\$ 1,633,340</b>	<b>\$ 475,574</b>	<b>\$ 47,645</b>	<b>\$ 98,851</b>	<b>\$ 140,821</b>	<b>\$ 48,671</b>	<b>\$ 24,700</b>	<b>\$ 24,833</b>

**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have custodial credit risk policies for investments.

**Concentration of Credit Risk** – The Town places no limit on the amount it may invest in any one issuer. More than 5% of the Town's investments are in Citizen's Bank investment accounts. These investments are 9% of the Town's total investments.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 25,239,550
Investments per Statement of Fiduciary Net Position - Fiduciary Funds (Exhibit F-1)	<u>1,574,030</u>
<b>Total investments</b>	<b><u>\$ 26,813,580</u></b>

**NOTE 5 – TAXES RECEIVABLE**

Taxes receivables represent the amount of current and prior year taxes which have not been collected as of December 31, 2024. Taxes receivable by year are as follows:

Property:	
Levy of 2024	\$ 1,343,891
Unredeemed (under tax lien):	
Levy of 2022	255,657
Levy of 2021	159,499
Betterment - current	5,185
Betterment - lien	<u>376</u>
<b>Taxes receivable</b>	<b><u>\$ 1,764,608</u></b>

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**NOTE 6 – RECEIVABLES**

Receivables at December 31, 2024, 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, 2024 for the Town’s individual major fund 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	\$ 2,424,307	\$ -	\$ 96,198	\$ 2,328,109	\$ 2,424,307	\$ -	\$ -
Special assessments	272,217	-	-	-	-	-	-
Intergovernmental	785,260	-	735,022	50,238	785,260	-	16,625,930
Meeting House	1,000,000	-	-	-	-	-	-
Fees (sewer)	-	239,457	-	-	-	239,457	-
Gross receivables	4,481,784	239,457	831,220	2,378,347	3,209,567	239,457	16,625,930
Less:							
Allowance for uncollectibles	(1,468,477)	(9,983)	-	(1,468,477)	(1,468,477)	(9,983)	-
Net total receivables	\$ 3,013,307	\$ 229,474	\$ 831,220	\$ 909,870	\$ 1,741,090	\$ 229,474	\$ 16,625,930

<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, 2024 consisted of the following:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
<b>Governmental activities:</b>				
At cost:				
Not being depreciated:				
Land	\$ 6,221,171	\$ 125,900	\$ -	\$ 6,347,071
Construction in progress	1,140,928	188,594	(976,839)	352,683
Total capital assets not being depreciated	7,362,099	314,494	(976,839)	6,699,754
Being depreciated:				
Buildings and building improvements	8,186,767	90,216	(128,780)	8,148,203
Machinery, vehicles, and furnishings	16,769,298	2,160,705	(448,267)	18,481,736
Infrastructure	35,659,352	604,850	-	36,264,202
Total capital assets being depreciated	60,615,417	2,855,771	(577,047)	62,894,141
Total all capital assets	67,977,516	3,170,265	(1,553,886)	69,593,895
Less accumulated depreciation:				
Buildings and building improvements	(4,026,764)	(181,032)	113,401	(4,094,395)
Machinery, vehicles, and furnishings	(10,208,172)	(1,337,439)	385,682	(11,159,929)
Infrastructure	(17,864,789)	(891,458)	-	(18,756,247)
Total accumulated depreciation	(32,099,725)	(2,409,929)	499,083	(34,010,571)
Net book value, capital assets being depreciated	28,515,692	445,842	(77,964)	28,883,570
Net book value, all governmental activities capital assets	\$ 35,877,791	\$ 760,336	\$ (1,054,803)	\$ 35,583,324

(Continued)

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Capital assets continued:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
<b>Business-type activities:</b>				
At cost:				
Not being depreciated:				
Construction in progress	\$ 601,293	\$ 633,495	\$ -	\$ 1,234,788
Being depreciated:				
Machinery, vehicles, and furnishings	50,513	-	-	50,513
Infrastructure	16,375,571	-	(617,304)	15,758,267
Total capital assets being depreciated	16,426,084	-	(617,304)	15,808,780
Total all capital assets	17,027,377	633,495	(617,304)	17,043,568
Less accumulated depreciation:				
Machinery, vehicles, and furnishings	(20,207)	(10,102)	-	(30,309)
Infrastructure	(12,955,242)	(106,564)	617,304	(12,444,502)
Total accumulated depreciation	(12,975,449)	(116,666)	617,304	(12,474,811)
Net book value, capital assets being depreciated	3,450,635	(116,666)	-	3,333,969
Net book value, all business-type activities capital assets	\$ 4,051,928	\$ 516,829	\$ -	\$ 4,568,757

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	\$ 109,229
Public safety	742,644
Highways and streets	1,476,015
Culture and recreation	82,041
Total depreciation expense	\$ 2,409,929
<b>Business-type activities:</b>	
Sanitation	\$ 116,666

**NOTE 8 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivable and payable balances consisting of overdrafts in pooled cash and budgetary transfers at December 31, 2024 are as follows:

Receivable Fund	Payable Fund	Amount
General	Sewer (Proprietary)	\$ 52,604
General	Nonmajor	114,791
Nonmajor	General	21,950
		\$ 189,345

Interfund transfers during the year ended December 31, 2024 are as follows:

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

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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**NOTE 9 – INTERGOVERNMENTAL PAYABLES**

Amounts due to other governments at December 31, 2024 consist of the following:

	Governmental Activities	Business-type Activities	Governmental Funds			Proprietary Fund	Fiduciary Fund
			General	Nonmajor	Total	Sewer	Custodial
Property taxes due to:							
Custodial funds <sup>2</sup>	\$ 16,625,930	\$ -	\$ 16,625,930	\$ -	\$ 16,625,930	\$ -	\$ -
Goffstown School District <sup>3</sup>	-	-	-	-	-	-	16,625,930
Balance due to:							
City of Manchester	-	209,842	-	-	-	209,842	-
State of New Hampshire - Motor Vehicle Division	28,002	-	2,266	25,736	28,002	-	-
New Hampshire Retirement System	836,147	11,440	836,147	-	836,147	11,440	-
Other miscellaneous	-	-	-	-	-	-	-
Total intergovernmental payables due	<u>\$ 17,490,079</u>	<u>\$ 221,282</u>	<u>\$ 17,464,343</u>	<u>\$ 25,736</u>	<u>\$ 17,490,079</u>	<u>\$ 221,282</u>	<u>\$ 16,625,930</u>

<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 at December 31, 2024 consist of the following:

	Government-wide			Proprietary Fund
	Governmental Activities	Business-type Activities	Total	Sewer
Amounts related to pensions, see Note 12	\$ 2,302,144	\$ 23,254	\$ 2,325,398	\$ 23,254
Amounts related to OPEB, see Note 13:				
Related to NHRS, see Note 13-A	70,351	711	71,062	711
Related to Single Employer, see Note 13-B	302,058	3,051	305,109	3,051
Total deferred outflows of resources	<u>\$ 2,674,553</u>	<u>\$ 27,016</u>	<u>\$ 2,701,569</u>	<u>\$ 27,016</u>

Deferred inflows of resources at December 31, 2024 consist of the following:

	Government-wide			Governmental Funds			Proprietary Fund
	Governmental Activities	Business-type Activities	Total	General	Nonmajor	Total	Sewer
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ -	\$ -	\$ 1,288,232	\$ -	\$ 1,288,232	\$ -
Property taxes collected in advance	17,979	-	17,979	-	-	-	-
Grants	1,140,108	-	1,140,108	-	1,140,108	1,140,108	-
Other miscellaneous	16,575	342	16,917	16,575	-	16,575	342
Amounts related to pensions, see Note 12	1,295,539	13,086	1,308,625	-	-	-	13,086
Amounts related to OPEB, see Note 13:							
Related to NHRS, see Note 13-A	267	3	270	-	-	-	3
Related to Single Employer, see Note 13-B	1,636,322	16,529	1,652,851	-	-	-	16,529
Total deferred inflows of resources	<u>\$ 4,106,790</u>	<u>\$ 29,960</u>	<u>\$ 4,136,750</u>	<u>\$ 1,304,807</u>	<u>\$ 1,140,108</u>	<u>\$ 2,444,915</u>	<u>\$ 29,960</u>

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**NOTE 11 – LONG-TERM LIABILITIES**

Changes in the Town’s long-term liabilities consisted of the following for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year	Due In More Than One Year
<b>Governmental activities:</b>						
Direct placement - bond payable	\$ 1,365,000	\$ -	\$ (105,000)	\$ 1,260,000	\$ 105,000	\$ 1,155,000
Premium	119,340	-	(9,180)	110,160	9,180	100,980
Total bond payable	1,484,340	-	(114,180)	1,370,160	114,180	1,255,980
Direct borrowing - note payable	333,430	-	(43,694)	289,736	44,946	244,790
Compensated absences	353,139	59,894	-	413,033	41,401	371,632
Accrued landfill postclosure care costs	269,517	3,889	-	273,406	9,114	264,292
Net pension liability	19,382,465	-	(2,505,468)	16,876,997	-	16,876,997
Net other postemployment benefits:						
NHRS	1,266,102	-	(135,564)	1,130,538	-	1,130,538
Single employer	1,696,874	-	(314,122)	1,382,752	-	1,382,752
Total long-term liabilities	<u>\$ 24,785,867</u>	<u>\$ 63,783</u>	<u>\$ (3,113,028)</u>	<u>\$ 21,736,622</u>	<u>\$ 209,641</u>	<u>\$ 21,526,981</u>
<b>Business-type activities:</b>						
Compensated absences	\$ 7,064	\$ 4,509	\$ -	\$ 11,573	\$ -	\$ 11,573
Net pension liability	195,782	-	(25,307)	170,475	-	170,475
Net other postemployment benefits:						
NHRS	12,789	-	(1,369)	11,420	-	11,420
Single employer	17,140	-	(3,173)	13,967	-	13,967
Total long-term liabilities	<u>\$ 232,775</u>	<u>\$ 4,509</u>	<u>\$ (29,849)</u>	<u>\$ 207,435</u>	<u>\$ -</u>	<u>\$ 207,435</u>

Long-term bond/note is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2024	Current Portion
Direct placement - bond payable:						
Fire station	\$ 2,300,000	2016	2036	2.50%	\$ 1,260,000	\$ 105,000
Bond premium					110,160	9,180
Total					<u>1,370,160</u>	<u>114,180</u>
Direct borrowing - note payable:						
Lynchville/Danis Park	\$ 900,000	2010	2030	2.86%	289,736	44,946
Total					<u>\$ 1,659,896</u>	<u>\$ 159,126</u>

The annual requirements to amortize all general obligation bond/note outstanding as of December 31, 2024, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond - Direct Placement			Note - Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
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	105,000	26,549	131,549	50,320	2,924	53,244
2030-2034	525,000	82,425	607,425	51,761	1,482	53,243
2035-2037	210,000	9,513	219,513	-	-	-
Totals	<u>\$ 1,260,000</u>	<u>\$ 255,343</u>	<u>\$ 1,515,343</u>	<u>\$ 289,736</u>	<u>\$ 29,727</u>	<u>\$ 319,463</u>

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

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**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 are 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 \$273,406 as of December 31, 2024. The estimated total current 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, 2024. 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 Plan, or the System) is a public employee retirement system that administers a cost-sharing multiple-employer defined benefit pension plan (Pension Plan). For additional NHRS information, please refer to the fiscal year 2024 Annual Comprehensive Financial Report, which can be found on the NHRS website at [www.nhrs.org](http://www.nhrs.org).

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

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

Group II benefits are provided based on age, years of creditable service and benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service as follows:

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

**Contributions** – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For fiscal year 2024, the Town contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2024 was \$2,061,533, which was paid in full.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions** – At December 31, 2024 the Town reported a liability of \$17,047,472 (\$16,876,997 for the governmental activities and \$170,475 for the business-type activities and proprietary sewer fund) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. The Town’s proportion, measured at June 30, 2024, was 0.33% which was an decrease of 0.02% from its proportion measured as of June 30, 2023.

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For the year ended December 31, 2024, the Town recognized pension expense of \$2,058,702. At December 31, 2024 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	\$ 873,208	\$ 867,706
Changes in assumptions	-	199,516
Net difference between projected and actual investment earnings on pension plan investments	-	237,974
Differences between expected and actual experience	379,503	3,429
Contributions subsequent to the measurement date	1,072,687	-
Total	\$ 2,325,398	\$ 1,308,625

The \$1,072,687 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2025	\$ (237,479)
2026	870,756
2027	(347,942)
2028	(341,249)
2029	-
Thereafter	-
Totals	\$ (55,914)

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

Inflation:	2.25%
Salary increases:	6.0% average, including inflation
Wage inflation:	3.00% (2.50% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2021.

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

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

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

Asset Class	Target Allocation	30 year Geometric Return*
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	100.00%	

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

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

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

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2024	\$ 23,834,299	\$ 17,047,472	\$ 11,393,836

**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 Plan, or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2024 Comprehensive Annual Financial Report, which can be found on the system’s website at [www.nhrs.org](http://www.nhrs.org).

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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 2024 were as follows:

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

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

**Contributions** – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For fiscal year 2024, the Town contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2024 was \$155,761 which was paid in full.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – At December 31, 2024, the Town reported a liability of \$1,141,958 (\$1,130,538 for the governmental activities and \$11,420 for the business-type activities and proprietary sewer fund) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. The Town’s proportion measured at June 30, 2024 was 0.37% which was a decrease of 0.01% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Town recognized OPEB expense of \$4,779. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ -	\$ 270
Contributions subsequent to the measurement date	71,062	-
Total	\$ 71,062	\$ 270

The \$71,062 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, 2025.

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

Fiscal Year Ending June 30,	
2025	\$ (2,413)
2026	3,571
2027	(921)
2028	(507)
2029	-
Thereafter	-
Totals	<u>\$ (270)</u>

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

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

Mortality rates were based on the Pub-2010 Health Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2021.

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

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

Asset Class	Target Allocation	30 Year Geometric Return *
Broad US Equity	24.00%	5.40%
Global Ex-US Equity	16.00%	5.65%
Total public equity	40.00%	
Real Estate Equity	10.00%	4.40%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	10.00%	5.05%
Core U.S. Fixed Income	25.00%	2.15%
Infrastructure	5.00%	4.35%
Total	<u>100.00%</u>	

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

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

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**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, 2024	\$ 1,249,284	\$ 1,141,958	\$ 1,067,807

**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 Retiree Health Benefit Program**

**Plan Description** – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time. The Town OPEB plan is not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

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

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

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

**Employees Covered by Benefit Terms** – At January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	39
Active employees	124
Total participants covered by OPEB plan	163

**Total OPEB Liability** – The Town's total OPEB liability of \$1,396,719 (\$1,382,752 for government wide activities and \$13,967 for the business-type and proprietary sewer fund) was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024. The Town contracts with an outside actuary to complete the actuarial valuation and schedule of changes in the total OPEB liability. Detailed information can be found in the separately issued report at the request of the Town business office.

**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:	4.08%
Healthcare Cost Trend Rates:	
Current Year Trend	8.00%
Second Year Trend	7.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2030
Salary Increases:	2.50%

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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, 2024.

Mortality rates were based PUB-2010 Headcount-Weighted Fully Generational Mortality Table using Projecting Scale MP-2021.

**Changes in the Total OPEB Liability**

	December 31,	
	2023	2024
OPEB liability, beginning of year	\$ 1,717,299	\$ 1,714,014
Changes for the year:		
Service cost	71,878	70,134
Interest	63,993	53,500
Assumption changes	-	(338,077)
Benefit payments	(139,156)	(102,852)
OPEB liability, end of year	<u>\$ 1,714,014</u>	<u>\$ 1,396,719</u>

**Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate** – The January 1, 2024, actuarial valuation was prepared using a discount rate of 4.08%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$1,520,359 or by 3.08%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$1,285,259 or by 5.08%.

	Discount Rate		
	1% Decrease	Baseline 4.08%	1% Increase
Total OPEB Liability	<u>\$ 1,520,359</u>	<u>\$ 1,396,719</u>	<u>\$ 1,285,259</u>

**Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The January 1, 2024, actuarial valuation was prepared using an initial trend rate of 8.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$1,576,341 or by 12.86%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$1,246,096 or by 10.78%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 8.00%	1% Increase
Total OPEB Liability	<u>\$ 1,246,096</u>	<u>\$ 1,396,719</u>	<u>\$ 1,576,341</u>

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB** – For the year ended December 31, 2024, the Town recognized OPEB expense of \$135,955. At December 31, 2024, 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	\$ 231,907	\$ 848,365
Differences between expected and actual experience	73,202	804,486
Total	<u>\$ 305,109</u>	<u>\$ 1,652,851</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,	
2025	\$ (259,589)
2026	(259,589)
2027	(251,191)
2028	(239,358)
2029	(154,737)
Thereafter	(183,278)
Totals	<u>\$ (1,347,742)</u>

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**NOTE 14 - ENCUMBRANCES**

Encumbrances outstanding in the general fund at December 31, 2024 are as follows:

General fund:	
General government	\$ 49,349
Public safety	35,625
Capital outlay	385,295
Total encumbrances	<u>\$ 470,269</u>

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

Net position reported on the governmental and business-type activities, proprietary and fiduciary funds Statement of Net Position at December 31, 2024 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	\$ 35,583,324	\$ 4,568,757	\$ 40,152,081	\$ -
Less:				
Direct placement - bond payable	(1,260,000)	-	(1,260,000)	-
Unamortized bond premiums	(110,160)	-	(110,160)	-
Direct borrowing - note payable	(289,736)	-	(289,736)	-
Total net investment in capital assets	<u>33,923,428</u>	<u>4,568,757</u>	<u>38,492,185</u>	<u>-</u>
Restricted net position:				
Library	180,939	-	180,939	-
Escrows and impact fees	901,019	-	901,019	-
Perpetual care	1,515,247	-	1,515,247	-
Individuals, organizations, and other governments	-	-	-	2,137,112
Total restricted net position	<u>2,597,205</u>	<u>-</u>	<u>2,597,205</u>	<u>2,137,112</u>
Unrestricted	(2,937,121)	6,491,117	3,553,996	-
Total net position	<u>\$ 33,583,512</u>	<u>\$ 11,059,874</u>	<u>\$ 44,643,386</u>	<u>\$ 2,137,112</u>

**NOTE 16 – GOVERNMENTAL FUND BALANCES**

Governmental fund balances at December 31, 2024 consist of the following:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>			
Tax dedeed property	\$ 2,749	\$ -	\$ 2,749
Permanent fund - principal balance	-	1,358,402	1,358,402
Total nonspendable fund balance	<u>2,749</u>	<u>1,358,402</u>	<u>1,361,151</u>
<b>Restricted:</b>			
Library	-	180,939	180,939
Escrows and impact fees	-	901,019	901,019
Permanent fund - income balance	-	156,845	156,845
Total restricted fund balance	<u>-</u>	<u>1,238,803</u>	<u>1,238,803</u>

*(Continued)*

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Governmental fund balance continued:

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Committed:</b>			
Expendable trust funds	1,814,324	-	1,814,324
EMS	-	1,524,539	1,524,539
Conservation commission	-	330,658	330,658
Heritage commission	-	4,540	4,540
Parks and recreation	-	439,639	439,639
GTV cable	-	169,654	169,654
Special detail revolving	-	170,028	170,028
Dispatch fees	-	147,572	147,572
Total committed fund balance	<u>1,814,324</u>	<u>2,786,630</u>	<u>4,600,954</u>
<b>Assigned:</b>			
Encumbrances	470,269	-	470,269
<b>Unassigned</b>	<u>9,800,398</u>	<u>-</u>	<u>9,800,398</u>
Total governmental fund balances	<u>\$ 12,087,740</u>	<u>\$ 5,383,835</u>	<u>\$ 17,471,575</u>

**NOTE 17 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES**

During fiscal year 2024, changes to or within the Town’s financial statements resulted in error corrections which caused adjustments to and restatements of beginning net position and fund balance, as follows:

	Governmental Activities	Business-type Activities and Proprietary Fund
To restate for Meeting House receivable previously not recorded	\$ 1,000,000	\$ -
To restate for infrastructure capital assets in accordance with GASB No. 34	-	940,030
Net position, as previously reported	30,454,382	8,794,829
Net position, as restated	<u>\$ 31,454,382</u>	<u>\$ 9,734,859</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 2024, 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, 2024 to December 31, 2024 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 2024 the Town contributed \$207,019 and \$193,908, respectively, to Primex for workers’ compensation and property/liability. 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.

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**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.

As of December 31, 2024, there are no such programs in the Town.

**NOTE 20 – CONTINGENT LIABILITIES**

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

**NOTE 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 February 3, 2026, the date the December 31, 2024 financial statements were available to be issued, and noted the following event occurred that requires recognition or disclosure:

**Warrant Article No. 12** – At the March 11, 2025, annual Town Meeting the residents of the Town of Goffstown approved Warrant Article No. 12, which was to raise and appropriate \$350,000 to be added to the Fire Department Capital Reserve Funds, from the use of unassigned fund balance. The use of fund balance is to come from general fund surplus available at December 31, 2024.

***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, 2024*  
**Unaudited**

Fiscal year-end	December 31,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measurement date	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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%	0.33%
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	\$ 17,047,472
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	\$ 9,608,498
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%	177.42%
Plan fiduciary net position as a percentage of the total pension liability	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%	70.33%

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, 2024*  
**Unaudited**

Fiscal year-end	December 31,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measurement date	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2022	2023
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	\$ 2,061,533
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)	(2,061,533)
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	\$ 10,380,933
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%	19.86%

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**PENSION LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2024**

***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, 2024. These schedules are presented to illustrate the requirement to show information for 10 years.

**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, 2024*  
**Unaudited**

Fiscal year-end	December 31,							
	2017	2018	2019	2020	2021	2022	2023	2024
Measurement date	June 30,							
	2017	2018	2019	2020	2021	2022	2022	2023
Town's proportion of the net OPEB liability	0.23%	0.32%	0.33%	0.29%	0.31%	0.36%	0.37%	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	\$ 1,141,958
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	\$ 9,608,498
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%	11.88%
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%	14.01%

**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, 2024*  
**Unaudited**

Fiscal year-end	December 31,							
	2017	2018	2019	2020	2021	2022	2023	2024
Measurement date	June 30,							
	2017	2018	2019	2020	2021	2022	2022	2023
Contractually required contribution	\$ 137,218	\$ 146,444	\$ 149,103	\$ 133,463	\$ 150,499	\$ 155,761	\$ 147,291	\$ 134,811
Contributions in relation to the contractually required contribution	(137,218)	(146,444)	(149,103)	(133,463)	(150,499)	(155,761)	(147,291)	(134,811)
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	\$ 10,380,933
Contributions as a percentage of covered payroll	1.80%	1.87%	1.92%	1.60%	1.68%	1.66%	1.54%	1.30%

**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, 2024**  
**Unaudited**

	December 31,						
	2018	2019	2020	2021	2022	2023	2024
OPEB liability, beginning of year	\$ 3,407,878	\$ 3,369,924	\$ 4,025,871	\$ 1,791,521	\$ 1,830,406	\$ 1,717,299	\$ 1,714,014
Changes for the year:							
Service cost	158,802	141,505	66,451	77,476	99,455	71,878	70,134
Interest	121,094	141,492	46,498	38,664	40,368	63,993	53,500
Assumption changes	(224,002)	495,030	(1,349,222)	13,730	(223,926)	-	(338,077)
Differences between actual and expected experience	-	-	(913,581)	-	84,951	-	-
Benefit payments	(93,848)	(122,080)	(84,496)	(90,985)	(113,955)	(139,156)	(102,852)
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>	<u>\$ 1,396,719</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>	<u>\$ 10,372,848</u>
Total OPEB liability as a percentage of covered payroll	44.86%	52.29%	21.52%	21.45%	18.26%	17.95%	13.47%

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

**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –**  
**OTHER POSTEMPLOYMENT BENEFITS LIABILITY**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2024**

***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, 2024. 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, 2024. 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, 2024*

	Estimated	Actual	Variance Positive (Negative)
<b>Taxes:</b>			
Property	\$ 18,307,333	\$ 18,291,111	\$ (16,222)
Yield	2,000	1,544	(456)
Special assessment	44,500	46,742	2,242
Excavation	30	29	(1)
Payment in lieu of taxes	84,000	84,000	-
Interest and penalties on taxes	85,000	89,408	4,408
Total from taxes	<u>18,522,863</u>	<u>18,512,834</u>	<u>(10,029)</u>
<b>Licenses, permits, and fees:</b>			
Business licenses, permits, and fees	6,000	5,820	(180)
Motor vehicle permit fees	3,700,000	3,772,298	72,298
Building permits	85,000	128,728	43,728
Other	31,500	31,531	31
Total from licenses, permits, and fees	<u>3,822,500</u>	<u>3,938,377</u>	<u>115,877</u>
<b>Intergovernmental:</b>			
<b>State:</b>			
Meals and rooms distribution	1,809,672	1,816,649	6,977
Highway block grant	438,391	438,391	-
Other	4,600	6,973	2,373
<b>Federal:</b>			
Other	399,290	376,563	(22,727)
<b>Other:</b>			
Local government	26,500	27,589	1,089
Total from intergovernmental	<u>2,678,453</u>	<u>2,666,165</u>	<u>(12,288)</u>
<b>Charges for services:</b>			
Income from departments	382,462	412,869	30,407
<b>Miscellaneous:</b>			
Sale of municipal property	75,500	50,830	(24,670)
Interest on investments	450,000	472,371	22,371
Cable fees	86,500	84,712	(1,788)
Other	69,000	56,092	(12,908)
Total from miscellaneous	<u>681,000</u>	<u>664,005</u>	<u>(16,995)</u>
<b>Other financing sources:</b>			
Transfers in	148,448	148,448	-
<b>Total revenues and other financing sources</b>	<u>\$ 26,235,726</u>	<u>\$ 26,342,698</u>	<u>\$ 106,972</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, 2024**

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
<b>Current:</b>					
<b>General government:</b>					
Executive	\$ 8,618	\$ 626,795	\$ 581,148	\$ -	\$ 54,265
Election and registration	-	337,743	369,124	-	(31,381)
Financial administration	52,803	1,581,136	1,464,414	11,700	157,825
Revaluation of property	-	197,377	174,698	-	22,679
Planning and zoning	40,250	298,825	254,009	29,751	55,315
Cemeteries	-	191,096	177,918	-	13,178
Insurance, not otherwise allocated	-	2,815,907	2,663,651	-	152,256
Other	2,780	30,600	17,359	7,898	8,123
Total general government	<u>104,451</u>	<u>6,079,479</u>	<u>5,702,321</u>	<u>49,349</u>	<u>432,260</u>
<b>Public safety:</b>					
Police	4,440	4,171,409	3,899,923	9,448	266,478
Fire	6,945	3,571,920	3,476,965	26,177	75,723
Building inspection	-	142,746	122,990	-	19,756
Emergency management	-	10,272	2,689	-	7,583
Other	-	1,006,110	916,689	-	89,421
Total public safety	<u>11,385</u>	<u>8,902,457</u>	<u>8,419,256</u>	<u>35,625</u>	<u>458,961</u>
<b>Highways and streets:</b>					
Highways and streets	10,000	3,558,840	3,391,970	-	176,870
Other	-	681,837	743,508	-	(61,671)
Total highways and streets	<u>10,000</u>	<u>4,240,677</u>	<u>4,135,478</u>	<u>-</u>	<u>115,199</u>
<b>Sanitation:</b>					
Solid waste collection	-	1,529,854	1,594,263	-	(64,409)
<b>Welfare:</b>					
Administration and direct assistance	-	20,519	18,555	-	1,964
Vendor payments and other	-	20,000	20,000	-	-
Total welfare	<u>-</u>	<u>40,519</u>	<u>38,555</u>	<u>-</u>	<u>1,964</u>
<b>Culture and recreation:</b>					
Parks and recreation	-	615,045	589,813	-	25,232
Library	-	851,940	835,354	-	16,586
Total culture and recreation	<u>-</u>	<u>1,470,985</u>	<u>1,429,167</u>	<u>-</u>	<u>41,818</u>
<b>Debt service:</b>					
Principal of long-term debt	-	105,000	105,000	-	-
Interest on long-term debt	-	45,554	45,554	-	-
Interest on tax anticipation notes	-	1	-	-	1
Other	-	53,244	53,243	-	1
Total debt service	<u>-</u>	<u>203,799</u>	<u>203,797</u>	<u>-</u>	<u>2</u>
Capital outlay	<u>916,327</u>	<u>3,217,229</u>	<u>3,719,413</u>	<u>385,295</u>	<u>28,848</u>
<b>Other financing uses:</b>					
Transfers out	-	550,727	-	-	550,727
<b>Total appropriations, expenditures, other financing uses, and encumbrances</b>	<u>\$ 1,042,163</u>	<u>\$ 26,235,726</u>	<u>\$ 25,242,250</u>	<u>\$ 470,269</u>	<u>\$ 1,565,370</u>

See Independent Auditor's Report.

**SCHEDULE 3**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Major General Fund**  
**Schedule of Changes in Unassigned Fund Balance**  
**For the Fiscal Year Ended December 31, 2024**

Unassigned fund balance, beginning		\$ 7,580,208
Changes:		
2024 Budget summary:		
Revenue surplus (Schedule 1)	\$ 106,972	
Unexpended balance of appropriations (Schedule 2)	<u>1,565,370</u>	
Budget surplus		<u>1,672,342</u>
Unassigned fund balance, ending		9,252,550
 <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>547,848</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 9,800,398</u></u>

**SCHEDULE 4**  
**TOWN OF GOFFSTOWN, NEW HAMPSHIRE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2024**

	Special Revenue Funds				
	Grants	EMS	Conservation	Heritage	Parks and Recreation
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,178,682	\$ 938,275	\$ 308,708	\$ 4,540	\$ 440,304
Investments	-	-	-	-	-
Accounts receivable (net)	-	673,984	-	-	-
Intergovernmental receivable	13,684	-	-	-	-
Interfund receivable	-	-	21,950	-	-
Total assets	<u>\$ 1,192,366</u>	<u>\$ 1,612,259</u>	<u>\$ 330,658</u>	<u>\$ 4,540</u>	<u>\$ 440,304</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 52,258	\$ 12,711	\$ -	\$ -	\$ 665
Intergovernmental payable	-	15,143	-	-	-
Interfund payable	-	59,866	-	-	-
Total liabilities	<u>52,258</u>	<u>87,720</u>	<u>-</u>	<u>-</u>	<u>665</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,140,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	1,524,539	330,658	4,540	439,639
Total fund balances	<u>-</u>	<u>1,524,539</u>	<u>330,658</u>	<u>4,540</u>	<u>439,639</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,192,366</u>	<u>\$ 1,612,259</u>	<u>\$ 330,658</u>	<u>\$ 4,540</u>	<u>\$ 440,304</u>

Special Revenue Funds						
GTV Cable	Special Detail Revolving	Dispatch Fees	Library	Escrows and Impact Fees	Permanent Fund	Total
\$ 44,155	\$ 122,613	\$ 111,018	\$ 197,826	\$ 939,057	\$ 37,622	\$ 4,322,800
-	-	-	-	-	1,477,625	1,477,625
134,138	51,510	-	-	-	-	859,632
-	-	36,554	-	-	-	50,238
-	-	-	-	-	-	21,950
<u>\$ 178,293</u>	<u>\$ 174,123</u>	<u>\$ 147,572</u>	<u>\$ 197,826</u>	<u>\$ 939,057</u>	<u>\$ 1,515,247</u>	<u>\$ 6,732,245</u>
\$ 2,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,775
6,498	4,095	-	-	-	-	25,736
-	-	-	16,887	38,038	-	114,791
<u>8,639</u>	<u>4,095</u>	<u>-</u>	<u>16,887</u>	<u>38,038</u>	<u>-</u>	<u>208,302</u>
-	-	-	-	-	-	1,140,108
-	-	-	-	-	1,358,402	1,358,402
-	-	-	180,939	901,019	156,845	1,238,803
169,654	170,028	147,572	-	-	-	2,786,630
<u>169,654</u>	<u>170,028</u>	<u>147,572</u>	<u>180,939</u>	<u>901,019</u>	<u>1,515,247</u>	<u>5,383,835</u>
<u>\$ 178,293</u>	<u>\$ 174,123</u>	<u>\$ 147,572</u>	<u>\$ 197,826</u>	<u>\$ 939,057</u>	<u>\$ 1,515,247</u>	<u>\$ 6,732,245</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, 2024**

	Special Revenue Funds				
	Grants	EMS	Conservation	Heritage	Parks and Recreation
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 22,750	\$ -	\$ -
Intergovernmental	560,970	-	-	-	-
Charges for services	-	725,080	-	-	104,390
Miscellaneous	-	-	6,668	77	8,177
Total revenues	<u>560,970</u>	<u>725,080</u>	<u>29,418</u>	<u>77</u>	<u>112,567</u>
<b>EXPENDITURES</b>					
Current:					
General government	154,382	-	-	-	-
Public safety	17,300	538,349	-	-	-
Highways and streets	77,355	-	-	-	-
Culture and recreation	-	-	-	-	7,399
Capital outlay	311,933	-	-	-	-
Total expenditures	<u>560,970</u>	<u>538,349</u>	<u>-</u>	<u>-</u>	<u>7,399</u>
Excess of revenues over expenditures	<u>-</u>	<u>186,731</u>	<u>29,418</u>	<u>77</u>	<u>105,168</u>
<b>OTHER FINANCING USES</b>					
Transfers out	-	(9,800)	-	-	-
Net change in fund balances	-	176,931	29,418	77	105,168
Fund balances, beginning	-	1,347,608	301,240	4,463	334,471
Fund balances, ending	<u>\$ -</u>	<u>\$ 1,524,539</u>	<u>\$ 330,658</u>	<u>\$ 4,540</u>	<u>\$ 439,639</u>

Special Revenue Funds						
GTV Cable	Special Detail Revolving	Dispatch Fees	Library	Escrows and Impact Fees	Permanent Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,750
86,435	-	-	-	-	-	647,405
198,362	114,856	147,572	-	-	-	1,290,260
-	-	-	12,216	217,803	180,741	425,682
<u>284,797</u>	<u>114,856</u>	<u>147,572</u>	<u>12,216</u>	<u>217,803</u>	<u>180,741</u>	<u>2,386,097</u>
-	-	-	-	521	16,472	171,375
-	90,149	-	-	-	-	645,798
-	-	-	-	33,736	-	111,091
191,931	-	-	5,811	20,038	-	225,179
-	-	-	-	-	-	311,933
<u>191,931</u>	<u>90,149</u>	<u>-</u>	<u>5,811</u>	<u>54,295</u>	<u>16,472</u>	<u>1,465,376</u>
<u>92,866</u>	<u>24,707</u>	<u>147,572</u>	<u>6,405</u>	<u>163,508</u>	<u>164,269</u>	<u>920,721</u>
-	-	-	(1,000)	-	-	(10,800)
92,866	24,707	147,572	5,405	163,508	164,269	909,921
76,788	145,321	-	175,534	737,511	1,350,978	4,473,914
<u>\$ 169,654</u>	<u>\$ 170,028</u>	<u>\$ 147,572</u>	<u>\$ 180,939</u>	<u>\$ 901,019</u>	<u>\$ 1,515,247</u>	<u>\$ 5,383,835</u>

See Independent Auditor's Report.



## **PLODZIK & SANDERSON**

*Professional Association/Certified Public Accountants*

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### ***INDEPENDENT AUDITOR'S COMMUNICATION OF SIGNIFICANT DEFICIENCY***

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, 2024, 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 a deficiency in internal control that we consider to be a significant deficiency.

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 material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

*Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.

*Probable.* The future event or events are likely to occur.

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 deficiency in the entity's internal control to be a significant deficiency:

#### **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 position of Treasurer; additionally, 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.

*Town of Goffstown  
Independent Auditor's Communication of Significant Deficiency*

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

The identified significant deficiency is not considered to be a material weakness.

**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.

The Town of Goffstown's response to the finding identified in our audit are described above and the Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

February 3, 2026  
Concord, New Hampshire

*Plodzik & Sanderson  
Professional Association*