

CITY OF KEENE, NEW HAMPSHIRE

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

(This page intentionally left blank.)

CITY OF KEENE NEW HAMPSHIRE

Annual Comprehensive Financial Report

**For The Fiscal Year Ended
June 30, 2021**



**Prepared by:
The Finance Department**

**Merri E.B. Howe
Finance Director**

(This page intentionally left blank.)

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Transmittal Letter	3
Organizational Chart	10
Certificate of Achievement	11
<u>FINANCIAL SECTION:</u>	
Independent Auditors' Report	14
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	30
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
Statement of Net Position	34
Statement of Revenues, Expenses, and Changes in Fund Net Position	35
Statement of Cash Flows	36

Fiduciary Funds:	
Statement of Fiduciary Net Position	37
Statement of Changes in Fiduciary Net Position	38
Notes to Financial Statements	39
Required Supplementary Information:	
Budget and Actual:	
Schedule of Revenues, Expenditures, and Other Financing Sources/(Uses) - Budget and Actual - General Fund	82
Schedule of Revenues, Expenditures, and Other Financing Sources/(Uses) - Budget and Actual - Solid Waste Fund	83
Notes to the Required Supplementary Information for General Fund and Solid Waste Fund Budget	84
Pension:	
Schedule of Proportionate Share of the Net Pension Liability	85
Schedule of Pension Contributions	86
OPEB:	
Schedules of Proportionate Share and Contributions of the Net OPEB Liability	87
Schedule of Changes in the Total OPEB Liability	88
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	93
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses - Budget and Actual - Parking Fund	94
Combining Statement of Net Position - Internal Service Funds	96
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	97

Combining Statement of Cash Flows - Internal Service Funds	98
Schedule of Revenues, Expenses, and Other Financing Sources and Uses - Budget and Actual - Internal Service Funds	99

STATISTICAL SECTION:

Financial Trends

Net Position by Component - Last Ten Fiscal Years	104
Changes in Net Position - Last Ten Fiscal Years	105
Fund Balances, Governmental Funds - Last Ten Fiscal Years	106
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	107

Revenue Capacity

General Government Tax Revenues by Source - Last Ten Fiscal Years	108
Assessed and Estimated Full Value of Real Property - Last Ten Fiscal Years	109
Property Tax Rates per \$1,000 of Assessed Value - Direct and Overlapping Governments - Last Ten Fiscal Years	110
Principal Taxpayers - Current Year and Nine Years Ago	111
Property Tax Levies and Collections - Last Ten Fiscal Years	112

Debt Capacity

Ratios of Outstanding Debt by Debt Type - Last Ten Fiscal Years	113
Computation of Overlapping Debt by Debt Type - Last Ten Fiscal Years	114
Ratios of Long Term Debt Outstanding and Legal Debt Limits - Last Ten Fiscal Years	115

Demographic and Economic Information

Demographic Statistics - Last Ten Fiscal Years	116
Principal Employers - Current Year and Nine Years Ago	117

Operating Information

City Government Employees by Function - Full Time Equivalents - Last Ten Fiscal Years	118
Operating Indicators by Function - Last Ten Fiscal Years	119
Capital Asset Statistics by Function - Last Ten Fiscal Years	120

**INTRODUCTORY
SECTION**

(This page intentionally left blank.)



City of Keene

New Hampshire

January 28, 2022

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Keene:

The Keene Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Keene, New Hampshire (the City) for the fiscal year ending June 30, 2021. This report is published to provide citizens, City Council, investors, and other interested parties with detailed information regarding the financial position of the City. Responsibility for the accuracy of the data, and the completeness and fairness of this report, including all disclosures and schedules, rests with management.

To the best of our knowledge and belief, the following data is accurate in all material respects and is reported in a manner designed to fairly present the City's financial position and changes in financial position of the various funds of the City. The accompanying disclosures are necessary to enable the reader to gain an understanding of the City's financial activities. This letter of transmittal is intended to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A).

The City's financial statements and ACFR do not report on the funds of the Keene School District or the County of Cheshire. These governmental units are independent of the City and do not meet established reporting entity criteria for inclusion in this report.

General - Incorporated as a City in 1874, Keene, New Hampshire is located in southwestern New Hampshire in Cheshire County, 85 miles northwest of Boston, Massachusetts, 97 miles north of Hartford, Connecticut, and 100 miles northeast of Albany, New York. According to the 2020 Census, the population in the 37.1 square miles of land known as the City of Keene was 23,047. Four major highways, Routes 101, 12, 10, and 9, intersect at Keene, making it the hub of the region and also giving access to Interstates 91, 89, and 93.

The City provides governmental services including police, fire, ambulance, road and sidewalk maintenance, public health and welfare, code compliance, public library, and water and sewer. In addition, the City maintains 16 parks, 2 municipal pools, 9 recreation courts, cemeteries, and an airport.

Government - The City of Keene is governed by a mayor and 15-member Council, five of whom are elected at large, with the Mayor presiding at all Council meetings. The Mayor has no veto power over Council actions. Through the power defined in the City Charter, the City Council appoints the Manager to serve as the chief executive officer of the City. Keene's City Charter defines the powers the citizens agree to give their City government, how the government is structured, and specifies the responsibilities of the City Manager. Under the Mayor/Council/Manager form of government adopted by Keene, the Mayor and Council establish policies for operations within the City, and it is the Manager's responsibility to ensure these policies are carried out. In general, the Manager supervises all property and business affairs of the City and oversees expenditure of all funds appropriated for City purposes.

Principal City Officials

<u>Office</u>	<u>Name</u>	<u>Term Expires*</u>	<u>2021 Standing Committee Assignment</u>
Mayor	George S. Hansel	2021	N/A
Ward One Councilors	Janis O. Manwaring Raleigh C. Ormerod	2021 2023	Chair Municipal Services, Facilities & Infrastructure Finance, Organization & Personnel
Ward Two Councilors	Mitchell H. Greenwald Robert C. Williams	2021 2023	Vice Chair Planning, Licenses and Development Municipal Services, Facilities & Infrastructure
Ward Three Councilors	Brian Lake Andrew Madison	2021 2021	Municipal Services, Facilities & Infrastructure Municipal Services, Facilities & Infrastructure
Ward Four Councilors	Gladys Johnsen Catherine Workman	2023 2021	Planning, Licenses and Development Planning, Licenses and Development
Ward Five Councilors	Philip M. Jones Thomas F. Powers	2021 2023	Planning, Licenses and Development Chair Finance, Organization & Personnel
At Large Councilors	Randy L. Filiault Bettina A. Chadbourne Kate M. Bosley Michael J. Remy Stephen L. Hooper	2021 2021 2021 2021 2021	Vice Chair Municipal Services, Facilities & Infrastructure Municipal Services, Facilities & Infrastructure Chair Planning, Licenses and Development Finance, Organization & Personnel Vice Chair Finance, Organization & Personnel

*Term expires on December 31 in year noted.

Appointed Administration

<u>Title</u>	<u>Name</u>
City Manager	Elizabeth A. Dragon
City Attorney	Thomas P. Mullins
City Clerk	Patricia A. Little
Finance Director/Treasurer	Merri E.B. Howe
Asst. Finance Director/Treasurer	Robert Constable

Local Economy – With the reopening of the economy since the initial impact of COVID-19 the unemployment rates dropped during fiscal year 2021. As reported by the New Hampshire

Department of Employment Security, Keene's unemployment rate was 3.2%; slightly higher than the state rate 2.9%, and 2.4% lower than the federal rate of 5.6% for 2021.

Economic Development

As COVID 19 continues to affect our communities, Keene continues to prosper with new economic opportunities and successfully adopted the Land Development Code. Downtown businesses are showing signs of a strong recovery with support of the city and community. New initiatives such as marketing and branding are underway that will attract and stimulate economic development today and into the future. Below are a few examples of new and on-going projects:

- SolSmart designation – reduced soft costs of solar development by creating permitting checklists to help streamline the permitting process, updated the zoning regulations to explicitly allow solar as a permitted primary use and accessory use and increased the solar tax incentive.
- A \$7 million renovation to the Colonial Theater is under way and the change of use/renovation for their Showroom building has been completed.
- Vacant storefronts at Riverside Plaza have been filled with the addition of HomeGoods and Sierra Trading.
- A new hotel under construction on Key Road expected to open 2022.
- Cheshire Medical Center has purchased 62 Maple Avenue to create a residency program.
- There are no ground floor vacant spaces remaining in downtown Keene. Recent facilitations examples include Modest Man brewing and Shelby MaKane bridals.
- Several large scale renovations to currently vacant retail have been applied for at the Hannaford Plaza and the Ashbrook Road retail development.
 - Planning Application Submitted: Hobby Lobby is moving into the former JC Penney tenant space, which has been vacant for about a year.
 - Planning Application Submitted: Old Navy is moving into the former Pier One and GameStop tenant spaces. The Pier One space has been vacant, and GameStop is moving to a new location.
- The former Middle School building is still being redeveloped with the next phase to include a performance and restaurant space.
- The vacant Keene Industrial Paper building has been sold and is being renovated into a showroom and retail sales space for a local plumbing fixture company.
- A new building is being constructed on Gilbo Ave. which will house mixed uses of offices and residential dwelling units.
- Continued upgrades to Corning Net Optics to create clean rooms and a backup generator to allow for uninterrupted power for their manufacturing process.
- Community Kitchen Building is undergoing a \$740,000 renovation
- Former Friendly's restaurant building which has been vacant for several years is undergoing a \$1.256 million renovation for an optometrist office.

- New \$750,000 4,875 sf building shell for 4 retail units with 2 drive-throughs.
- Enterprise Rent-a-Car investing \$221,000 to renovate an existing property at 449 Winchester Street.

The City continues to be successful in competing for and receiving grants that have leveraged other investments:

- \$500,000 in federal CDBG funds to support Community Kitchen/Improvement project to make energy improvements to the facility located at 37 Mechanic Street including the installation of a rooftop solar array.
- \$500,000 in federal CDBG funds for the acquisition and rehabilitation of a property in Keene to serve as a centralized facility for Monadnock Family Services.
- \$500,000 federal CDBG funds to support the Southwestern Community Services Shelter project. The funds will be used to acquire the properties at 32 Water Street, 29 Elm Street, and 139 Roxbury Street and rehabilitate the Elm Street and Water Street properties.

Financial Information – The City of Keene is responsible for the development of an accounting and internal control structure to ensure the safeguarding of City assets from loss, theft, and misuse and that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurances that these objectives are attained. In providing these reasonable assurances, it is recognized that the cost of control should not exceed the benefits and the valuation of costs and benefits requires management's judgment. Testing of the internal control procedures are part of the annual audit, though an audit opinion is not expressed; any deficiencies and material weaknesses are brought forward by the auditors to management.

Budget Process – The City has developed budgetary controls through the adoption of its fiscal policy to ensure compliance with legal provisions. The fiscal policy is adopted annually by the Council and it establishes and articulates the financial blueprint of the City. This policy mandates the budgets be presented balanced, adopted annually, and lapse at the end of the fiscal year. It also specifies the budget document provide multi-year projections of revenues and expenditures, taking into consideration of the City's policies on unassigned fund balance at the end of the fiscal year and General Fund debt service and current revenue capital outlay appropriations, return residual capital project funds to the originating fund, and limit property tax revenue increases.

Long-term Financial Planning - The City Manager and City staff prepare and present a Capital Improvement Program (CIP) spanning a period of seven years to the City Council for consideration, amendment, and adoption. The focus of the CIP process is planning for our City's future. The foundation of that planning effort seeks to advance Comprehensive Master Plan (CMP) vision through its focus areas including; a quality built environment, unique natural

environment, a vibrant economy, strong citizenship and proactive leadership, a creative and learning culture, and healthy community.

Guided by fiscal policy, anticipated capital expenditures are identified in the seven-year CIP, bi-annually, which forecasts projects anticipated within that time period with an estimated cost in excess of \$35,000 and anticipated useful life of at least five years. Individual project requests are consolidated into a capital program combined with revenue and operating cost projections to provide estimated rate impacts. This capital planning process allows projects in its first year to be fully considered in context of the community's vision, values, and goals, along with impact on property taxes, water rates, and sewer rates. Following a review and public hearing process, the adopted program's first year is included in the next operating budget proposal as the capital budget.

The Capital Improvement Program is fluid and changes from time to time upon action of the City Council and is considered a planning document that does not serve to preclude advancement of a viable project not timely in the program schedule or identified within it. It does not bind any public body to undertaking any project but provides the City with a tool to identify and schedule needed improvements and is used to forecast and plan for the impact of those improvements.

Debt - Bonds and serial notes are authorized by a minimum of two-thirds vote of all City Council members.

Long term borrowing is used to finance projects that have a significant cost and are of a lasting nature. While projects are often bundled together into one annual sale in order to minimize bond issuance costs, the time over which the bonds are repaid (the term) varies based on the financed improvement's expected useful life.

In the fall of 2021 the City of Keene solicited via PFM Financial Advisors LLC proposals for bond direct purchase and refunding. New issues bonds were awarded to Mascoma Bank with an interest/coupon rate of 1.6449% with no fees and no prepayment penalties. The refunding was awarded to Key Government Finance at an interest/couple rate of 1.36% with the lender paying bank and legal fees, and a prepayment cost of 3.0% months 1-12, and 0.0% months 13-maturity.

The general debt limit of the City of Keene is 3% of "base valuation" determined annually by the State Department of Revenue Administration Board of Taxation. The School District's debt limit is 7% of the City's "base valuation," which is not counted in the computation of the City's 3% general limitation. Water and sewer projects undertaken by order of the Water Supply and Pollution Control, Division of the State Department of Environmental Service, are excluded from the measure of indebtedness as the debt is supported by grant and user fees. Non-compulsory water projects are subject to a debt limit of 10% of the "base valuation". Parking meters and facilities may have debt to an amount not exceeding ½ of one percent of the "base valuation" excluded from the general debt limit.

The “base valuation” for computing the debt limit consists of the City’s equalized assessed valuation plus property formerly taxed by the City prior to enactment of the State Business Profits Tax Law all as determined annually by the State of New Hampshire Department of Revenue Administration. For Keene, the “base valuation” for computing the debt limit is \$2,181,146,207 (2020).

Long- term debt outstanding from general obligation bonds as of June 30, 2021 totaled \$35,620,597 without premiums and the amount authorized and unissued totaled \$2,949,000.

Fund Balance – Fund balance represents the difference between current assets and liabilities and comprises non-spendable, restricted, committed, assigned, and unassigned amounts as specified in GASB 54. In the general fund, unassigned fund balance is a key indicator of the City’s ability to withstand and respond to fiscal challenges and opportunities. City fiscal policy establishes a target range of 7% to 10% of the total of the City’s General Fund budget, local, and state education taxes, and the county tax. The unassigned fund balance can be used to offset emergency expenditures, a downturn in collection of significant revenues, or other unforeseen events.

Retirement - Provision for the retirement of teachers and other municipal employees is handled via the New Hampshire Retirement System. The City of Keene currently has approximately 230 active and 172 retired members of the System and its predecessor programs.

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits, referred to as Other Post-Employment Benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis.

The Government Accounting Standards Board (GASB) promulgates its Statement No. 75, requiring for public entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger annual cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits.

The City indirectly provides post-employment health care for retired employees through an implicit rate covered by current year employees. Retirees of the City pay to participate in the City’s medical, prescription drug, mental health/substance abuse programs. Retirees contribute 100% of the cost of the health plan, as determined by the City. The City contributes its implicit rate subsidy of the health plan costs on a pay-as-you-go basis. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

As of June 30, 2020, the City completed an actuarial valuation of its Post-Employment Benefits other than Pensions liability in accordance with GASB Statement 75. According to this report, the Net OPEB Liability was \$5,442,173 or 31.69% of covered payroll. As the City participates in the New Hampshire Retirement System, the City’s proportionate share of the medical subsidy was \$2,901,284 or 16.38% of covered payroll.

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Keene for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020.

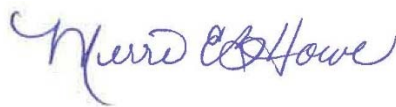
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The Certificate of Achievement award is valid for a period of one year only. The City believes that its current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Audits - The City employs an outside independent accounting firm, Melanson, Certified Public Accountants, Merrimack, New Hampshire to audit the City's operations annually. The audit is in accordance with generally accepted auditing standards.

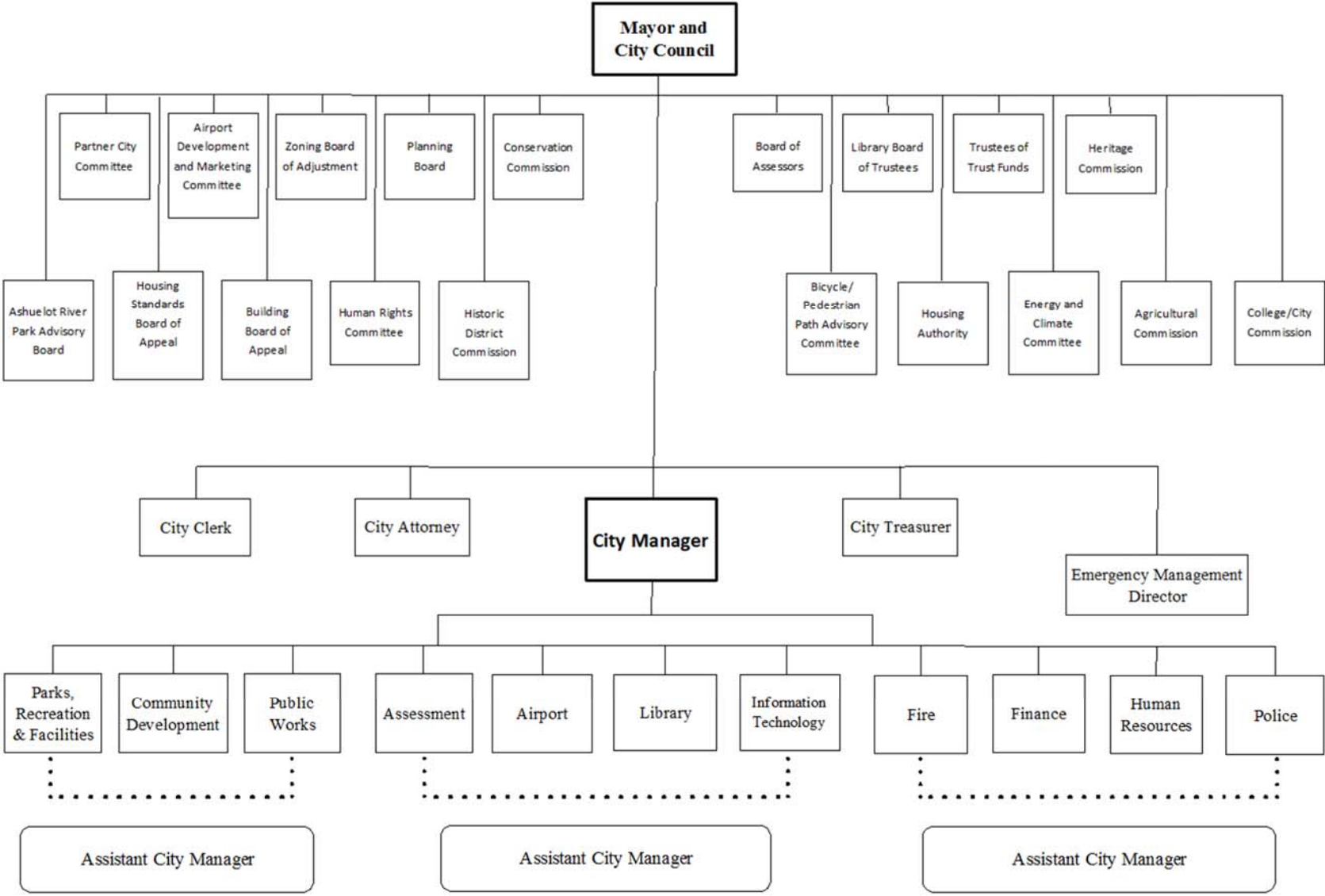
Thank you to the finance staff and all City departments for their cooperation and assistance in gathering the information contained in this report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Merri E.B. Howe". The signature is written in a cursive style and is positioned to the left of a vertical yellow line.

Merri E.B. Howe
Finance Director

**City of Keene
Organizational Chart**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Keene
New Hampshire**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

(This page intentionally left blank.)

**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Keene, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keene, New Hampshire (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

800.282.2440 | melansoncpas.com



of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keene, New Hampshire, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, in fiscal year 2021 the City adopted Governmental Accounting Standards Board (GAS) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison for the General Fund and major special revenue funds, and certain Pension and OPEB schedules, be presented to supplement the basic financial statements. Such information, 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The



combining and individual fund financial statements and schedules appearing on pages 92 through 99 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 financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections appearing on pages 3 through 11, and 104 through 120 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Melanson".

Merrimack, New Hampshire
January 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Keene, New Hampshire (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021.

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 comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required/other supplementary information in addition to the basic financial statements themselves.

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/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 City'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 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, welfare and human services, airport, library, community development, parks and facilities, and debt service interest. The business-type activities include water and sewer activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the 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 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, solid waste fund, and capital projects fund. Data from all other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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.

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 are 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 or 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, only in more detail. Specifically, enterprise funds are used to account for water and sewer operations, which are considered to be major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for the maintenance of certain City vehicles and equipment and replacement of personal computers (PCs). Because these services predominantly benefit governmental rather than business-type

functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

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

Notes to Financial Statements

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

Required/Other Supplementary Information

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

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$76,201,805, a change of \$10,412,452 in comparison to the prior year, and net position in business-type activities was \$62,434,023, a change of \$(1,885,907) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$42,697,147, a change of \$8,445,036 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,250,484, a change of \$2,066,463 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal years:

	<u>NET POSITION</u>					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 73,570,010	\$ 60,284,861	\$ 20,338,857	\$ 20,496,925	\$ 93,908,867	\$ 80,781,786
Capital assets	<u>98,060,112</u>	<u>96,687,639</u>	<u>61,827,690</u>	<u>58,902,856</u>	<u>159,887,802</u>	<u>155,590,495</u>
Total assets	171,630,122	156,972,500	82,166,547	79,399,781	253,796,669	236,372,281
Deferred outflows of resources	11,201,380	5,223,622	1,716,875	369,902	12,918,255	5,593,524
Current liabilities	12,795,933	13,389,300	4,368,213	4,081,151	17,164,146	17,470,451
Noncurrent liabilities	<u>69,543,690</u>	<u>62,516,059</u>	<u>16,553,015</u>	<u>10,950,166</u>	<u>86,096,705</u>	<u>73,466,225</u>
Total liabilities	82,339,623	75,905,359	20,921,228	15,031,317	103,260,851	90,936,676
Deferred inflows of resources	24,290,074	20,501,410	528,171	418,436	24,818,245	20,919,846
Net investment in capital assets	78,094,792	73,675,189	55,092,329	49,350,970	133,187,121	123,026,159
Restricted	9,113,807	10,925,796	-	-	9,113,807	10,925,796
Unrestricted	<u>(11,006,794)</u>	<u>(18,811,632)</u>	<u>7,341,694</u>	<u>14,968,960</u>	<u>(3,665,100)</u>	<u>(3,842,672)</u>
Total net position	<u>\$ 76,201,805</u>	<u>\$ 65,789,353</u>	<u>\$ 62,434,023</u>	<u>\$ 64,319,930</u>	<u>\$ 138,635,828</u>	<u>\$ 130,109,283</u>

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. At the close of the most recent fiscal year, total net position was \$138,635,828, a change of \$8,526,545 in comparison to the prior year.

The largest portion of net position, \$133,187,121 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$9,113,807, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(3,665,100) primarily resulting from unfunded pension and OPEB liabilities.

CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,343,051	\$ 12,971,125	\$ 9,868,297	\$ 10,090,661	\$ 23,211,348	\$ 23,061,786
Operating grants and contributions	4,108,748	4,268,360	37,881	34,500	4,146,629	4,302,860
Capital grants and contributions	1,776,962	2,371,339	584,248	390,293	2,361,210	2,761,632
General revenues:						
Property taxes	30,147,335	28,122,695	-	-	30,147,335	28,122,695
Payment in lieu of taxes	1,111,350	1,107,500	-	-	1,111,350	1,107,500
Penalties and interest on taxes	316,837	639,756	-	-	316,837	639,756
Investment income	1,776,124	766,490	36,678	340,798	1,812,802	1,107,288
Miscellaneous	281,479	592,586	-	-	281,479	592,586
Total revenues	52,861,886	50,839,851	10,527,104	10,856,252	63,388,990	61,696,103
Expenses:						
General government	6,967,014	8,152,525	-	-	6,967,014	8,152,525
Public safety	16,275,916	17,665,400	-	-	16,275,916	17,665,400
Public works	9,540,493	9,635,462	-	-	9,540,493	9,635,462
Welfare and human services	587,322	747,728	-	-	587,322	747,728
Airport	1,512,705	1,396,849	-	-	1,512,705	1,396,849
Library	1,660,766	1,540,768	-	-	1,660,766	1,540,768
Community development	1,432,118	1,468,186	-	-	1,432,118	1,468,186
Parks and facilities	3,814,782	3,629,902	-	-	3,814,782	3,629,902
Interest	691,772	771,454	-	-	691,772	771,454
Water	-	-	5,307,330	3,784,833	5,307,330	3,784,833
Sewer	-	-	7,114,138	5,737,639	7,114,138	5,737,639
Total expenses	42,482,888	45,008,274	12,421,468	9,522,472	54,904,356	54,530,746
Change in net position before transfers and permanent fund contributions	10,378,998	5,831,577	(1,894,364)	1,333,780	8,484,634	7,165,357
Transfers in (out)	(8,457)	-	8,457	-	-	-
Permanent fund contributions	41,911	23,200	-	-	41,911	23,200
Change in net position	10,412,452	5,854,777	(1,885,907)	1,333,780	8,526,545	7,188,557
Net position - beginning of year	65,789,353	59,934,576	64,319,930	62,986,150	130,109,283	122,920,726
Net position - end of year	\$ 76,201,805	\$ 65,789,353	\$ 62,434,023	\$ 64,319,930	\$ 138,635,828	\$ 130,109,283

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$10,412,452 or 15.83%. The primary reasons for the positive change in net position are general fund operating results further discussed in the following section.

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$(1,885,907) or (2.93)%. The primary reason for the negative change in net position relates to revenue shortfalls in water and sewer.

Financial Analysis of the City'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 spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$42,697,147, a change of \$8,445,036 in comparison to the prior year. Key elements of this change are as follows:

General fund operations (prior to transfers)	\$	1,531,360
Solid waste fund operations		97,121
Capital project fund expenditures in excess of revenues		(3,563,030)
Nonmajor governmental funds expenditures in excess of revenues		1,479,042
Issuance of bonds		8,839,000
Other		<u>61,543</u>
Total	\$	<u>8,445,036</u>

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 \$15,250,484, while total fund balance was \$22,915,376. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund tax levy. Refer to the following table:

<u>General Fund</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>	<u>% of Total General Fund Tax Levy</u>
Unassigned fund balance	\$ 15,250,484	\$ 13,184,021	\$ 2,066,463	18.3%
Total fund balance	\$ 22,915,376	\$ 20,037,543	\$ 2,877,833	27.5%

The unassigned fund balance of the general fund changed by \$2,066,463 which was primarily driven by positive budgetary results and close out of the prior year nonspendable fund balance.

The total fund balance of the general fund changed by \$2,877,833 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (1,163,410)
Property tax collections in excess of budget	1,239,213
Other revenues less than budget	(241,486)
Expenditures less than budget	2,079,785
Change in capital reserves	986,640
Other	<u>(22,909)</u>
Total	\$ <u><u>2,877,833</u></u>

The significant return of unused budgeted expenditures was a result of positions (related wages, health and dental insurance) that were not filled during the fiscal year and debt service.

The change in capital reserves is the net result of the City’s practice of annually appropriating funds to be added to various capital reserves and subsequently voting to use the funds for projects/purchases.

Included in the total general fund balance are the City’s capital reserves with the following committed balances:

	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>
Downtown Infrastructure and Facility	\$ 1,663,734	\$ 1,463,897	\$ 199,837
Bridges	909,900	768,976	140,924
Fire Equipment	385,855	571,777	(185,922)
Road and Sidewalk Infrastructure	789,097	394,160	394,937
Transfer/Recycle Facility	215,432	168,146	47,286
Transportation Improvements	453,263	370,575	82,688
Other Capital Reserves	<u>785,275</u>	<u>478,385</u>	<u>306,890</u>
Total	\$ <u><u>5,202,556</u></u>	\$ <u><u>4,215,916</u></u>	\$ <u><u>986,640</u></u>

Solid Waste Fund

The solid waste fund reports a small increase in fund balance from actual revenues exceeding estimates.

Capital Projects Fund

The capital project fund had a change in fund balance of \$4,631,057. This change is driven by borrowing for capital projects that will be spent in subsequent fiscal years.

Nonmajor Governmental Funds

The nonmajor funds balance changed by \$839,025 primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

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 funds at the end of the year amounted to \$7,341,694, a change of \$(7,627,266) in comparison to the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$15,960 for the purpose of providing funding for items not included in the 2019 Federal Assistance to Firefighters Grant. This appropriation was funded by unassigned fund balance.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$159,887,802 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and infrastructure.

Major capital assets events during the current fiscal year included the following:

- Purchase of fire department ladder truck
- Purchase of police radios
- Municipal building improvements
- Airport Taxiway A improvements
- Network equipment and server replacements
- Various ongoing infrastructure improvements

Additional information on capital assets can be found in Note 10.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$36,625,202 (inclusive of bond premiums), all of which was backed by the full faith and credit of the City.

Credit Rating – The City maintains an “AA” rating from Standard & Poor’s for general obligation debt.

Additional information on long-term debt can be found in Note 14.

Economic Factors and Next Year’s Budgets And Rates

As COVID-19 continues to affect our communities, the City of Keene manages to sustain employment trends that are better than the national average. Unemployment in the City of Keene for 2021 was 3.2%, down 3.9% from 2020, and 2.4% lower than the 2021 national average. City revenues for FY21 were stable with motor vehicle registrations \$75,000 higher than in FY20. A positive economic indicator for the City of Keene is the increase in the number of building permits issued and the \$7.5 million addition in overall permit valuation from 2020. Property tax collection remains strong with a collection of 98.34%, though revenues from recreation and library programs, ambulance, and interest earnings experienced decreases.

The City continues to follow fiscal policy guidelines that establish boundaries and budgetary controls that take into account the current economic conditions of the community. A rolling 3-year average of the Boston-Cambridge-Newton Consumer Price Index limits the increase in property taxes that is in line with the overall inflation experienced by the taxpayer. The fiscal policies are reviewed, updated, and adopted annually by the City Council prior to the beginning of the budget process.

Requests for Information

This financial report is designed to provide a general overview of the City of Keene’s finances for all those with an interest in the City’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

City Hall

3 Washington Street

Keene, New Hampshire 03431

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

CITY OF KEENE, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 66,019,588	\$ -	\$ 66,019,588
Investments	8,675,494	8,220,738	16,896,232
Receivables, net of allowance for uncollectibles:			
Property taxes	262,925	-	262,925
User fees	-	3,439,158	3,439,158
Accounts receivable	840,327	6,419	846,746
Notes receivable	-	369,662	369,662
Intergovernmental	1,350,703	-	1,350,703
Internal balances	(6,248,459)	6,248,459	-
Prepaid items	91,188	2,900	94,088
Inventory	<u>257,973</u>	<u>223,505</u>	<u>481,478</u>
Total current assets	71,249,739	18,510,841	89,760,580
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	2,022,865	-	2,022,865
Notes receivable	297,406	1,828,016	2,125,422
Capital assets:			
Land and construction in progress	27,612,574	10,371,395	37,983,969
Capital assets, net of accumulated depreciation	<u>70,447,538</u>	<u>51,456,295</u>	<u>121,903,833</u>
Total noncurrent assets	<u>100,380,383</u>	<u>63,655,706</u>	<u>164,036,089</u>
Total Assets	171,630,122	82,166,547	253,796,669
Deferred Outflows of Resources			
Related to pensions	9,882,156	1,514,292	11,396,448
Related to OPEB	1,192,335	173,045	1,365,380
Other	<u>126,889</u>	<u>29,538</u>	<u>156,427</u>
Total Deferred Outflows of Resources	11,201,380	1,716,875	12,918,255
Liabilities			
Current:			
Warrants payable	1,862,738	442,697	2,305,435
Accounts payable	409,393	344,059	753,452
Accrued liabilities	741,258	82,502	823,760
Payroll withholdings	2,119,309	-	2,119,309
Tax refunds payable	1,862,230	-	1,862,230
Unearned revenue	-	1,587,590	1,587,590
Other current liabilities	964,776	67,645	1,032,421
Current portion of long-term liabilities:			
Bonds payable	3,886,687	1,815,081	5,701,768
Tax increment financing bonds payable	570,000	-	570,000
Other liabilities	<u>379,542</u>	<u>28,639</u>	<u>408,181</u>
Total current liabilities	12,795,933	4,368,213	17,164,146
Noncurrent:			
Bonds payable, net of current portion	18,968,327	9,398,107	28,366,434
Tax increment financing bonds payable, net of current portion	1,987,000	-	1,987,000
Net pension liability	38,067,672	5,833,303	43,900,975
Total/Net OPEB liability	7,279,598	1,063,859	8,343,457
Other liabilities, net of current portion	<u>3,241,093</u>	<u>257,746</u>	<u>3,498,839</u>
Total noncurrent liabilities	<u>69,543,690</u>	<u>16,553,015</u>	<u>86,096,705</u>
Total Liabilities	82,339,623	20,921,228	103,260,851
Deferred Inflows of Resources			
Related to pensions	1,947,762	298,465	2,246,227
Related to OPEB	1,187,886	169,619	1,357,505
Other	<u>21,154,426</u>	<u>60,087</u>	<u>21,214,513</u>
Total Deferred Inflows of Resources	24,290,074	528,171	24,818,245
Net Position			
Net investment in capital assets	78,094,792	55,092,329	133,187,121
Restricted for:			
Grants and other statutory restrictions	1,853,512	-	1,853,512
Permanent funds:			
Nonexpendable	6,978,188	-	6,978,188
Expendable	282,107	-	282,107
Unrestricted	<u>(11,006,794)</u>	<u>7,341,694</u>	<u>(3,665,100)</u>
Total Net Position	<u>\$ 76,201,805</u>	<u>\$ 62,434,023</u>	<u>\$ 138,635,828</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 6,967,014	\$ 4,354,096	\$ 1,820,313	\$ -	\$ (792,605)	\$ -	\$ (792,605)
Public safety	16,275,916	2,042,176	2,071,942	-	(12,161,798)	-	(12,161,798)
Public works	9,540,493	5,701,437	55,555	1,346,894	(2,436,607)	-	(2,436,607)
Welfare and human services	587,322	22,185	27,100	-	(538,037)	-	(538,037)
Airport	1,512,705	425,023	77,780	395,015	(614,887)	-	(614,887)
Library	1,660,766	25,456	7,145	6,000	(1,622,165)	-	(1,622,165)
Community development	1,432,118	374,944	-	-	(1,057,174)	-	(1,057,174)
Parks and facilities	3,814,782	397,734	48,913	29,053	(3,339,082)	-	(3,339,082)
Interest	<u>691,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(691,772)</u>	<u>-</u>	<u>(691,772)</u>
Total Governmental Activities	42,482,888	13,343,051	4,108,748	1,776,962	(23,254,127)	-	(23,254,127)
Business-Type Activities							
Water	5,307,330	3,862,130	37,881	-	-	(1,407,319)	(1,407,319)
Sewer	<u>7,114,138</u>	<u>6,006,167</u>	<u>-</u>	<u>584,248</u>	<u>-</u>	<u>(523,723)</u>	<u>(523,723)</u>
Total Business-Type Activities	<u>12,421,468</u>	<u>9,868,297</u>	<u>37,881</u>	<u>584,248</u>	<u>-</u>	<u>(1,931,042)</u>	<u>(1,931,042)</u>
Total	<u>\$ 54,904,356</u>	<u>\$ 23,211,348</u>	<u>\$ 4,146,629</u>	<u>\$ 2,361,210</u>	(23,254,127)	(1,931,042)	(25,185,169)
General Revenues							
Property taxes					30,147,335	-	30,147,335
Payment in lieu of taxes					1,111,350	-	1,111,350
Penalties and interest on taxes					316,837	-	316,837
Investment income					1,776,124	36,678	1,812,802
Miscellaneous					281,479	-	281,479
Transfers, net					(8,457)	8,457	-
Permanent fund contributions					<u>41,911</u>	<u>-</u>	<u>41,911</u>
Total general revenues, transfers, and permanent fund contributions					<u>33,666,579</u>	<u>45,135</u>	<u>33,711,714</u>
Change in Net Position					10,412,452	(1,885,907)	8,526,545
Net Position							
Beginning of year					<u>65,789,353</u>	<u>64,319,930</u>	<u>130,109,283</u>
End of year					<u>\$ 76,201,805</u>	<u>\$ 62,434,023</u>	<u>\$ 138,635,828</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2021

	General <u>Fund</u>	Solid Waste <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets					
Cash and short-term investments	\$ 65,212,055	\$ -	\$ -	\$ 807,533	\$ 66,019,588
Investments	923,702	-	-	7,390,942	8,314,644
Receivables:					
Property taxes, net	2,503,612	-	-	-	2,503,612
Accounts receivable, net	183,517	518,325	-	133,664	835,506
Intergovernmental	6,913	-	754,073	589,717	1,350,703
Due from other funds	-	2,304,858	7,534,187	660,779	10,499,824
Advance to other funds	-	517,020	-	-	517,020
Prepaid items	<u>91,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,188</u>
Total Assets	\$ <u>68,920,987</u>	\$ <u>3,340,203</u>	\$ <u>8,288,260</u>	\$ <u>9,582,635</u>	\$ <u>90,132,085</u>
Liabilities					
Warrants payable	\$ 750,199	\$ 328,288	\$ 310,046	\$ 441,126	\$ 1,829,659
Accounts payable	89,661	235,438	56,909	3,384	385,392
Accrued liabilities	458,860	28,344	1,474	24,318	512,996
Payroll withholdings	2,119,309	-	-	-	2,119,309
Due to other funds	17,832,564	-	-	-	17,832,564
Advance from other funds	517,020	-	-	-	517,020
Other liabilities	<u>964,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>964,776</u>
Total Liabilities	22,732,389	592,070	368,429	468,828	24,161,716
Deferred Inflows of Resources					
Unavailable revenues	2,178,219	-	-	-	2,178,219
Taxes collected in advance	21,095,003	-	-	-	21,095,003
Fund Balances					
Nonspendable	91,188	-	-	6,978,188	7,069,376
Restricted	-	-	6,686,268	2,135,619	8,821,887
Committed	6,718,919	2,748,133	2,095,435	-	11,562,487
Assigned	854,785	-	-	-	854,785
Unassigned	<u>15,250,484</u>	<u>-</u>	<u>(861,872)</u>	<u>-</u>	<u>14,388,612</u>
Total Fund Balances	<u>22,915,376</u>	<u>2,748,133</u>	<u>7,919,831</u>	<u>9,113,807</u>	<u>42,697,147</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>68,920,987</u>	\$ <u>3,340,203</u>	\$ <u>8,288,260</u>	\$ <u>9,582,635</u>	\$ <u>90,132,085</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2021

Total governmental fund balances	\$	42,697,147
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.		94,884,479
Deferred outflows of resources are the consumption of net position applicable to future reporting periods, and therefore, are not reported in governmental funds:		
Related to pensions		9,882,156
Related to OPEB		1,192,335
Losses on refunding bonds		126,889
Revenues are reported on the accrual basis of accounting and are not deferred until collection.		1,960,397
Long-term notes receivable not due in the current period are not reported in the funds.		297,406
Tax refunds payable not due and payable in the current period, and therefore, are not reported in the funds.		(1,862,230)
Internal service funds are used to account for the financing of services provided by one department to other departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		4,746,541
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(209,444)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:		
Bonds payable		(22,855,014)
Tax increment financing bonds payable		(2,557,000)
Net pension liability		(38,067,672)
Total/Net OPEB liability		(7,279,598)
Other long-term liabilities (compensated absences and landfill liability)		(3,559,516)
Deferred inflows of resources are the acquisition of net position applicable to future reporting periods, and therefore, are not reported in governmental funds:		
Related to pensions		(1,947,762)
Related to OPEB		(1,187,886)
Gains on refunding bonds		(59,423)
Net position of governmental activities	\$	<u>76,201,805</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Solid Waste Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 29,544,275	\$ -	\$ -	\$ 534,749	\$ 30,079,024
Charges for services	2,305,790	5,036,551	-	1,277,350	8,619,691
Intergovernmental	3,063,990	-	1,291,936	1,463,518	5,819,444
Licenses and permits	4,159,133	58,229	-	50,911	4,268,273
Investment income (loss)	261,591	35,420	-	1,474,735	1,771,746
Contributions	-	-	47,807	82,964	130,771
Miscellaneous	<u>189,386</u>	<u>228</u>	<u>-</u>	<u>75,924</u>	<u>265,538</u>
Total Revenues	39,524,165	5,130,428	1,339,743	4,960,151	50,954,487
Expenditures					
General government	6,194,114	-	-	507,889	6,702,003
Public safety	14,322,976	-	-	2,255,298	16,578,274
Public works	2,496,787	4,887,886	-	65,537	7,450,210
Welfare and human services	720,029	-	-	134	720,163
Airport	654,501	-	-	69,000	723,501
Library	1,400,697	-	-	19,123	1,419,820
Community development	1,427,697	-	-	-	1,427,697
Parks and facilities	3,417,104	-	-	43,846	3,460,950
Debt service:					
Principal	6,626,985	58,500	-	467,000	7,152,485
Interest	731,915	16,921	-	53,282	802,118
Capital outlay	<u>-</u>	<u>-</u>	<u>4,902,773</u>	<u>-</u>	<u>4,902,773</u>
Total Expenditures	<u>37,992,805</u>	<u>4,963,307</u>	<u>4,902,773</u>	<u>3,481,109</u>	<u>51,339,994</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,531,360	167,121	(3,563,030)	1,479,042	(385,507)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	5,651,000	-	5,651,000
Issuance of refunding bonds	3,188,000	-	-	-	3,188,000
Transfers in	817,054	-	2,632,439	116,865	3,566,358
Transfers out	<u>(2,658,581)</u>	<u>(70,000)</u>	<u>(89,352)</u>	<u>(756,882)</u>	<u>(3,574,815)</u>
Total Other Financing Sources (Uses)	<u>1,346,473</u>	<u>(70,000)</u>	<u>8,194,087</u>	<u>(640,017)</u>	<u>8,830,543</u>
Change in Fund Balance	2,877,833	97,121	4,631,057	839,025	8,445,036
Fund Balances at Beginning of Year	<u>20,037,543</u>	<u>2,651,012</u>	<u>3,288,774</u>	<u>8,274,782</u>	<u>34,252,111</u>
Fund Balances at End of Year	\$ <u>22,915,376</u>	\$ <u>2,748,133</u>	\$ <u>7,919,831</u>	\$ <u>9,113,807</u>	\$ <u>42,697,147</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Net changes in fund balances - Total governmental funds	\$	8,445,036
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital outlay		5,100,280
Depreciation		(4,088,742)
Loss on disposal		(2,843)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Issuance of general obligation bonds		(8,839,000)
Repayments of general obligation and tax increment financing bonds		7,084,485
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (e.g., property taxes) differ between the two statements. This amount represents the net change in unavailable revenues.</p>		
		1,496,499
<p>This amount represents the change in notes receivable.</p>		
		(22,594)
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</p>		
		21,098
<p>Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:</p>		
Bond premium amortization		174,202
Amortize gain on prior years refunding bonds		11,884
Amortize loss on prior years refunding bonds		(28,838)
Net pension liability and related deferred outflows and inflows of resources		188,342
Net OPEB liability and related deferred outflows and inflows of resources		457,412
Other (compensated absences and landfill liability)		133,000
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The net activity of internal service funds is reported with Governmental Activities.</p>		
		282,231
Change in net position of governmental activities	\$	<u>10,412,452</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	Funds
Assets				
Current:				
Investments	\$ 2,913,420	\$ 5,307,318	\$ 8,220,738	\$ 360,850
User fees, net of allowance for uncollectibles	1,442,920	1,996,238	3,439,158	-
Accounts receivable	-	6,419	6,419	4,821
Notes receivable	-	369,662	369,662	-
Due from other funds	1,395,518	4,852,941	6,248,459	1,084,281
Prepaid items	1,450	1,450	2,900	-
Inventory	116,176	107,329	223,505	257,973
Total current assets	5,869,484	12,641,357	18,510,841	1,707,925
Noncurrent:				
Notes receivable, net of current portion	-	1,828,016	1,828,016	-
Capital assets:				
Land and construction in progress	7,594,179	2,777,216	10,371,395	-
Capital assets, net of accumulated depreciation	22,078,392	29,377,903	51,456,295	3,175,633
Total noncurrent assets	29,672,571	33,983,135	63,655,706	3,175,633
Total Assets	35,542,055	46,624,492	82,166,547	4,883,558
Deferred Outflows of Resources				
Related to pensions	674,115	840,177	1,514,292	-
Related to OPEB	79,301	93,744	173,045	-
Other	-	29,538	29,538	-
Total Deferred Outflows of Resources	753,416	963,459	1,716,875	-
Liabilities				
Current:				
Warrants payable	299,766	142,931	442,697	33,079
Accounts payable	203,714	140,345	344,059	24,001
Accrued liabilities	37,708	44,794	82,502	18,818
Unearned revenue	-	1,587,590	1,587,590	-
Other current liabilities	15,205	52,440	67,645	-
Current portion of long-term liabilities:				
Bonds payable	310,859	1,504,222	1,815,081	-
Other liabilities	12,737	15,902	28,639	6,112
Total current liabilities	879,989	3,488,224	4,368,213	82,010
Noncurrent:				
Bonds payable, net of current portion	2,309,929	7,088,178	9,398,107	-
Net pension liability	2,596,802	3,236,501	5,833,303	-
Total/Net OPEB liability	485,713	578,146	1,063,859	-
Other liabilities, net of current portion	114,629	143,117	257,746	55,007
Total noncurrent liabilities	5,507,073	11,045,942	16,553,015	55,007
Total Liabilities	6,387,062	14,534,166	20,921,228	137,017
Deferred Inflows of Resources				
Related to pensions	132,867	165,598	298,465	-
Related to OPEB	78,421	91,198	169,619	-
Other	22,160	37,927	60,087	-
Total Deferred Inflows of Resources	233,448	294,723	528,171	-
Net Position				
Net investment in capital assets	28,485,061	26,607,268	55,092,329	3,175,633
Unrestricted	1,189,900	6,151,794	7,341,694	1,570,908
Total Net Position	\$ 29,674,961	\$ 32,759,062	\$ 62,434,023	\$ 4,746,541

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 3,862,130	\$ 6,006,167	\$ 9,868,297	\$ 2,747,866
Other	-	-	-	15,939
Total Operating Revenues	3,862,130	6,006,167	9,868,297	2,763,805
Operating Expenses				
Salaries and benefits	2,939,665	3,653,598	6,593,263	883,447
Other operating expenses	1,418,425	1,890,892	3,309,317	1,102,847
Depreciation	895,912	1,350,907	2,246,819	483,858
Total Operating Expenses	5,254,002	6,895,397	12,149,399	2,470,152
Operating Income (Loss)	(1,391,872)	(889,230)	(2,281,102)	293,653
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	37,881	-	37,881	-
Investment income	8,303	28,375	36,678	4,379
Loss on disposal of capital assets	-	-	-	(15,801)
Interest expense	(53,328)	(218,741)	(272,069)	-
Total Nonoperating Revenues (Expenses), Net	(7,144)	(190,366)	(197,510)	(11,422)
Income (Loss) Before Contributions and Transfers	(1,399,016)	(1,079,596)	(2,478,612)	282,231
Contributions and Transfers				
Capital contributions	-	584,248	584,248	-
Transfers in	-	8,457	8,457	-
Change in Net Position	(1,399,016)	(486,891)	(1,885,907)	282,231
Net Position at Beginning of Year	31,073,977	33,245,953	64,319,930	4,464,310
Net Position at End of Year	\$ 29,674,961	\$ 32,759,062	\$ 62,434,023	\$ 4,746,541

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 4,003,609	\$ 6,264,006	\$ 10,267,615	\$ 2,763,236
Payments to vendors	(1,286,737)	(2,005,999)	(3,292,736)	(1,132,024)
Payments to employees for salaries and benefits	(1,598,909)	(2,050,758)	(3,649,667)	(871,597)
Net Cash Provided By Operating Activities	1,117,963	2,207,249	3,325,212	759,615
Cash Flows From Noncapital Financing Activities				
Transfers in	-	8,457	8,457	-
Proceeds (payments) under interfund loan agreements	342,572	(1,548,191)	(1,205,619)	(152,824)
Net Cash Provided By (Used For) Noncapital Financing Activities	342,572	(1,539,734)	(1,197,162)	(152,824)
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(3,441,072)	(1,730,583)	(5,171,655)	(863,437)
Proceeds from issuance of bonds	1,727,000	1,513,000	3,240,000	-
Principal payments on bonds	(191,198)	(1,406,223)	(1,597,421)	-
Interest expense	(45,566)	(217,703)	(263,269)	-
Capital contributions	37,881	544,134	582,015	-
Net Cash (Used For) Capital and Related Financing Activities	(1,912,955)	(1,297,375)	(3,210,330)	(863,437)
Cash Flows From Investing Activities				
Proceeds from sale of investments	-	-	-	252,267
Purchase of investments	444,117	601,485	1,045,602	-
Investment income	8,303	28,375	36,678	4,379
Net Cash Provided By Investing Activities	452,420	629,860	1,082,280	256,646
Net Change in Cash and Short-Term Investments	-	-	-	-
Cash and Short-Term Investments, Beginning of Year	-	-	-	-
Cash and Short-Term Investments, End of Year	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (1,391,872)	\$ (889,230)	\$ (2,281,102)	\$ 293,653
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	895,912	1,350,907	2,246,819	483,858
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees	122,647	160,487	283,134	(569)
Intergovernmental receivables	20,000	-	20,000	-
Inventory	38,697	19,269	57,966	(11,689)
Other assets	(1,449)	4,458	3,009	-
Deferred outflows - related to pensions	(562,527)	(695,967)	(1,258,494)	-
Deferred outflows - related to OPEB	(44,414)	(49,973)	(94,387)	-
Warrants and accounts payable	92,990	(140,284)	(47,294)	(16,344)
Accrued liabilities	(16,009)	(21,675)	(37,684)	10,706
Unearned revenue	-	106,388	106,388	-
Other liabilities	(28)	(7,586)	(7,614)	-
Net pension liability	1,769,932	2,167,911	3,937,843	-
Total/Net OPEB liability	137,955	141,634	279,589	-
Deferred inflows - related to pensions	74,735	90,472	165,207	-
Deferred inflows - related to OPEB	(18,606)	(29,562)	(48,168)	-
Net Cash Provided By Operating Activities	\$ 1,117,963	\$ 2,207,249	\$ 3,325,212	\$ 759,615

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
Assets		
Investments:		
Corporate equities	\$ <u>4,689,642</u>	\$ <u>-</u>
Total Investments	<u>4,689,642</u>	<u>-</u>
Total Assets	4,689,642	-
Net Position		
Restricted for individuals, organizations, and other governments	\$ <u><u>4,689,642</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Property taxes collected for School Districts	-	30,594,793
Property taxes collected for County	-	7,132,096
Investment income	<u>822,107</u>	<u>-</u>
Total additions	822,107	37,726,889
Deductions		
Payments of taxes to School Districts	-	30,594,793
Payment of taxes to County	-	7,132,096
Payments to beneficiaries	<u>58,406</u>	<u>-</u>
Total deductions	<u>58,406</u>	<u>37,726,889</u>
Net change	763,701	-
Net position restricted for individuals, organizations, and other governments		
Beginning of year	<u>3,925,941</u>	<u>-</u>
End of year	\$ <u><u>4,689,642</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Keene, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The City is a municipal corporation governed by a Mayor/City Council/Manager form of government. As required by generally accepted accounting principles, these financial statements present the City and applicable component units for which the government is considered to be financially accountable. In fiscal year 2021, it was determined that no entities met the required GASB 14 (as amended by GASB 61) criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. 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 or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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 funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The City reports the following major governmental funds:

- The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *solid waste fund* accounts for the activities of the transfer and recycling operations and for post-closure costs associated with the landfill.
- The *capital projects fund* accounts for the activity pertaining to various construction/renovation projects and the purchase of vehicles and equipment of the City.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

- The *water fund* accounts for the operations, maintenance, and capital outlay needs of the water treatment and distribution systems.
- The *sewer fund* accounts for the operations, maintenance, and capital outlay needs of the sewer collection and treatment systems.

The *internal service funds* are used to account for the financing of services provided by one department to other departments of the City on a cost-reimbursement basis. The City reports two internal service funds for fleet maintenance and computer replacements.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The City reports the following fiduciary funds:

- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *custodial funds* account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include taxes and fees collected on behalf of other governments.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. Generally, a cash and investment 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 short-term investments".

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

Investments, generally, are presented at fair value (except certificates of deposit which are reported at cost). Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using the net asset value (NAV). The NAV per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period investments measured at the NAV for fair value are not subject to level classification.

The City invests in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool managed by the State Banking Commission. The portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and investments are valued at amortized cost.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 for infrastructure, \$5,000 for all other items, and estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 50
Land improvements	20
Infrastructure	50 - 60
Vehicles and equipment	10 - 30

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “Net Position”.

Fund Balance

Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

Budgetary Information

The City Manager presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by the City Council, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at City Council meetings as required by changing conditions.

Departments are limited to their voted budgets. However, City Council authorization is needed to use salary and wage appropriations for other operating expenditures, and vice versa.

Formal budgetary integration is employed as a management control device during the year for the general fund, solid waste fund, parking fund and proprietary funds.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

Excess of Expenditures over Appropriations

Expenditures exceeding appropriations during the current fiscal year were as follows:

General fund		
Human resources	\$	(391)
Information technology		(72,631)
Airport		(26,958)

3. Deposits and Investments

State statutes (RSA 48:16) place certain limitation on the nature of deposits and investments available to the City. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), in NH Banks or banks outside the State if such banks pledge and deliver to a third-party custodial bank with various collateralized security, in accordance with RSA 383:22. NHPDIP is under the control of the New Hampshire Banking Commission and Advisory Committee. Participation units of the NHPDIP are considered short-term for financial presentation purposes due to high liquidity of the fund and are carried at amortized cost in accordance with GASB Statement 79.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure of the counterparty, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another part.

Pursuant to NH Statute, “the treasurer shall insure that prior to the acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall 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 City.” The City does not have a deposit policy for custodial credit risk.

As of June 30, 2021, \$4,524,826 of the City’s bank balance of \$64,612,607 was exposed to custodial credit risk as uninsured and/or uncollateralized. The uncollateralized amount represents the cash portion of the Cambridge Trust Company investment portfolios, held by the Trustees of Trust Funds.

Investment Summary

The following is a summary of the City's investments as of June 30, 2021:

<u>Investment Type</u>	<u>Amount</u>
Alternative pooled funds	\$ 103,658
Certificates of deposits	2,515,943
Corporate bonds	1,451,770
Corporate equities	7,528,676
Equity mutual funds	1,409,099
Federal agency securities	5,286,442
Fixed income taxable funds	289,619
Mortgage backed securities	1,997,495
U.S. Treasury notes	<u>1,003,172</u>
Total investments	<u>\$ 21,585,874</u>

Custodial Credit Risk - Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investments are subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the City's brokerage firm, which is also the Counterparty to these securities. The City does not have formal investment policies for custodial credit risk. The City manages this custodial credit risk with SIPC and excess SIPC.

As of June 30, 2021, all of the City's total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the City's brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty</u>
Alternative pooled funds	\$ 103,658	\$ 103,658
Certificates of deposits	2,515,943	2,515,943
Corporate bonds	1,451,770	1,451,770
Corporate equities	7,528,676	7,528,676
Equity mutual funds	1,409,099	1,409,099
Federal agency securities	5,286,442	5,286,442
Fixed income taxable funds	289,619	289,619
Mortgage backed securities	1,997,495	1,997,495
U.S. Treasury notes	<u>1,003,172</u>	<u>1,003,172</u>
Total	<u>\$ 21,585,874</u>	<u>\$ 21,585,874</u>

Credit Risk – Investments of Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year-end for each investment of the City (All federal agency securities have an implied credit rating of AAA):

Investment Type	Amount	Ratings as of Year-End					
		Aaa	A1	A2	A3	Baa1	Not Rated
Alternative pooled funds	\$ 103,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,658
Certificates of deposits	2,515,943	-	-	-	-	-	2,515,943
Corporate bonds	1,451,770	-	373,624	755,251	217,816	105,079	-
Corporate equities	7,528,676	-	-	-	-	-	7,528,676
Equity mutual funds	1,409,099	-	-	-	-	-	1,409,099
Federal agency securities	5,286,442	5,286,442	-	-	-	-	-
Fixed income taxable funds	289,619	-	-	-	-	-	289,619
Mortgage backed securities	1,997,495	1,997,495	-	-	-	-	-
U.S. Treasury notes	1,003,172	1,003,172	-	-	-	-	-
Total investments	\$ 21,585,874	\$ 8,287,109	\$ 373,624	\$ 755,251	\$ 217,816	\$ 105,079	\$ 11,846,995

Concentration of Credit Risk - Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the City’s investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. Other than U.S. Government securities, the City does not have an investment in one issuer greater than 5% of total investments.

Interest Rate Risk – Investments of Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City’s practice around interest rate risk is to purchase a combination of shorter term and longer-term investments and time cash flow from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Certificates of deposits	\$ 2,515,943	\$ 1,258,005	\$ 1,257,938	\$ -
Corporate bonds	1,451,770	-	920,465	531,305
Federal agency securities	5,286,442	-	5,286,442	-
Fixed income taxable funds	289,619	76,745	137,641	75,233
Mortgage backed securities	1,997,495	-	1,997,495	-
U.S. Treasury notes	<u>1,003,172</u>	<u>753,592</u>	<u>249,580</u>	<u>-</u>
Total	\$ <u>12,544,441</u>	\$ <u>2,088,342</u>	\$ <u>9,849,561</u>	\$ <u>606,538</u>

Foreign Currency Risk - Investments

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City does not have formal investment policies related to foreign currency risk.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The City has the following fair value measurements as of June 30, 2021:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Alternative pooled funds	\$ 103,658	\$ -	\$ 103,658	\$ -
Corporate bonds	1,451,770	-	1,451,770	-
Corporate equities	7,528,676	7,528,676	-	-
Equity mutual funds	1,409,099	1,409,099	-	-
Federal agency securities	5,286,442	-	5,286,442	-
Fixed income taxable funds	289,619	289,619	-	-
Mortgage backed securities	1,997,495	-	1,997,495	-
U.S. Treasury notes	<u>1,003,172</u>	<u>-</u>	<u>1,003,172</u>	<u>-</u>
Total	\$ <u>19,069,931</u>	\$ <u>9,227,394</u>	\$ <u>9,842,537</u>	\$ <u>-</u>

Equity and fixed income securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities and alternative pooled funds classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Property Taxes Receivable

The City bills property taxes on a semi-annual basis and they are due in July and December. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, (i.e., due or receivable, within the current fiscal year and collected within the current period or within 60 days of year-end.

At the time of the tax lien, which the City usually places within 60 to 90 days after the due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes (redemptions) are not paid within two years and one day of the tax lien date, the property

could be conveyed to the City by deed and subsequently sold at public sale held in November of each year. Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a deferred inflow of resources as they are intended to finance the subsequent year's operations.

The City annually raises through tax levy an amount (overlay for abatements) for property tax abatements and interest refunds. All abatements and interest refunds are charged to overlay.

Property taxes receivable at June 30, 2021 consist of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long-Term Portion
Tax liens	\$ 2,211,822	\$ (188,957)	\$ -	\$ 2,022,865
Elderly liens	211,644	(21,164)	190,480	-
Tax deeded properties	<u>80,146</u>	<u>(7,701)</u>	<u>72,445</u>	<u>-</u>
Total property taxes	<u>\$ 2,503,612</u>	<u>\$ (217,822)</u>	<u>\$ 262,925</u>	<u>\$ 2,022,865</u>

Taxes Collected for Others

The City collects property taxes for the State of New Hampshire, the Keene Union School District and the County of Cheshire. Payments to the other taxing units are normally made throughout the year. The ultimate responsibility for the collection of taxes rests with the City.

5. User Fee Receivables

Each year the City issues four quarterly water/sewer bills. Bills include a base rate and consumption charge based on usage. Seasonal water bills are issued once per year.

Receivables for user charges at June 30, 2021 consist of the following:

	Gross Amount	Allowance for Doubtful Accounts	Net Amount
Water	\$ 1,443,920	\$ (1,000)	\$ 1,442,920
Sewer	<u>2,002,428</u>	<u>(6,190)</u>	<u>1,996,238</u>
Total	<u>\$ 3,446,348</u>	<u>\$ (7,190)</u>	<u>\$ 3,439,158</u>

6. Accounts Receivable

This balance represents fees or services that were rendered but not yet paid by year-end. Governmental receivables consist of the following:

	Net Amount <u>(fund basis)</u>	Net Amount <u>(accrual basis)</u>
Landfill tipping fees	\$ 512,912	\$ 512,912
Ambulance services	85,367	85,367
Other	237,227	237,227
Fleet services	<u>-</u>	<u>4,821</u>
Total Accounts Receivable	<u>\$ 835,506</u>	<u>\$ 840,327</u>

7. Notes Receivable

The State of New Hampshire provides financial assistance to communities for the planning, design, and construction of certain sewage disposal facilities. The business-type activities balance represents the remaining portion to be received from the State of New Hampshire.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 332,555	\$ 37,107	\$ 369,662
2023	332,555	32,960	365,515
2024	333,006	28,706	361,712
2025	174,164	24,506	198,670
2026	173,427	20,490	193,917
2027-2031	581,429	47,554	628,983
2032-2034	<u>74,242</u>	<u>4,977</u>	<u>79,219</u>
Total	<u>\$ 2,001,378</u>	<u>\$ 196,300</u>	<u>\$ 2,197,678</u>

The governmental activities balance of \$297,406 is due from Monadnock Economic Development Corporation (MEDC).

8. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2021.

9. Interfund Receivables/Payables and Transfers

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following is an analysis of the June 30, 2021 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 17,832,564
Solid Waste Fund	2,304,858	-
Capital Project Fund	7,534,187	-
Special Revenue Funds:		
Grants	304,505	-
Parking	356,274	-
Enterprise Funds:		
Water	1,395,518	-
Sewer	4,852,941	-
Internal Service Funds:		
Fleet	930,639	-
PC Replacement	153,642	-
Total	<u>\$ 17,832,564</u>	<u>\$ 17,832,564</u>

During fiscal year 2007, the City voted to authorize \$2,100,000 for the design and construction of a round-about at the intersection of Main, Marlboro, and Winchester Streets. The appropriation was funded by an inter-fund loan from the solid waste fund to the general fund, water fund, and sewer fund, for \$1,723,400, \$191,440, and \$185,160, respectively. These advanced funds will be repaid according to a payment schedule through fiscal year 2027. The water and sewer portions were paid in full in 2015. As of June 30, 2021, the following balances remain outstanding:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 517,020
Solid Waste Fund	<u>517,020</u>	<u>-</u>
Total	<u>\$ 517,020</u>	<u>\$ 517,020</u>

The City reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of major interfund transfers.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 817,054	\$ 2,658,581
Solid Waste Fund	-	70,000
Capital Project Fund	2,632,439	89,352
Nonmajor Funds:		
Special Revenue Funds:		
Grants	100,436	552,588
Parking	16,429	94,045
Library Renovation Trust	-	10,750
Other Expendable Trusts	-	735
Permanent Fund	-	98,764
Enterprise Funds:		
Sewer	<u>8,457</u>	<u>-</u>
Total	<u>\$ 3,574,815</u>	<u>\$ 3,574,815</u>

Of the \$2,658,581 transfer out from the general fund, \$1,898,451 was to capital projects, which represents the City's practice of funding certain capital activity from general fund revenues and capital reserves.

The City's other routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the general fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them.

10. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	\$ 49,952,486	\$ -	\$ -	\$ 49,952,486
Vehicles and equipment	25,147,263	2,440,122	(1,088,128)	26,499,257
Land improvement	10,961,335	-	-	10,961,335
Infrastructure	<u>88,684,015</u>	<u>1,296,840</u>	<u>-</u>	<u>89,980,855</u>
Total capital assets, being depreciated	174,745,099	3,736,962	(1,088,128)	177,393,933
Less accumulated depreciation for:				
Buildings and improvements	(16,242,635)	(971,784)	-	(17,214,419)
Vehicles and equipment	(16,957,929)	(1,238,452)	1,069,484	(17,126,897)
Land improvement	(8,296,363)	(302,831)	-	(8,599,194)
Infrastructure	<u>(61,946,353)</u>	<u>(2,059,533)</u>	<u>-</u>	<u>(64,005,886)</u>
Total accumulated depreciation	<u>(103,443,280)</u>	<u>(4,572,600)</u>	<u>1,069,484</u>	<u>(106,946,396)</u>
Total capital assets, being depreciated, net	71,301,819	(835,638)	(18,644)	70,447,537
Capital assets, not being depreciated:				
Land	19,321,964	-	-	19,321,964
Construction in progress	<u>6,063,856</u>	<u>3,493,929</u>	<u>(1,267,174)</u>	<u>8,290,611</u>
Total capital assets, not being depreciated	<u>25,385,820</u>	<u>3,493,929</u>	<u>(1,267,174)</u>	<u>27,612,575</u>
Governmental activities capital assets, net	\$ <u>96,687,639</u>	\$ <u>2,658,291</u>	\$ <u>(1,285,818)</u>	\$ <u>98,060,112</u>

The following two tables provide further detail regarding governmental activities capital assets as it represents general, solid waste and parking funds as well as internal service funds capital assets.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - General				
Capital assets, being depreciated:				
Buildings and improvements	\$ 49,952,486	\$ -	\$ -	\$ 49,952,486
Vehicles and equipment	17,967,903	1,576,685	(491,516)	19,053,072
Land improvement	10,961,335	-	-	10,961,335
Infrastructure	<u>88,684,015</u>	<u>1,296,840</u>	<u>-</u>	<u>89,980,855</u>
Total capital assets, being depreciated	167,565,739	2,873,525	(491,516)	169,947,748
Less accumulated depreciation for:				
Buildings and improvements	(16,242,635)	(971,784)	-	(17,214,419)
Vehicles and equipment	(12,590,424)	(754,594)	488,673	(12,856,345)
Land improvement	(8,296,363)	(302,831)	-	(8,599,194)
Infrastructure	<u>(61,946,353)</u>	<u>(2,059,533)</u>	<u>-</u>	<u>(64,005,886)</u>
Total accumulated depreciation	<u>(99,075,775)</u>	<u>(4,088,742)</u>	<u>488,673</u>	<u>(102,675,844)</u>
Total capital assets, being depreciated, net	68,489,964	(1,215,217)	(2,843)	67,271,904
Capital assets, not being depreciated:				
Land	19,321,964	-	-	19,321,964
Construction in progress	<u>6,063,856</u>	<u>3,493,929</u>	<u>(1,267,174)</u>	<u>8,290,611</u>
Total capital assets, not being depreciated	<u>25,385,820</u>	<u>3,493,929</u>	<u>(1,267,174)</u>	<u>27,612,575</u>
Governmental activities - general capital assets, net	\$ <u>93,875,784</u>	\$ <u>2,278,712</u>	\$ <u>(1,270,017)</u>	\$ <u>94,884,479</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - Internal Service				
Capital assets, being depreciated:				
Vehicles and equipment	\$ 7,179,360	\$ 863,437	\$ (596,612)	\$ 7,446,185
Total capital assets, being depreciated	7,179,360	863,437	(596,612)	7,446,185
Less accumulated depreciation for:				
Vehicles and equipment	(4,367,505)	(483,858)	580,811	(4,270,552)
Total accumulated depreciation	(4,367,505)	(483,858)	580,811	(4,270,552)
Governmental activities - internal service capital assets, net	\$ 2,811,855	\$ 379,579	\$ (15,801)	\$ 3,175,633

The following table provides further detail regarding business-type activities capital assets.

	Beginning	Increases	Decreases	Ending
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 20,638,106	\$ 20,000	\$ -	\$ 20,658,106
Vehicles and equipment	18,374,867	20,729	-	18,395,596
Land improvement	447,415	-	-	447,415
Infrastructure	66,021,458	324,244	-	66,345,702
Total capital assets, being depreciated	105,481,846	364,973	-	105,846,819
Less accumulated depreciation for:				
Buildings and improvements	(11,610,315)	(388,654)	-	(11,998,969)
Vehicles and equipment	(10,560,386)	(670,326)	-	(11,230,712)
Land improvement	(408,055)	(2,975)	-	(411,030)
Infrastructure	(29,564,949)	(1,184,864)	-	(30,749,813)
Total accumulated depreciation	(52,143,705)	(2,246,819)	-	(54,390,524)
Total capital assets, being depreciated, net	53,338,141	(1,881,846)	-	51,456,295
Capital assets, not being depreciated:				
Land	2,478,735	-	-	2,478,735
Construction in progress	3,085,980	4,856,131	(49,451)	7,892,660
Total capital assets, being depreciated, net	5,564,715	4,856,131	(49,451)	10,371,395
Business-type activities capital assets, net	\$ 58,902,856	\$ 2,974,285	\$ (49,451)	\$ 61,827,690

Depreciation expense was charged to functions of the City as follows:

Governmental Activities	
General government	\$ 412,166
Public safety	567,804
Public works	1,774,530
Library	387,630
Parks and facilities	213,131
Airport	733,481
Fleet	483,858
Total governmental activities	\$ 4,572,600

Business-Type Activities	
Water	\$ 895,912
Sewer	<u>1,350,907</u>
Total business-type activities	\$ <u>2,246,819</u>

11. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

Deferred outflows of resources (exclusive of pension and OPEB) for governmental activities of \$126,889 and for business-type activities of \$29,538, resulted from the loss on prior year debt refundings that will be amortized over the life of the new bonds.

12. Warrants and Accounts Payable

The City separates expenditures incurred in fiscal year 2021 but paid after year-end between two accounts. Warrants payable represents expenditures associated with an open purchase order, while accounts payable represent costs incurred that either were liquidated against a blanket purchase order (i.e., credit card purchases) or have no existing purchase order.

13. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Board of Tax and Land Appeals.

14. Long-Term Debt

General Obligation Bonds (Public Offerings) and State Revolving Loans (Direct Borrowing)

The City issues general obligation bonds and state revolving loans to provide funds for the acquisition and construction of major capital facilities. The City has outstanding general obligation bonds from public offerings and direct borrowings related to governmental activities totaling \$13,379,409 and \$8,471,000, respectively. The City has general obligation bonds from public offerings and state revolving loans related to business-type

activities totaling \$4,409,342 and \$6,803,846, respectively. General obligation bonds and state revolving loans currently outstanding are as follows:

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
	Through		as of
<u>Governmental Activities:</u>			<u>6/30/21</u>
Hanger construction	03/2022	3.50 - 5.10%	\$ 12,500
Drainage improvements	03/2022	3.50 - 5.10%	32,750
Transfer station addition	03/2022	3.50 - 5.10%	22,500
Bridge rehabilitation	03/2022	3.50 - 5.10%	5,000
Emergency service facility	03/2022	3.50 - 5.10%	44,500
Intersection improvements	03/2022	3.50 - 5.10%	22,000
Property acquisition	03/2022	3.50 - 5.10%	471,500
Public improvements	05/2023	2.50 - 4.17%	400,000
Energy improvements	12/2021	2.00 - 3.00%	185,000
Infrastructure 2011	12/2021	2.00 - 3.00%	200,000
Consolidated infrastructure 2013	01/2023	2.00%	226,200
Municipal facilities 2013 refunded	01/2026	2.00%	1,604,400
Sidewalk construction 2013 refunded	01/2026	2.00%	25,000
Drainage improvements 2013 refunded	01/2026	2.00%	110,000
General Obligation Bonds 2015	11/2034	2.00 - 4.00%	2,030,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	810,000
City Hall boiler replacement & oil tank removal	09/2026	2.00 - 4.00%	60,000
Defibrillator replacement	09/2023	2.00 - 4.00%	28,000
Flood management	09/2026	2.00 - 4.00%	237,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	870,000
Defibrillator replacement	09/2023	2.00 - 4.00%	27,000
Goose Pond dam improvements	09/2021	2.00 - 4.00%	20,000
2017 Refunding Series B	07/2028	2.00 - 4.00%	1,220,059
Transfer station tip floor replacement	09/2026	2.00 - 4.00%	61,000
LED Street Lighting	09/2038	3.00 - 3.50%	170,000
Airport Terminal Improvements	09/2038	3.00 - 3.50%	140,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	1,040,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	1,010,000
Flood Management	09/2038	3.00 - 3.50%	780,000
Winchester Street Bypass	09/2038	3.00 - 3.50%	520,000
Goose Pond Dam Improvements	09/2038	3.00 - 3.50%	795,000
Transfer Station Energy Source	09/2038	3.00 - 3.50%	200,000
City Hall Rear Wall	09/2027	1.63%	176,000
Winchester Street Bypass	09/2035	1.63%	859,000
Flood Management	09/2035	1.63%	505,000
Road Rehabilitation	09/2030	1.63%	1,264,000
Flood Management	09/2035	1.63%	733,000
Road Rehabilitation	09/2030	1.63%	893,000
Transfer Station Roof	09/2035	1.63%	168,000
Airport Fuel Tanks	09/2030	1.63%	508,000
Police Dispatch Console	09/2025	1.63%	235,000
Municipal Building Improvements	09/2025	1.63%	310,000
Fire Station Refunding Series B	10/2030	1.36%	2,519,000
Robin Dam Refunding Series B	10/2030	1.36%	301,000
Total Governmental Activities			<u>\$ 21,850,409</u>

<u>Business-Type Activities:</u>	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of <u>6/30/21</u>
Water Fund:			
Treatment facility refunded	09/2021	0.00%	\$ 75,183
'09 Infrastructure	11/2022	0.00%	148,605
Woodward pond dam	09/2035	1.63%	1,727,000
Reservoir dam repairs	09/2036	2.00 - 4.00%	<u>670,000</u>
Total Water Fund			2,620,788
Sewer Fund:			
Sewer main improvements	01/2033	2.00 - 2.75%	528,400
Martel court pump & motor control	01/2023	2.00%	226,100
Advance treatment refunded	01/2026	2.00%	99,900
Sewer main improvement refunded	01/2026	2.00%	325,000
WWTP closure	11/2034	2.00 - 4.00%	560,000
2017 Refunding Series 2016 B	07/2028	2.00 - 4.00%	829,940
'10 Infrastructure	09/2023	0.00%	413,436
'09 Infrastructure	12/2023	1.98%	338,881
WWTP construction	05/2025	1.60%	2,587,743
2018 Martel Court Headworks Replace	09/2033	3.00 - 3.50%	1,170,000
Colony court bloomer swamp main	09/2035	1.63%	<u>1,513,000</u>
Total Sewer Fund			<u>8,592,400</u>
Total Business-Type Activities			<u>\$ 11,213,188</u>

Future Debt Service

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2021 are as follows:

<u>Governmental</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 851,000	\$ 125,003	\$ 976,003	\$ 2,861,485	\$ 484,300	\$ 3,345,785
2023	850,000	111,840	961,840	2,300,735	380,643	2,681,378
2024	845,000	98,720	943,720	1,734,485	290,322	2,024,807
2025	840,000	85,667	925,667	1,642,656	224,671	1,867,327
2026	830,000	72,724	902,724	1,352,513	167,262	1,519,775
2027 - 2031	3,490,000	195,609	3,685,609	2,582,535	323,219	2,905,754
2032 - 2036	765,000	31,803	796,803	785,000	70,933	855,933
2037 - 2039	-	-	-	120,000	6,275	126,275
Total	<u>\$ 8,471,000</u>	<u>\$ 721,366</u>	<u>\$ 9,192,366</u>	<u>\$ 13,379,409</u>	<u>\$ 1,947,625</u>	<u>\$ 15,327,034</u>

The following governmental funds have been designated as the sources to repay the governmental-type general obligation bonds outstanding as of June 30, 2021:

General fund	\$	20,601,909
Solid waste fund		283,500
Parking fund		<u>965,000</u>
Total	\$	<u><u>21,850,409</u></u>

Water Fund:	Direct Borrowings			General Obligation Bonds (Public Offerings)		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 265,859	\$ 27,529	\$ 293,388	\$ 45,000	\$ 22,900	\$ 67,900
2023	189,929	25,615	215,544	45,000	21,100	66,100
2024	115,000	23,717	138,717	45,000	19,300	64,300
2025	115,000	21,820	136,820	45,000	17,500	62,500
2026	115,000	19,923	134,923	45,000	15,700	60,700
2027 - 2031	575,000	71,152	646,152	205,000	55,500	260,500
2032 - 2036	575,000	23,717	598,717	200,000	22,750	222,750
2037	-	-	-	40,000	650	40,650
Total Water Fund	\$ <u>1,950,788</u>	\$ <u>213,473</u>	\$ <u>2,164,261</u>	\$ <u>670,000</u>	\$ <u>175,400</u>	\$ <u>845,400</u>

Sewer Fund:	Direct Borrowings			General Obligation Bonds (Public Offerings)		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,000,707	\$ 86,821	\$ 1,087,528	\$ 503,515	\$ 120,508	\$ 624,023
2023	997,707	73,040	1,070,747	493,015	104,606	597,621
2024	997,709	59,287	1,056,996	378,515	89,084	467,599
2025	746,935	29,458	776,393	376,344	75,705	452,049
2026	100,000	17,489	117,489	366,487	62,841	429,328
2027 - 2031	500,000	62,696	562,696	1,111,466	164,088	1,275,554
2032 - 2036	510,000	17,820	527,820	510,000	29,529	539,529
Total Sewer Fund	\$ <u>4,853,058</u>	\$ <u>346,611</u>	\$ <u>5,199,669</u>	\$ <u>3,739,342</u>	\$ <u>646,361</u>	\$ <u>4,385,703</u>

Tax Increment Financing Bonds

The City has pledged a portion of future tax increment financing revenues to repay tax increment bonds:

- \$2,100,000 in tax increment bonds originally issued in December 1997, and subsequently refunded in December 2006, to finance the construction of the Wells Street Parking Facility.
- \$760,000 in tax increment bonds issued in June 2015, to finance 93rd and Norway infrastructure improvements.
- \$1,629,000 in tax increment bonds issued in May 2013, to finance the Courthouse parking.
- \$2,011,000 in tax increment bonds issued in September 2016, to finance the Library Campus Development project.

These bonds are payable solely from the tax increment financing taxes generated within the Wells Street Parking Facility Tax Increment Financing District and the Courthouse Parking Tax Increment Financing District, respectively, and are further backed by the full taxing authority of the City.

Tax increment financing bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	Serial Maturities	Interest Rate(s) %	Amount Outstanding as of <u>6/30/21</u>
Wells Street	12/2021	2.00 - 3.00%	\$ 365,000
93rd and Norway Infrastructure	11/2024	2.00 - 4.00%	300,000
Library Campus Development	09/2036	2.00 - 4.00%	1,592,000
Courthouse Refunding Series B	10/2030	1.36%	<u>300,000</u>
Total Governmental Activities			<u>\$ 2,557,000</u>

Future Debt Service on Tax Increment Financing Bonds

The annual payments to retire all tax increment financing bonds outstanding as of June 30, 2021 are as follows:

<u>Governmental</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 30,000	\$ 3,876	\$ 33,876	\$ 540,000	\$ 70,267	\$ 610,267
2023	30,000	3,468	33,468	177,000	57,752	234,752
2024	30,000	3,060	33,060	177,000	50,672	227,672
2025	30,000	2,652	32,652	176,000	43,613	219,613
2026	30,000	2,244	32,244	101,000	38,073	139,073
2027 - 2031	150,000	5,100	155,100	501,000	136,083	637,083
2032 - 2036	-	-	-	490,000	54,763	544,763
2037	-	-	-	95,000	1,544	96,544
Total	<u>\$ 300,000</u>	<u>\$ 20,400</u>	<u>\$ 320,400</u>	<u>\$ 2,257,000</u>	<u>\$ 452,767</u>	<u>\$ 2,709,767</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less: Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable						
General obligation bonds	\$ 19,532,894	\$ -	\$ (6,153,485)	\$ 13,379,409	\$ (2,861,485)	\$ 10,517,924
Direct borrowings	-	8,512,000	(41,000)	8,471,000	(851,000)	7,620,000
Unamortized premium	<u>1,178,807</u>	<u>-</u>	<u>(174,202)</u>	<u>1,004,605</u>	<u>(174,202)</u>	<u>830,403</u>
Subtotal bonds payable	20,711,701	8,512,000	(6,368,687)	22,855,014	(3,886,687)	18,968,327
Tax increment financing bonds payable						
General obligation bonds	3,120,000	-	(863,000)	2,257,000	(540,000)	1,717,000
Direct borrowings	<u>-</u>	<u>327,000</u>	<u>(27,000)</u>	<u>300,000</u>	<u>(30,000)</u>	<u>270,000</u>
Subtotal tax increment financing bonds payable	3,120,000	327,000	(890,000)	2,557,000	(570,000)	1,987,000
Net pension liability	32,417,388	5,650,284	-	38,067,672	-	38,067,672
Total OPEB liability	7,001,797	277,801	-	7,279,598	-	7,279,598
Other:						
Landfill closure	466,095	-	(58,262)	407,833	(58,262)	349,571
Accrued employee benefits	<u>3,281,141</u>	<u>328,114</u>	<u>(396,453)</u>	<u>3,212,802</u>	<u>(321,280)</u>	<u>2,891,522</u>
Subtotal - other	<u>3,747,236</u>	<u>328,114</u>	<u>(454,715)</u>	<u>3,620,635</u>	<u>(379,542)</u>	<u>3,241,093</u>
Totals	<u>\$ 66,998,122</u>	<u>\$ 15,095,199</u>	<u>\$ (7,713,402)</u>	<u>\$ 74,379,919</u>	<u>\$ (4,836,229)</u>	<u>\$ 69,543,690</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Less: Current Portion	Equals Long-Term Portion
Business-Type Activities						
Bonds payable						
General obligation bonds	\$ 4,962,857	\$ -	\$ (553,515)	\$ 4,409,342	\$ (548,515)	\$ 3,860,827
Direct borrowings	<u>4,607,752</u>	<u>3,240,000</u>	<u>(1,043,906)</u>	<u>6,803,846</u>	<u>(1,266,566)</u>	<u>5,537,280</u>
Subtotal bonds payable	9,570,609	3,240,000	(1,597,421)	11,213,188	(1,815,081)	9,398,107
Net pension liability	1,895,460	3,937,843	-	5,833,303	-	5,833,303
Total OPEB liability	784,270	279,589	-	1,063,859	-	1,063,859
Other:						
Accrued employee benefits	<u>330,275</u>	<u>33,028</u>	<u>(76,918)</u>	<u>286,385</u>	<u>(28,639)</u>	<u>257,746</u>
Subtotal - other	<u>330,275</u>	<u>33,028</u>	<u>(76,918)</u>	<u>286,385</u>	<u>(28,639)</u>	<u>257,746</u>
Totals	<u>\$ 12,580,614</u>	<u>\$ 7,490,460</u>	<u>\$ (1,674,339)</u>	<u>\$ 18,396,735</u>	<u>\$ (1,843,720)</u>	<u>\$ 16,553,015</u>

Long-Term Liabilities

General obligation bonds and loans issued by the City for various municipal projects are approved by City Council and repaid with revenues recorded in the general fund, solid waste fund, and parking fund, and user fees recorded in enterprise funds. All other long-term liabilities are repaid from the funds that the cost relates to, primarily the general fund and enterprise funds.

Current Refunding

Current Year

On September 15, 2020, the City issued general obligation refunding bonds in the amount of \$3,188,000 with an interest rate of 1.36% to refund \$3,120,000 of term bonds with a variable interest rate ranging from 2.25% - 3.38%. The term bonds matured on September 15, 2020 and were callable on November 1, 2020. As a result of the refunding, the City reduced its total debt service cash flow requirements by \$284,053 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$259,340.

Authorized and Unissued Debt

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2021 are as follows:

<u>Purpose</u>	<u>Amount</u>
Patricia T. Russell Park Improvements	\$ 1,283,000
Road Rehabilitation	922,000
Flood Management	<u>744,000</u>
Total	<u>\$ 2,949,000</u>

Legal Debt Margin

The following is a computation of the legal debt margin as of June 30, 2021:

Equalized assessed valuation - 2020	\$ <u>2,181,146,207</u>
Debt Limits:	
General - 3% of equalized valuation	\$ 65,434,386
Parking - 0.5% of equalized valuation	10,905,731
Water - 10% of equalized valuation	<u>218,114,621</u>
	294,454,738
Total debt outstanding	35,620,597
Less: debt exempt from limit	<u>(14,735,188)</u>
	<u>20,885,409</u>
Legal debt margin	<u>\$ 273,569,329</u>

15. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as a liability in the financial statements in each period based on landfill capacity used as of each balance sheet date. (Actual cost may be higher due to inflation, changes in technology, or changes in regulations.)

The current landfill was closed during the year ended June 30, 2001. The City has established a landfill capital reserve to partially finance the closure and post-closure costs. At June 30, 2021, the balance in the landfill capital reserve is \$22,243. The remaining post-closure costs are expected to be financed from the operations of the Solid Waste Fund.

The following is a summary of changes in the estimated liability for post-closure care costs for the year ended June 30, 2021:

Balance - July 1, 2020	\$ 466,095
Expenditures recognized in the Solid Waste Fund	<u>(58,262)</u>
Balance - June 30, 2021	<u>\$ 407,833</u>

The \$407,833 reported as landfill closure and postclosure care liability at June 30, 2021 represents that cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill.

16. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as a reduction to expense in future years and is more fully described in the corresponding pension and OPEB notes.

The following is a summary of other deferred inflows of resources (exclusive of Pension and OPEB) balances as of June 30, 2021:

	Entity-wide Basis		Fund Basis		
	Governmental Activities	Business-type Activities	Governmental Funds General Fund	Proprietary Funds Water	Proprietary Funds Sewer
Unavailable revenues	\$ -	\$ -	\$ 2,178,219	\$ -	\$ -
Taxes collected in advance	21,095,003	22,022	21,095,003	22,022	-
Gains on refunding bonds	<u>59,423</u>	<u>38,065</u>	<u>-</u>	<u>138</u>	<u>37,927</u>
Total	<u>\$ 21,154,426</u>	<u>\$ 60,087</u>	<u>\$ 23,273,222</u>	<u>\$ 22,160</u>	<u>\$ 37,927</u>

Unavailable revenues are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

Taxes collected in advance are reported in the governmental funds balance sheet and in the proprietary funds statement of net position in connection with subsequent year property tax revenue collections which are not available for use in the current year.

Gains on refunding bonds are reported in the government-wide statement of net position and in the proprietary funds statement of net position in connection with the unamortized amount of gains resulting from the refunding of long-term bonds.

17. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The City implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2021:

Nonspendable

Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification represents various special revenue funds, capital projects, and the income portion of permanent trust funds.

Committed

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the City Council. This fund balance classification includes the solid waste fund, capital reserve funds set aside by City Council resolution for future capital acquisitions and improvements, and capital project funds. A similar action is needed to modify or rescind a commitment.

Assigned

Represents amounts that are constrained by the City's intent to use these resources for a specific purpose. The City's fund balance policy, approved by City Council, permits the City Manager and Finance Director to assign fund balance amounts to a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various City departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned

Represents amounts that are available to be spent in future periods and deficit funds. As established by the City's fund balance policy, the unassigned fund balance for the general fund is to be maintained at between 7% and 10% of the sum of the total of the general fund annual operating budget and the property tax commitment for the school (both local and State) and the county.

Following is a breakdown of the City's fund balances at June 30, 2021:

	General Fund	Solid Waste Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid expenditures	\$ 91,188	\$ -	\$ -	\$ -	\$ 91,188
Permanent funds	-	-	-	6,978,188	6,978,188
Total Nonspendable	91,188	-	-	6,978,188	7,069,376
Restricted					
Capital projects	-	-	6,686,268	-	6,686,268
Grant fund	-	-	-	434,828	434,828
For debt service	-	-	-	154,751	154,751
Library fund	-	-	-	864,574	864,574
Library renovation	-	-	-	2,223	2,223
Other special revenue funds	-	-	-	399,359	399,359
Permanent funds	-	-	-	279,884	279,884
Total Restricted	-	-	6,686,268	2,135,619	8,821,887
Committed					
Solid waste	-	2,748,133	-	-	2,748,133
Retirement	1,516,363	-	-	-	1,516,363
Capital Reserve Funds:					
Road and sidewalks	789,097	-	-	-	789,097
Bridges	909,900	-	-	-	909,900
Downtown infrastructure and facilities	1,663,734	-	-	-	1,663,734
Other capital reserve funds	1,839,825	-	-	-	1,839,825
Capital projects	-	-	2,095,435	-	2,095,435
Total Committed	6,718,919	2,748,133	2,095,435	-	11,562,487
Assigned					
Encumbered for:					
General government	228,997	-	-	-	228,997
Public works	282,302	-	-	-	282,302
Other	343,486	-	-	-	343,486
Total Assigned	854,785	-	-	-	854,785
Unassigned					
General fund	15,250,484	-	-	-	15,250,484
Deficits	-	-	(861,872)	-	(861,872)
Total Unassigned	15,250,484	-	(861,872)	-	14,388,612
Total Fund Balance	\$ 22,915,376	\$ 2,748,133	\$ 7,919,831	\$ 9,113,807	\$ 42,697,147

18. Performance Bonds

The City holds letters of credit and performance bonds from developers until projects have been completed to City standards. These letters of credit and bonds are not included as part of the financial statements. At June 30, 2021, the City held performance deposits totaling \$499,121.

19. Retirement System

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

The following pension disclosures for the New Hampshire Retirement System pension plan are based upon an actuarial valuation performed as of June 30, 2019, using a measurement date of June 30, 2020.

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (the System), a cost-sharing, multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the System's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at <https://www.nhrs.org>.

Benefits Provided

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 a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by

January 1, 2012, the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

Years of creditable service as of <u>January 1, 2012</u>	Minimum <u>Age</u>	Minimum <u>Service</u>	Benefit <u>Multiplier</u>
At least 3 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

Plan members are required to contribute a percentage of their gross earnings to the pension plan, for which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, III, which is 10.88% for employees, 24.77% for police, and 26.43% for fire. The City’s contributions to the System for the year ended June 30, 2021 was \$3,152,910, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

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

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

At June 30, 2021, the City reported a liability of \$43,900,975 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At the most recent measurement date of June 30, 2020, the City’s proportion was 0.686%, which was a decrease of 0.027% from its previous year proportion.

For the year ended June 30, 2021, the City recognized pension expense of \$6,540,024. In addition, the City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 1,185,539	\$ (471,371)
Changes of assumptions	4,342,677	-
Net difference between projected and actual earnings on pension plan investments	2,715,323	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	(1,774,856)
Contributions subsequent to the measurement date	<u>3,152,909</u>	<u>-</u>
Total	\$ <u>11,396,448</u>	\$ <u>(2,246,227)</u>

The amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2022. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 735,734
2023	1,508,704
2024	1,959,669
2025	<u>1,793,205</u>
Total	\$ <u>5,997,312</u>

Actuarial Assumptions and Other Inputs

The collective total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Price inflation	2.00%, previously 2.50%
Wage inflation	2.75%, previously 3.25%
Salary increases	5.60% average, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation, previously 7.25%

Mortality rates were updated to be based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (police and fire combined) and projected fully generational mortality improvements using Scale MP-2019.

Actuarial assumptions also reflect benefit changes resulting from CH 340 laws of 2019 (HB 616), which grants a one-time, 1.5% COLA on the first \$50,000 of an annual pension benefit to members who retired on or before July 1, 2014, or any beneficiaries of such member who is receiving a survivorship pension benefit. The COLA will take effect on the retired member's first anniversary date of retirement occurring after July 1, 2020. The adjustment shall become a permanent addition to the member's base retirement allowance.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

Target Allocation

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Average Long-Term Expected Real Rate of Return</u>
Large cap equities	22.50 %	3.71%
Small/mid cap equities	<u>7.50</u>	4.15%
Total domestic equities	30.00	
Int'l equities (unhedged)	13.00	3.96%
Emerging int'l equities	<u>7.00</u>	6.20%
Total international equities	20.00	
Core bonds	9.00	0.42%
Global multi-sector fixed income	10.00	1.66%
Absolute return fixed income	<u>6.00</u>	0.92%
Total fixed income	25.00	
Private equity	10.00	7.71%
Private debt	<u>5.00</u>	4.81%
Total alternative investments	15.00	
Real estate	<u>10.00</u>	2.95%
Total	<u><u>100.00</u></u> %	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the 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 and 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the City’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 56,833,896	\$ 43,900,975	\$ 33,333,066

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued NHRS financial report.

20. Other Post-Employment Benefits (GASB 75)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

City OPEB Plan

The following OPEB disclosures for the City OPEB Plan are based on a measurement date of June 30, 2020.

General Information about the OPEB Plan

Plan Description

The City provides post-employment healthcare benefits for retired employees through the City’s single employer defined benefit OPEB plan. The City provides health insurance coverage through the New Hampshire Interlocal Trust. The OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75. The plan does not issue a separate stand-alone report.

The City indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City’s healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

Benefits Provided

The City provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

Plan Membership

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	44
Active employees	<u>243</u>
Total	<u>287</u>

Funding Policy

The City’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Discount rate	2.21%
Healthcare cost trend rates	8.0% for 2019, decreasing 0.5% per year to 5.5%, then grading down to an ultimate trend rate of 3.9%
Retirees' share of benefit-related costs	100%
Participation rate	60% of eligible retired employees

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Tables for males and females, projected with generational mortality improvement using scale MP-2015.

Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables for males and females, projected with generational mortality improvement using scale MP-2015.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial study.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%, the rate that reflects a tax-exempt, high quality municipal bond rate. The municipal bond rate is based on the Bond Buyer 20-Bond GO Index published on June 30, 2020.

Total OPEB Liability

The City's total OPEB liability of \$5,442,173 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB <u>Liability</u>
Balances, beginning of year	\$ 4,548,406
Changes for the year:	
Service cost	212,290
Interest	162,636
Changes of assumptions or other inputs	746,737
Benefit payments	<u>(227,896)</u>
Net Changes	<u>893,767</u>
Balances, end of year	\$ <u>5,442,173</u>

Changes in assumptions and other inputs reflect a decrease in the discount rate from 3.50% in 2020 to 2.21% in 2021 and a decrease in the ultimate healthcare cost trend rate.

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

The following presents the total OPEB liability calculated using the current discount rate of 2.21%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% <u>Decrease</u>	Current Discount Rate	1% <u>Increase</u>
\$ 6,018,311	\$ 5,442,173	\$ 4,928,457

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

The following presents the total OPEB liability calculated using the current healthcare cost trend rates of 7.50%, as well as what the total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% <u>Decrease</u>	Current Healthcare Cost Trend Rates	1% <u>Increase</u>
\$ 4,749,468	\$ 5,442,173	\$ 6,273,511

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized an OPEB expense of \$241,475. At June 30, 2021, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,076,728)
Changes of assumptions	<u>1,018,323</u>	<u>(231,081)</u>
Total	<u>\$ 1,018,323</u>	<u>\$ (1,307,809)</u>

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

Year Ended June 30:

2022	\$ (133,451)
2023	(133,451)
2024	(120,985)
2025	(36,431)
2026	51,867
Thereafter	<u>82,965</u>
Total	<u>\$ (289,486)</u>

New Hampshire Retirement System Medical Subsidy Plan Description

The following OPEB disclosures for the New Hampshire Retirement Medical Subsidy Plan are based on an actuarial valuation performed as of June 30, 2019, using a measurement date of June 30, 2020.

***General Information about the OPEB Plan
Plan Description***

In addition to the OPEB plan discussed in previously, the City participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at <https://www.nhrs.org>.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. 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.

The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person - \$375.56
2 Person - \$751.12
1 Person Medicare Supplement - \$236.84
2 person Medicare Supplement - \$473.68

Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the Medical Subsidy payment is via the employer contributions rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of earnable compensation. The City contributed 0.29% of earnable compensation for Group I employees, 1.81% of earnable compensation for Group I teachers, and 3.66% of earnable compensation for Group II fire and police department members. Employees are not required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the Medical Subsidy plan.

Actuarial Assumptions and Other Inputs

Actuarial assumptions for the collective total OPEB liability are the same as the Retirement System, which is disclosed in Note 19.

Net OPEB Liability, Expense, and Deferred Outflows and (Inflows)

The City's proportionate share of the total NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2020 was \$2,901,284, representing 0.663%.

For the year ended June 30, 2021, the City recognized an OPEB expense related to the NHRS Medical Subsidy of (\$17,146). At June 30, 2021, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Changes of assumptions	\$ 18,654	\$ -
Differences between excepted and actual experience	-	(8,407)
Net difference between projected and actual earnings on OPEB plan investments	10,855	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	(41,289)
Contributions subsequent to the measurement date	<u>317,548</u>	<u>-</u>
Total	<u>\$ 347,057</u>	<u>\$ (49,696)</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2022.

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

Year Ended June 30:	
2022	\$ (30,219)
2023	3,213
2024	3,831
2025	<u>2,988</u>
Total	<u>\$ (20,187)</u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate
The following presents the net OPEB liability using the discount rate of 6.75%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 3,150,492	\$ 2,901,284	\$ 2,684,922

Healthcare Cost Trend Rate

Healthcare cost trend rates are not applicable given that the benefits are fixed stipends.

Consolidation of Net OPEB Liabilities and Related Deferred Outflows and (Inflows)

Below is a summary of all OPEB related items in the aggregate as of June 30, 2021. Details related to these items are presented separately for each plan on the previous pages.

	Total OPEB Liability	Total Deferred Outflows of Resources	Total Deferred (Inflows) of Resources	Total OPEB Expense
City OPEB Plan	\$ 5,442,173	\$ 1,018,323	\$ (1,307,809)	\$ 241,475
Proportionate share of NHRS Medical Subsidy Plan	<u>2,901,284</u>	<u>347,057</u>	<u>(49,696)</u>	<u>(17,146)</u>
Total	<u>\$ 8,343,457</u>	<u>\$ 1,365,380</u>	<u>\$ (1,357,505)</u>	<u>\$ 224,329</u>

21. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the City, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the City is involved. The City's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Abatements

There are several cases pending before the New Hampshire Board of Tax and Land Appeals in regard to alleged discrepancies in property assessments. According to the City's counsel, the probable outcome of these cases at the present time is indeterminable, although the City expects such amounts, if any, to be material. As a result, the City has estimated their exposure and recorded a tax refunds payable respectively.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Encumbrances

At year-end the City's general fund has \$854,785 in encumbrances that will be honored in the next fiscal year.

22. Change in Accounting Principle

During fiscal year 2021, the City adopted Governmental Accounting Standards Board (GAS) Statement No. 84, *Fiduciary Activities*, as revised by GASB 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84*, and a *Supersession of GASB Statement No. 32*. This required moving certain items previously recorded through a general fund liability account to the newly established custodial fund that reports additions and deductions for these activities. No restatement of beginning net position/fund balance was required in either fund.

23. Subsequent Events

Management has evaluated subsequent events through January 28, 2022, which is the date the financial statements were available to be issued.

24. New Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the City beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements. Management is currently evaluating the impact of implementing this GASB pronouncement.

(This page intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KEENE, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES/(USES) - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive <u>(Negative)</u>
Revenues				
Property taxes	\$ 26,069,544	\$ 26,069,544	\$ 26,069,544	\$ -
Charges for services	1,940,876	1,940,876	1,709,380	(231,496)
Intergovernmental	3,050,481	3,050,481	3,063,990	13,509
Licenses and permits	3,661,664	3,661,664	4,159,133	497,469
Interest, penalties, and other taxes	1,904,713	1,904,713	1,933,323	28,610
Other revenues	<u>1,902,619</u>	<u>1,902,619</u>	<u>1,353,041</u>	<u>(549,578)</u>
Total Revenues	38,529,897	38,529,897	38,288,411	(241,486)
Expenditures				
Elected and Appointed Officials:				
Mayor & city council	147,760	148,104	145,890	2,214
Outside agencies & unclassified	395,041	395,041	363,485	31,556
Non-departmental (employee benefits)	521,457	347,322	344,347	2,975
Risk management	260,005	260,005	258,900	1,105
City manager	396,706	407,145	398,088	9,057
City attorney	348,802	354,705	345,373	9,332
City clerk	659,817	668,579	637,363	31,216
Administrative Services:				
Assessment	507,149	513,019	479,496	33,523
Finance (including Human services)	2,490,517	2,511,812	2,162,834	348,978
Human resources	398,272	406,011	406,402	(391)
Information technology	1,380,404	1,397,505	1,470,136	(72,631)
Community Services:				
Fire	7,388,302	7,414,554	7,140,299	274,255
Library	1,554,752	1,583,756	1,400,697	183,059
Parks, Rec & Facilities (including Youth services)	3,851,357	3,863,248	3,611,640	251,608
Police	7,854,747	7,870,389	7,240,985	629,404
Municipal Development Services:				
Airport	677,413	682,393	709,351	(26,958)
Community development	1,520,486	1,531,248	1,434,435	96,813
Public works	4,631,281	4,645,392	4,542,674	102,718
Debt Service	<u>4,342,852</u>	<u>4,342,852</u>	<u>4,170,900</u>	<u>171,952</u>
Total Expenditures	<u>39,327,120</u>	<u>39,343,080</u>	<u>37,263,295</u>	<u>2,079,785</u>
Other Financing Sources/(Uses)				
Transfers in	2,398,681	2,398,681	2,779,404	380,723
Transfers out	(2,748,908)	(2,748,908)	(2,984,875)	(235,967)
Use of fund balance	<u>1,147,450</u>	<u>1,163,410</u>	<u>-</u>	<u>(1,163,410)</u>
Total Other Financing Sources/(Uses)	<u>797,223</u>	<u>813,183</u>	<u>(205,471)</u>	<u>(1,018,654)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>819,645</u>	\$ <u>819,645</u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION
SOLID WASTE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES/(USES) - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	Variance Positive (Negative)
Revenues			
Charges for services	\$ 4,657,109	\$ 5,036,551	\$ 379,442
Licenses and permits	52,000	58,229	6,229
Investment income	21,000	35,420	14,420
Miscellaneous	<u>-</u>	<u>228</u>	<u>228</u>
Total Revenues	4,730,109	5,130,428	400,319
Expenditures			
Public works	4,776,016	4,887,886	(111,870)
Debt service:			
Principal	58,500	58,500	-
Interest	<u>18,895</u>	<u>16,921</u>	<u>1,974</u>
Total Expenditures	4,853,411	4,963,307	(109,896)
Other Financing Sources/(Uses)			
Use of fund balance	193,302	-	(193,302)
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>123,302</u>	<u>(70,000)</u>	<u>(193,302)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u><u>-</u></u>	\$ <u><u>97,121</u></u>	\$ <u><u>97,121</u></u>

See Independent Auditors' Report.

**Notes to the Required Supplementary Information
for General Fund and Solid Waste Fund Budget**

Budgetary Basis

The general fund and solid waste fund final appropriations appearing on the “Budget and Actual” pages of the fund financial statements represent the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting:

<u>General Fund</u>	Revenues and <u>Transfers In</u>	Expenditures and <u>Transfers Out</u>
Revenues/expenditures/transfers (GAAP Basis)	\$ 40,341,219	\$ 40,651,386
Adjust tax revenue to accrual basis	(1,239,213)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,147,450)
Add end of year appropriation carryforwards to expenditures	-	854,785
To reverse capital reserve activity	(143,903)	842,737
To reverse City admin charges	2,109,712	2,109,712
To reverse nonbudgeted activity	-	(3,063,000)
Budgetary Basis	<u>\$ 41,067,815</u>	<u>\$ 40,248,170</u>

See Independent Auditors’ Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2021	June 30, 2020	0.68636551%	\$43,900,975	\$ 17,714,773	247.82%	58.7%
June 30, 2020	June 30, 2019	0.71311951%	\$34,312,848	\$ 17,557,403	195.43%	65.6%
June 30, 2019	June 30, 2018	0.71056295%	\$34,215,044	\$ 16,972,184	201.59%	64.7%
June 30, 2018	June 30, 2017	0.75131322%	\$36,949,530	\$ 16,674,883	221.59%	62.7%
June 30, 2017	June 30, 2016	0.76700000%	\$40,814,329	\$ 16,476,203	247.72%	58.3%
June 30, 2016	June 30, 2015	0.77180000%	\$30,574,215	\$ 16,312,424	187.43%	65.5%
June 30, 2015	June 30, 2014	0.75190000%	\$28,223,639	\$ 15,533,864	181.69%	66.3%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

(Unaudited)

New Hampshire Retirement System					
Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 3,152,910	\$ 3,152,910	\$ -	\$ 18,343,037	17.19%
June 30, 2020	\$ 3,055,329	\$ 3,055,329	\$ -	\$ 17,714,773	17.25%
June 30, 2019	\$ 3,107,400	\$ 3,107,400	\$ -	\$ 17,557,403	17.70%
June 30, 2018	\$ 3,005,032	\$ 3,005,032	\$ -	\$ 16,972,184	17.71%
June 30, 2017	\$ 2,759,440	\$ 2,759,440	\$ -	\$ 16,674,883	16.55%
June 30, 2016	\$ 2,738,529	\$ 2,738,529	\$ -	\$ 16,476,203	16.62%
June 30, 2015	\$ 2,910,722	\$ 2,910,722	\$ -	\$ 16,312,424	17.84%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE AND CONTRIBUTIONS
OF THE NET OPEB LIABILITY

(Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy						
Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total OPEB Liability
June 30, 2021	June 30, 2020	0.66283396%	\$ 2,901,284	\$ 17,714,773	16.38%	7.74%
June 30, 2020	June 30, 2019	0.73849892%	\$ 3,237,661	\$ 17,557,403	18.44%	7.75%
June 30, 2019	June 30, 2018	0.73716947%	\$ 3,375,099	\$ 16,972,184	19.89%	7.53%
June 30, 2018	June 30, 2017	0.51745837%	\$ 2,365,995	\$ 16,674,883	14.19%	7.91%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy						
Fiscal Year	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
June 30, 2021	\$ 317,548	\$ 317,548	\$ -	\$18,343,037	1.73%	
June 30, 2020	\$ 308,401	\$ 308,401	\$ -	\$17,714,773	1.74%	
June 30, 2019	\$ 326,339	\$ 326,339	\$ -	\$17,557,403	1.86%	
June 30, 2018	\$ 307,677	\$ 307,677	\$ -	\$16,972,184	1.81%	

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

(Unaudited)

City of Keene OPEB Plan*				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 212,290	\$ 209,926	\$ 213,897	\$ 267,444
Interest	162,636	193,648	198,431	164,088
Differences between expected and actual experience	-	(1,071,997)	(588,774)	-
Changes of assumptions or other inputs	746,737	543,148	(134,387)	(384,126)
Benefit payments	<u>(227,896)</u>	<u>(240,425)</u>	<u>(207,886)</u>	<u>(209,207)</u>
Net change in total OPEB liability	893,767	(365,700)	(518,719)	(161,801)
Total OPEB liability - beginning	<u>4,548,406</u>	<u>4,914,106</u>	<u>5,432,825</u>	<u>5,594,626</u>
Total OPEB liability - ending	<u>\$ 5,442,173</u>	<u>\$ 4,548,406</u>	<u>\$ 4,914,106</u>	<u>\$ 5,432,825</u>

*Does not include New Hampshire Retirement System Medical Subsidy.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**Combining and Individual Fund
Financial Statements and Schedules**

(This page intentionally left blank.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Grants Fund: to account for those activities that are funded in part or in whole by contributions from other entities.
- Parking Fund: to account for the operations, maintenance, and capital outlay needs of the municipal parking areas.
- Library Fund: to account for the revenues and expenditures incurred with the operation of the Public Library.
- Library Renovation Expendable Trust: to account for assets and activities specifically restricted for the library renovation project.
- Other Expendable Trusts: to account for various assets and activities restricted for specific purposes. Both the principal and earnings may be used.

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or its citizenry.

CITY OF KEENE, NEW HAMPSHIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds						
	Grants <u>Fund</u>	Parking <u>Fund</u>	Library <u>Fund</u>	Library Renovation Expendable <u>Trust</u>	Other Expendable <u>Trusts</u>	Permanent <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Assets							
Cash and short-term investments	\$ 43,304	\$ -	\$ 235,975	\$ 2,223	\$ -	\$ 526,031	\$ 807,533
Investments	-	-	628,599	-	45,802	6,716,541	7,390,942
Receivables:							
Accounts receivable, net	104,001	14,163	-	-	-	15,500	133,664
Intergovernmental	589,717	-	-	-	-	-	589,717
Due from other funds	<u>304,505</u>	<u>356,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,779</u>
Total Assets	<u>\$ 1,041,527</u>	<u>\$ 370,437</u>	<u>\$ 864,574</u>	<u>\$ 2,223</u>	<u>\$ 45,802</u>	<u>\$ 7,258,072</u>	<u>\$ 9,582,635</u>
Liabilities							
Warrants payable	\$ 440,188	\$ 938	\$ -	\$ -	\$ -	\$ -	\$ 441,126
Accounts payable	690	2,694	-	-	-	-	3,384
Accrued liabilities	<u>11,070</u>	<u>13,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,318</u>
Total Liabilities	451,948	16,880	-	-	-	-	468,828
Fund Balances							
Nonspendable	-	-	-	-	-	6,978,188	6,978,188
Restricted	<u>589,579</u>	<u>353,557</u>	<u>864,574</u>	<u>2,223</u>	<u>45,802</u>	<u>279,884</u>	<u>2,135,619</u>
Total Fund Balances	<u>589,579</u>	<u>353,557</u>	<u>864,574</u>	<u>2,223</u>	<u>45,802</u>	<u>7,258,072</u>	<u>9,113,807</u>
Total Liabilities and Fund Balances	<u>\$ 1,041,527</u>	<u>\$ 370,437</u>	<u>\$ 864,574</u>	<u>\$ 2,223</u>	<u>\$ 45,802</u>	<u>\$ 7,258,072</u>	<u>\$ 9,582,635</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						
	Grants <u>Fund</u>	Parking <u>Fund</u>	Library <u>Fund</u>	Library Renovation Expendable <u>Trust</u>	Other Expendable <u>Trusts</u>	Permanent <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues							
Property taxes	\$ -	\$ 534,749	\$ -	\$ -	\$ -	\$ -	\$ 534,749
Charges for services	497,038	780,312	-	-	-	-	1,277,350
Intergovernmental	1,447,321	12,797	3,400	-	-	-	1,463,518
Licenses and permits	50,911	-	-	-	-	-	50,911
Investment income	135	1,751	99,534	26	8,165	1,365,124	1,474,735
Contributions	31,307	-	3,745	6,000	-	41,912	82,964
Miscellaneous	<u>67,071</u>	<u>1,525</u>	<u>7,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,924</u>
Total Revenues	2,093,783	1,331,134	114,007	6,026	8,165	1,407,036	4,960,151
Expenditures							
General government	507,889	-	-	-	-	-	507,889
Public safety	1,462,636	792,662	-	-	-	-	2,255,298
Public works	65,537	-	-	-	-	-	65,537
Library	-	-	19,123	-	-	-	19,123
Parks and facilities	43,846	-	-	-	-	-	43,846
Debt service:							
Principal	-	467,000	-	-	-	-	467,000
Interest	<u>21,513</u>	<u>31,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,282</u>
Total Expenditures	<u>2,170,555</u>	<u>1,291,431</u>	<u>19,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,481,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,772)	39,703	94,884	6,026	8,165	1,407,036	1,479,042
Other Financing Sources (Uses)							
Transfers in	100,436	16,429	-	-	-	-	116,865
Transfers out	<u>(552,588)</u>	<u>(94,045)</u>	<u>-</u>	<u>(10,750)</u>	<u>(735)</u>	<u>(98,764)</u>	<u>(756,882)</u>
Total Other Financing Sources (Uses)	<u>(452,152)</u>	<u>(77,616)</u>	<u>-</u>	<u>(10,750)</u>	<u>(735)</u>	<u>(98,764)</u>	<u>(640,017)</u>
Change in Fund Balance	(528,924)	(37,913)	94,884	(4,724)	7,430	1,308,272	839,025
Fund Balances at Beginning of Year	<u>1,118,503</u>	<u>391,470</u>	<u>769,690</u>	<u>6,947</u>	<u>38,372</u>	<u>5,949,800</u>	<u>8,274,782</u>
Fund Balances at End of Year	<u>\$ 589,579</u>	<u>\$ 353,557</u>	<u>\$ 864,574</u>	<u>\$ 2,223</u>	<u>\$ 45,802</u>	<u>\$ 7,258,072</u>	<u>\$ 9,113,807</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES AND USES - BUDGET AND ACTUAL - PARKING FUND

ANNUALLY BUDGETED NONMAJOR GOVERNMENTAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

	Parking		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 527,075	\$ 534,749	\$ 7,674
Charges for services	1,123,489	780,355	(343,134)
Intergovernmental	18,463	12,797	(5,666)
Investment income	2,252	1,751	(501)
Miscellaneous	-	1,482	1,482
	1,671,279	1,331,134	(340,145)
Total Revenues			
Expenditures			
Public safety	927,391	792,662	134,729
Debt service:			
Principal	465,000	467,000	(2,000)
Interest	37,100	31,769	5,331
Total Expenditures	1,429,491	1,291,431	138,060
Other Financing Sources (Uses)			
Use (addition) of fund balance	(147,743)	-	147,743
Transfers in	-	16,429	16,429
Transfers out	(94,045)	(94,045)	-
Total Other Financing Sources (Uses)	(241,788)	(77,616)	164,172
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ -	\$ (37,913)	\$ (37,913)

The accompanying notes are an integral part of these financial statements.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for central source activities that provide goods and services to other funds, departments, or agencies.

The City of Keene has the following Internal Service Funds:

- Fleet Fund: to account for the operations, maintenance, and capital outlay needs of City vehicles and equipment.
- PC Replacement Fund: to account for the on-going replacement of PCs, certain peripherals, and desktop software utilized by all City departments.

CITY OF KEENE, NEW HAMPSHIRE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities Internal Service Funds		
	Fleet Fund	PC Replacement Fund	Total
Assets			
Current:			
Investments	\$ 360,850	\$ -	\$ 360,850
Accounts receivable	4,821	-	4,821
Due from other funds	930,639	153,642	1,084,281
Inventory	257,973	-	257,973
Total current assets	1,554,283	153,642	1,707,925
Noncurrent:			
Capital assets:			
Capital assets, net of accumulated depreciation	3,175,633	-	3,175,633
Total noncurrent assets	3,175,633	-	3,175,633
Total Assets	4,729,916	153,642	4,883,558
Liabilities			
Current:			
Warrants payable	30,874	2,205	33,079
Accounts payable	23,253	748	24,001
Accrued liabilities	18,818	-	18,818
Current portion of long-term liabilities:			
Compensated absences	6,112	-	6,112
Total current liabilities	79,057	2,953	82,010
Noncurrent:			
Compensated absences, net of current portion	55,007	-	55,007
Total noncurrent liabilities	55,007	-	55,007
Total Liabilities	134,064	2,953	137,017
Net Position			
Net investment in capital assets	3,175,633	-	3,175,633
Unrestricted	1,420,219	150,689	1,570,908
Total Net Position	\$ 4,595,852	\$ 150,689	\$ 4,746,541

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds		
	Fleet Fund	PC Replacement Fund	Total
Operating Revenues			
Charges for services	\$ 2,651,829	\$ 96,037	\$ 2,747,866
Other	<u>10,066</u>	<u>5,873</u>	<u>15,939</u>
Total Operating Revenues	2,661,895	101,910	2,763,805
Operating Expenses			
Salaries and benefits	882,303	1,144	883,447
Other operating expenses	1,000,576	102,271	1,102,847
Depreciation	<u>483,858</u>	<u>-</u>	<u>483,858</u>
Total Operating Expenses	<u>2,366,737</u>	<u>103,415</u>	<u>2,470,152</u>
Operating Income (Loss)	295,158	(1,505)	293,653
Nonoperating Revenues (Expenses)			
Investment income	3,637	742	4,379
Loss on disposal of capital assets	<u>(15,801)</u>	<u>-</u>	<u>(15,801)</u>
Total Nonoperating Revenues (Expenses)	<u>(12,164)</u>	<u>742</u>	<u>(11,422)</u>
Income (Loss) before transfers	<u>282,994</u>	<u>(763)</u>	<u>282,231</u>
Change in Net Position	282,994	(763)	282,231
Net Position at Beginning of Year	<u>4,312,858</u>	<u>151,452</u>	<u>4,464,310</u>
Net Position at End of Year	<u>\$ 4,595,852</u>	<u>\$ 150,689</u>	<u>\$ 4,746,541</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds		
	Fleet Fund	PC Replacement Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 2,661,326	\$ 101,910	\$ 2,763,236
Payments to vendors	(1,023,173)	(108,851)	(1,132,024)
Payments to employees for salaries and benefits	(871,597)	-	(871,597)
Net Cash Provided By (Used For) Operating Activities	766,556	(6,941)	759,615
Cash Flows From Noncapital Financing Activities			
Transfers out		-	-
Proceeds (payments) under interfund loan agreements	(159,023)	6,199	(152,824)
Net Cash Provided By (Used For) Noncapital Financing Activities	(159,023)	6,199	(152,824)
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(863,437)	-	(863,437)
Net Cash (Used For) Capital and Related Financing Activities	(863,437)	-	(863,437)
Cash Flows From Investing Activities			
Proceeds from sale of investments	252,267	-	252,267
Investment income	3,637	742	4,379
Net Cash Provided By Investing Activities	255,904	742	256,646
Net Change in Cash and Short-Term Investments	-	-	-
Cash and Short-Term Investments, Beginning of Year	-	-	-
Cash and Short-Term Investments, End of Year	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Operating income (loss)	\$ 295,158	\$ (1,505)	\$ 293,653
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	483,858	-	483,858
Changes in assets and liabilities:			
User fees	(569)	-	(569)
Inventory	(11,689)	-	(11,689)
Warrants and accounts payable	(10,908)	(5,436)	(16,344)
Accrued liabilities	10,706	-	10,706
Net Cash Provided By (Used For) Operating Activities	\$ 766,556	\$ (6,941)	\$ 759,615

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

SCHEDULE OF REVENUES, EXPENSES, AND
OTHER FINANCING SOURCES AND USES - BUDGET AND ACTUAL

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Fleet Fund</u>			<u>PC Replacement Fund</u>		
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues						
Charges for services	\$ 2,592,051	\$ 2,651,829	\$ 59,778	\$ 95,913	\$ 96,037	\$ 124
Investment income	4,500	3,637	(863)	-	742	742
Other	<u>-</u>	<u>10,066</u>	<u>10,066</u>	<u>4,000</u>	<u>5,873</u>	<u>1,873</u>
Total Revenues	2,596,551	2,665,532	68,981	99,913	102,652	2,739
Expenses						
Salaries and benefits	643,322	612,546	30,776	-	-	-
Other operating expenses	1,417,671	1,286,134	131,537	137,612	103,415	34,197
Depreciation	<u>390,000</u>	<u>483,858</u>	<u>(93,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>2,450,993</u>	<u>2,382,538</u>	<u>68,455</u>	<u>137,612</u>	<u>103,415</u>	<u>34,197</u>
Other Financing Sources (Uses)						
Use (addition) of net position	<u>(145,558)</u>	<u>-</u>	<u>145,558</u>	<u>37,699</u>	<u>-</u>	<u>(37,699)</u>
Total Other Financing (Uses)	<u>(145,558)</u>	<u>-</u>	<u>145,558</u>	<u>37,699</u>	<u>-</u>	<u>(37,699)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>282,994</u>	\$ <u>282,994</u>	\$ <u>-</u>	\$ <u>(763)</u>	\$ <u>(763)</u>

The accompanying notes are an integral part of these financial statements.

(This page intentionally left blank.)

**STATISTICAL
SECTION**

(This page intentionally left blank.)

CITY OF KEENE, NEW HAMPSHIRE

STATISTICAL SECTION

The City of Keene, New Hampshire Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	104
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	108
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	113
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	116
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	118

City of Keene, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ 52,044,769	\$ 51,051,333	\$ 56,711,431	\$ 56,903,534	\$ 57,485,620	\$ 59,166,584	\$ 66,711,745	\$ 69,956,379	\$ 73,675,189	\$ 78,094,792
Restricted	7,861,947	7,844,383	8,181,255	8,451,104	9,138,862	11,757,799	9,833,924	11,404,883	10,925,796	9,113,807
Unrestricted	11,231,799	12,963,681	11,493,999	(15,389,928)	(16,519,232)	(17,115,229)	(20,126,396)	(21,426,686)	(18,811,632)	(11,006,794)
Total governmental activities net position	\$ 71,138,515	\$ 71,859,397	\$ 76,386,685	\$ 49,964,710	\$ 50,105,250	\$ 53,809,154	\$ 56,419,273	\$ 59,934,576	\$ 65,789,353	\$ 76,201,805
Business-type activities										
Net investment in capital assets	\$ 39,516,773	\$ 40,061,829	\$ 40,449,004	\$ 41,793,286	\$ 45,601,603	\$ 46,911,847	\$ 47,558,442	\$ 47,115,869	\$ 49,350,970	\$ 55,092,329
Unrestricted	15,016,733	15,890,392	17,180,651	15,184,011	14,630,415	14,425,082	14,473,134	15,870,281	14,968,960	7,341,694
Total business-type activities net position	\$ 54,533,506	\$ 55,952,221	\$ 57,629,655	\$ 56,977,297	\$ 60,232,018	\$ 61,336,929	\$ 62,031,576	\$ 62,986,150	\$ 64,319,930	\$ 62,434,023
Primary government										
Net investment in capital assets	\$ 91,561,542	\$ 91,113,162	\$ 97,160,435	\$ 98,696,820	\$ 103,087,223	\$ 106,078,431	\$ 114,270,187	\$ 117,072,248	\$ 123,026,159	\$ 133,187,121
Restricted	7,861,947	7,844,383	8,181,255	8,451,104	9,138,862	11,757,799	9,833,924	11,404,883	10,925,796	9,113,807
Unrestricted	26,248,532	28,854,073	28,674,650	(205,917)	(1,888,817)	(2,690,147)	(5,653,262)	(5,556,405)	(3,842,672)	(3,665,100)
Total primary government net position	\$ 125,672,021	\$ 127,811,618	\$ 134,016,340	\$ 106,942,007	\$ 110,337,268	\$ 115,146,083	\$ 118,450,849	\$ 122,920,726	\$ 130,109,283	\$ 138,635,828

Data Source:

Audited Financial Statements

City of Keene, New Hampshire

Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 5,822,868	\$ 6,053,842	\$ 6,163,749	\$ 6,192,633	\$ 7,698,162	\$ 7,008,103	\$ 7,607,341	\$ 7,216,829	\$ 8,152,525	\$ 6,967,014
Public safety	12,656,227	13,366,663	12,861,971	11,522,512	13,841,925	15,922,427	15,588,700	16,193,749	17,665,400	16,275,916
Public works	12,302,282	13,905,776	11,505,399	12,030,608	14,272,374	12,342,448	10,207,597	11,239,823	9,635,462	9,540,493
Welfare and human services	1,601,369	1,626,264	1,584,798	1,678,845	1,594,633	1,600,241	1,757,686	801,566	747,728	587,322
Airport	744,772	618,376	569,217	854,783	1,084,668	1,312,906	1,313,506	1,298,840	1,396,849	1,512,705
Library	1,598,121	1,380,133	1,399,236	1,383,430	1,529,730	1,468,787	1,488,344	1,654,529	1,540,768	1,660,766
Community development	1,530,547	1,046,842	642,702	1,468,668	498,721	328,168	597,408	1,435,562	1,468,186	1,432,118
Parks and facilities	2,771,982	2,813,250	3,938,106	2,910,530	2,519,671	3,018,676	3,409,437	3,455,725	3,629,902	3,814,782
Interest	1,409,256	1,307,235	1,217,767	1,105,316	1,070,477	1,225,901	1,115,646	604,575	771,454	691,772
Total governmental activities expenses	40,437,424	42,118,381	39,882,945	39,147,325	44,110,361	44,227,657	43,085,665	43,901,198	45,008,274	42,482,888
Business-type activities:										
Water services	3,168,404	2,938,752	3,656,619	3,167,831	3,866,375	3,894,553	3,978,790	3,909,379	3,784,833	5,307,330
Wastewater services	4,597,936	4,425,423	4,814,906	4,462,398	6,089,976	5,491,891	5,361,320	5,839,543	5,737,639	7,114,138
Total business-type activities expenses	7,766,340	7,364,175	8,471,525	7,630,229	9,956,351	9,386,444	9,340,110	9,748,922	9,522,472	12,421,468
Total primary government expenses	\$ 48,203,764	\$ 49,482,556	\$ 48,354,470	\$ 46,777,554	\$ 54,066,712	\$ 53,614,101	\$ 52,425,775	\$ 53,650,120	\$ 54,530,746	\$ 54,904,356
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,786,708	\$ 2,947,678	\$ 3,064,420	\$ 3,221,992	\$ 3,463,979	\$ 4,094,396	\$ 3,581,446	\$ 3,810,002	\$ 3,955,780	\$ 4,354,096
Public safety	2,003,331	2,126,596	2,159,403	2,230,916	2,214,391	2,550,657	3,137,231	2,762,013	2,363,133	2,042,176
Public works	5,265,397	4,739,687	4,979,808	4,985,725	4,951,189	5,333,948	5,305,390	5,590,770	5,380,272	5,701,437
Welfare and human services	267,076	307,002	234,734	313,247	314,710	324,824	71,202	18,843	22,279	22,185
Airport	54,479	50,567	52,823	50,106	54,689	416,709	441,208	444,018	426,562	425,023
Library	64,164	59,973	58,112	51,751	49,824	47,585	44,792	40,298	29,480	25,456
Community development	12,951	9,272	10,610	12,148	9,329	24,224	17,331	379,938	389,114	374,944
Parks and facilities	260,417	280,911	279,277	298,927	288,647	559,805	474,694	480,233	404,505	397,734
Operating grants and contributions	2,807,994	2,688,371	2,629,292	2,815,646	3,914,405	2,868,256	3,908,607	3,406,882	4,268,360	4,108,748
Capital grants and contributions	2,301,745	2,906,463	3,727,365	2,124,908	1,549,538	2,879,365	5,097,486	4,876,546	2,371,339	1,776,962
Total governmental activities program revenues	15,824,262	16,116,520	17,195,844	16,105,366	16,810,701	19,099,769	22,079,387	21,809,543	19,610,824	19,228,761
Business-type activities:										
Charges for services:										
Water	3,641,995	3,768,274	3,622,938	3,864,511	3,620,088	3,510,387	3,903,050	4,075,327	4,055,576	3,862,130
Sewer	5,172,530	5,348,643	5,911,507	6,186,269	6,268,834	6,221,802	6,129,002	6,017,723	6,035,085	6,006,167
Operating grants and contributions	118,810	117,674	1,401,132	176,929	141,079	551,152	-	-	34,500	37,881
Capital grants and contributions	566,710	398,056	109,881	-	2,995,426	-	677,271	220,561	390,293	584,248
Total business-type activities program revenues	9,500,045	9,632,647	11,045,458	10,227,709	13,025,427	10,283,341	10,709,323	10,313,611	10,515,454	10,490,426
Total primary government program revenues	\$ 25,324,307	\$ 25,749,167	\$ 28,241,302	\$ 26,333,075	\$ 29,836,128	\$ 29,383,110	\$ 32,788,710	\$ 32,123,154	\$ 30,126,278	\$ 29,719,187
Net (Expenses)Revenue										
Governmental activities	\$ (24,613,162)	\$ (26,001,861)	\$ (22,687,101)	\$ (23,041,959)	\$ (27,299,660)	\$ (25,127,888)	\$ (21,006,278)	\$ (22,091,655)	\$ (25,397,450)	\$ (23,254,127)
Business-type activities	1,733,705	2,268,472	2,573,933	2,597,480	3,069,076	896,897	1,369,213	564,689	992,982	(1,931,042)
Total Primary government net expense	\$ (22,879,457)	\$ (23,733,389)	\$ (20,113,168)	\$ (20,444,479)	\$ (24,230,584)	\$ (24,230,991)	\$ (19,637,065)	\$ (21,526,966)	\$ (24,404,468)	\$ (25,185,169)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 21,760,281	\$ 22,864,243	\$ 23,225,219	\$ 24,168,766	\$ 25,409,198	\$ 26,741,212	\$ 25,974,118	\$ 22,974,005	\$ 28,122,695	\$ 30,147,335
Payment in lieu of taxes ⁽²⁾	64,183	97,289	529,467	390,688	412,492	433,772	444,471	443,461	1,107,500	1,111,350
Penalties, interest and other taxes	516,940	492,496	519,493	497,483	500,916	644,611	953,911	337,501	639,756	316,837
Investment income	747,548	754,289	977,974	574,119	243,658	663,683	787,744	1,486,136	766,490	1,776,124
Miscellaneous	923,534	1,360,322	790,562	1,568,073	825,354	311,474	312,538	346,105	592,586	281,479
Transfers, net ⁽¹⁾	1,138,320	1,133,130	1,158,798	1,145,574	21,242	-	-	-	-	-
Permanent fund contributions	18,805	20,975	12,876	23,165	27,933	37,024	23,550	19,750	23,200	41,911
Total governmental activities	25,169,611	26,722,744	27,214,389	28,367,868	27,440,793	28,831,776	28,496,332	25,606,958	31,252,227	33,675,036
Business-type activities:										
Property tax	182,907	172,141	166,646	160,144	147,897	145,440	136,746	-	-	-
Investment income	73,723	102,262	42,667	46,625	47,112	62,580	93,411	389,885	340,798	35,561
Miscellaneous	19,082	-	-	-	635	-	-	-	-	1,117
Transfers, net ⁽¹⁾	(1,134,516)	(1,124,160)	(1,105,812)	(1,098,454)	(10,000)	-	-	-	-	-
Total business-type activities	(858,804)	(849,757)	(896,499)	(891,685)	185,644	208,020	230,157	389,885	340,798	36,678
Total primary government	\$ 24,310,807	\$ 25,872,987	\$ 26,317,890	\$ 27,476,183	\$ 27,626,437	\$ 29,039,796	\$ 28,726,489	\$ 25,996,843	\$ 31,593,025	\$ 33,711,714
Change in Net Position										
Governmental activities	\$ 556,449	\$ 720,883	\$ 4,527,288	\$ 5,325,909	\$ 141,133	\$ 3,703,888	\$ 7,490,054	\$ 3,515,303	\$ 5,854,777	\$ 10,420,909
Business-type activities	874,901	1,418,715	1,677,434	1,705,795	3,254,720	1,104,917	1,599,370	454,574	1,333,780	(1,894,364)
Total primary government	\$ 1,431,350	\$ 2,139,598	\$ 6,204,722	\$ 7,031,704	\$ 3,395,853	\$ 4,808,805	\$ 9,089,424	\$ 4,469,877	\$ 7,188,557	\$ 8,526,545

⁽¹⁾ In prior years, administrative costs were classified as transfers between the general fund and enterprise funds. Beginning in 2016, the administrative costs were allocated against each applicable function in each respective fund.

⁽²⁾ In prior years, payment in lieu of taxes were classified as property tax. Beginning in 2019, the payment in lieu of taxes were reported separately.

Data Source
 Audited Financial Statements

City of Keene, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 425,964	\$ 381,611	\$ 363,483	\$ 341,018	\$ 362,095	\$ 699,572	\$ 640,262	\$ 94,085	\$ 98,793	\$ 91,188
Committed	2,700,437	3,074,928	3,423,762	3,517,742	3,380,255	3,968,918	4,661,196	5,049,191	5,607,279	6,718,919
Assigned	1,281,293	1,175,686	1,258,208	1,378,786	1,038,111	436,301	418,729	802,771	1,147,450	854,785
Unassigned	6,801,027	6,050,735	6,498,576	6,763,152	7,495,863	8,655,952	8,924,574	10,702,620	13,184,021	15,250,484
Total General Fund	<u>\$ 11,208,721</u>	<u>\$ 10,682,960</u>	<u>\$ 11,544,029</u>	<u>\$ 12,000,698</u>	<u>\$ 12,276,324</u>	<u>\$ 13,760,743</u>	<u>\$ 14,644,761</u>	<u>\$ 16,648,667</u>	<u>\$ 20,037,543</u>	<u>\$ 22,915,376</u>
Other Governmental Funds										
Nonspendable	\$ 5,460,867	\$ 5,629,927	\$ 6,104,692	\$ 5,659,081	\$ 5,585,419	\$ 5,881,176	\$ 5,317,971	\$ 5,935,014	\$ 5,668,799	\$ 6,978,188
Restricted	9,257,416	6,009,770	3,723,770	6,857,313	3,405,551	5,764,563	5,995,590	6,569,207	4,348,560	8,821,887
Committed	3,161,878	2,998,753	2,428,004	4,064,769	2,673,426	6,572,329	3,048,755	4,113,680	4,519,850	4,843,568
Unassigned	(142,719)	-	(68,306)	(2,890)	-	-	(1,611,338)	(188,045)	(322,641)	(861,872)
Total Other Governmental Funds	<u>\$ 17,737,442</u>	<u>\$ 14,638,450</u>	<u>\$ 12,188,160</u>	<u>\$ 16,578,273</u>	<u>\$ 11,664,396</u>	<u>\$ 18,218,068</u>	<u>\$ 12,750,978</u>	<u>\$ 16,429,856</u>	<u>\$ 14,214,568</u>	<u>\$ 19,781,771</u>

Data Source
Audited Financial Statements

City of Keene, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 22,676,964	\$ 23,133,820	\$ 24,210,554	\$ 25,288,836	\$ 26,432,668	\$ 26,967,454	\$ 27,159,503	\$ 27,353,420	\$ 29,739,445	\$ 30,079,024
Charges for services	7,658,470	7,291,378	7,369,188	7,533,948	7,629,481	8,485,858	8,416,059	9,006,321	8,325,973	8,619,691
Intergovernmental	4,959,426	5,493,486	6,140,731	4,484,310	4,652,406	3,862,127	6,744,527	7,344,170	5,231,050	5,819,444
Licenses and permits	2,808,529	2,992,017	3,071,633	3,294,504	3,501,521	4,384,530	4,251,933	4,100,599	4,198,908	4,268,273
Investment income	743,734	947,051	972,289	593,061	237,109	657,924	775,538	1,447,812	732,077	1,771,746
Contributions	169,117	122,326	228,801	479,409	839,470	1,922,518	2,285,116	959,008	391,847	130,771
Miscellaneous	907,199	1,345,792	785,568	1,564,627	819,207	301,616	284,496	327,043	585,178	265,538
Total revenues	39,923,439	41,325,870	42,778,764	43,238,695	44,111,862	46,582,027	49,917,172	50,538,373	49,204,478	50,954,487
Expenditures by Function										
General government	4,915,937	5,239,355	5,107,881	5,410,852	6,287,467	6,180,882	6,552,501	6,268,348	7,090,007	6,702,003
Public safety	12,447,867	13,131,516	13,344,198	14,139,779	14,224,160	14,438,473	14,856,213	15,284,919	15,826,385	16,578,274
Public works	8,010,095	7,800,682	7,905,279	8,067,083	6,403,527	6,878,521	7,511,885	7,036,466	7,120,309	7,450,210
Welfare and human services	1,595,458	1,666,794	1,628,021	1,752,376	1,671,546	1,665,998	1,742,081	801,363	747,620	720,163
Airport	491,315	482,788	551,662	549,447	573,307	614,617	625,712	638,408	650,399	723,501
Library	1,254,878	1,258,461	1,325,446	1,473,703	1,435,749	1,378,262	1,376,184	1,531,189	1,456,751	1,419,820
Community development	1,515,779	1,029,380	726,662	1,506,517	477,780	696,896	563,731	1,425,470	1,422,219	1,427,697
Parks and facilities	2,693,356	2,634,966	2,989,163	2,907,419	2,870,008	2,891,011	3,082,351	3,384,630	3,450,731	3,460,950
Debt service:										
Principal	3,629,878	4,313,918	4,282,772	4,250,422	4,922,760	5,958,531	4,561,262	4,150,325	4,453,075	7,152,485
Interest	1,412,183	1,429,974	1,191,789	1,086,337	1,070,867	1,025,032	979,711	965,706	965,498	802,118
Capital outlay	11,778,205	10,008,596	6,734,484	4,164,096	8,863,593	4,910,046	12,588,613	9,741,708	4,880,896	4,902,773
Miscellaneous	21,166	12,610	1,074	23,747	-	-	-	-	-	-
Total expenditures	49,766,117	49,009,040	45,788,431	45,331,778	48,800,764	46,638,269	54,440,244	51,228,532	48,063,890	51,339,994
Excess of revenues										
Over(under) expenditures	(9,842,678)	(7,683,170)	(3,009,667)	(2,093,083)	(4,688,902)	(56,242)	(4,523,072)	(690,159)	1,140,588	(385,507)
Other Financing Sources (Uses)										
Issuance of general obligation bonds	7,856,700	2,775,200	-	5,530,000	-	5,676,000	-	5,705,000	-	5,651,000
Issuance of refunding bonds	-	3,850,900	-	-	-	2,151,304	-	-	-	3,188,000
Bond premiums on general obligation bonds	-	-	-	-	-	821,082	-	667,943	-	-
Bond premiums on refunding bonds	-	-	-	-	-	253,002	-	-	-	-
Payment to escrow agent	-	(3,961,406)	-	-	-	(807,071)	-	-	-	-
Gain on refunding	-	(25,739)	-	-	-	-	-	-	-	-
Transfers in	3,519,678	5,015,021	3,808,287	3,481,201	2,340,391	2,802,014	8,166,582	2,746,683	3,300,257	3,566,358
Transfers out	(2,086,338)	(3,595,560)	(2,387,841)	(2,071,336)	(2,289,149)	(2,802,014)	(8,226,582)	(2,746,683)	(3,267,257)	(3,574,815)
Total other financing sources (uses)	9,290,040	4,058,416	1,420,446	6,939,865	51,242	8,094,317	(60,000)	6,372,943	33,000	8,830,543
Net Change in fund balances	\$ (552,638)	\$ (3,624,754)	\$ (1,589,221)	\$ 4,846,782	\$ (4,637,660)	\$ 8,038,075	\$ (4,583,072)	\$ 5,682,784	\$ 1,173,588	\$ 8,445,036

Debt Service as a percentage of non-capital outlay expenditures	12.47%	13.34%	13.60%	12.36%	13.25%	15.91%	13.11%	11.79%	12.34%	17.20%
---	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Data Source
Audited Financial Statements

City of Keene, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Change Tax	Timber Tax	Excavation Tax	Motor Vehicle Registrations	Payment in Lieu of Taxes	Total
2021	\$ 27,308,757	\$ 1,200	\$ 13,442	\$ -	\$ 3,456,635	\$ 1,111,350	\$ 31,891,384
2020	26,412,988	-	5,829	-	3,381,346	1,107,500	30,907,663
2019	24,864,983	-	5,660	-	3,278,216	443,461	28,592,320
2018	24,733,654	124,920	17,669	-	3,170,954	444,471	28,491,668
2017	24,742,331	-	20,875	-	3,128,771	433,772	28,325,749
2016	24,352,010	2,020	14,696	-	3,005,853	412,492	27,787,071
2015	23,352,375	22,380	20,160	-	2,792,019	390,688	26,577,622
2014	22,470,718	9,400	22,326	72	2,668,587	379,467	25,550,570
2013	21,639,386	17,170	17,024	-	2,505,780	97,248	24,276,608
2012	21,614,949	-	8,151	35	2,384,164	64,183	24,071,482

Data Source
Audited Financial Statements

City of Keene, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value ⁽¹⁾				Less Exemptions to Assessed Value ⁽¹⁾	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value ⁽²⁾	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities	Total Assessed Value					
2021	\$ 1,089,914,330	\$ 704,489,250	\$ 98,753,600	\$ 1,893,157,180	\$ 7,444,016	\$ 1,885,713,164	\$ 37.28	\$ 2,181,146,207	86.8%
2020	1,086,718,570	702,042,900	74,173,700	1,862,935,170	5,798,816	1,857,136,354	37.60	1,992,795,421	93.5%
2019	1,068,637,240	674,838,019	88,110,200	1,831,585,459	4,503,416	1,827,082,043	37.12	1,920,248,283	95.4%
2018	1,065,706,600	656,357,900	78,914,000	1,800,978,500	4,942,200	1,796,036,300	37.22	1,847,773,971	97.5%
2017	1,064,310,740	655,367,400	73,554,600	1,793,232,740	4,598,925	1,788,633,815	36.39	1,799,430,397	99.7%
2016	1,143,309,000	655,665,400	49,788,300	1,848,762,700	4,974,025	1,843,788,675	34.41	1,821,207,565	101.5%
2015	1,145,591,800	656,428,300	49,788,300	1,851,808,400	4,764,325	1,847,044,075	33.68	1,807,277,270	102.5%
2014	1,145,562,600	656,440,100	49,810,900	1,851,813,600	4,917,025	1,846,896,575	32.75	1,765,219,898	104.9%
2013	1,148,683,831	663,860,700	49,810,900	1,862,355,431	5,297,000	1,857,058,431	31.40	1,761,859,486	105.7%
2012	1,149,268,300	666,380,900	50,953,700	1,866,602,900	5,667,900	1,860,935,000	30.82	1,821,623,737	102.5%

Data Sources:

⁽¹⁾ State MS-1 Report of Assessed Values

⁽²⁾ NH Department of Revenue Administration's Annual Equalization Survey

City of Keene, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates					Overlapping Rate	
	City	Local School	State School	Total School	Total Direct	County	Total
2021	\$ 14.81	\$ 16.54	\$ 2.07	\$ 18.61	\$ 33.42	\$ 3.86	\$ 37.28
2020	14.81	16.68	2.14	18.82	33.63	3.97	37.60
2019	14.36	16.64	2.21	18.85	33.21	3.91	37.12
2018	14.06	17.26	2.36	19.62	33.68	3.54	37.22
2017	14.02	16.36	2.43	18.79	32.81	3.58	36.39
2016	13.42	15.28	2.35	17.63	31.05	3.36	34.41
2015	12.93	15.04	2.39	17.43	30.36	3.32	33.68
2014	12.44	14.60	2.44	17.04	29.48	3.27	32.75
2013	12.15	13.54	2.47	16.01	28.16	3.24	31.40
2012	11.78	13.32	2.37	15.69	27.47	3.35	30.82

Data Source
NH State Department of Revenue Administration, "Tax Rate Calculation"

City of Keene, New Hampshire
Principal Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>FY 2021 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>2012 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Net Assessed Value</u>
Eversource (formerly PSNH)	Utility	\$91,115,000	1	4.83 %	\$47,354,200	1	2.54 %
Keene MZL LLC (formerly MB Keene Monadnock LLC)	Retail/Commercial Space	29,310,900	2	1.55	31,262,900	2	1.68
Riverside Improvements LLC	Retail/Commercial Space	21,099,000	3	1.12	23,574,100	3	1.27
Realties Inc/Ellis Robertson	Retail/Commercial Space	19,848,230	4	1.05	22,773,100	4	1.22
480 West Street LLC	Retail/Commercial Space	14,978,700	5	0.79	14,353,200	6	0.77
Target Corporation	Retail/Commercial Space	13,799,900	6	0.73	14,679,100	5	0.79
Tanglewood Park Cooperative, Inc.	Manufactured Home Park	11,849,600	7	0.63	8,472,300	13	0.46
AH Keene LLC	Elderly Housing	11,276,200	8	0.60	11,324,300	11	0.61
Washington Park of Keene LLC	Apartments/Mixed Use	11,128,000	9	0.59	2,265,300	15	0.12
149 Emerald Street LLC	Retail/Commercial Space	10,382,000	10	0.55	5,681,900	14	0.31
Total Principal Taxpayers		234,787,530		12.45 %	181,740,400		9.77 %
Total Net Assessed Taxable Value		<u>\$ 1,885,713,614</u>			<u>\$ 1,860,935,000</u>		

Data Source
City of Keene Tax Warrant

City of Keene, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year ⁽¹⁾ (FY)	Property Tax Levied for		Collected within the Fiscal Year of the Levy		Subsequent Tax lien Collections	Balance at end of Current Fiscal Year	Total Collections to Date	
	Fiscal Year	Amount	Amount	% of Levy			Amount	% of Levy
2021	\$ 69,829,870	\$ 68,473,089	98.06%	\$ 194,192	\$ 1,304,717	\$ 68,667,281	98.34%	
2020	69,371,848	67,645,277	97.51%	653,915	1,716,400	68,299,192	98.45%	
2019	69,267,152	67,971,414	98.13%	1,386,997	512,407	68,173,431	98.42%	
2018	68,166,295	66,968,501	98.24%	1,318,773	115,252	67,379,570	98.85%	
2017	66,236,957	65,229,896	98.48%	1,162,354	4,485	65,229,896	98.48%	
2016	64,484,906	63,554,757	98.56%	930,149	190	63,963,378	99.19%	
2015	63,162,701	62,099,707	98.32%	1,062,995	-	63,043,025	99.81%	
2014	61,244,506	60,490,420	98.77%	1,008,649	-	60,976,828	99.56%	
2013	59,161,150	58,080,982	98.17%	1,080,168	-	59,081,258	99.86%	
2012	57,877,697	56,591,398	97.78%	1,005,684	-	56,591,398	97.78%	

Data Source:
Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Notes:
The data presented above represents information for taxes collected for City services.
It includes taxes raised for School District and the County.
Once a lien is executed a taxpayer has 2 years and 1 day to redeem the taxes before a Deed is executed.

⁽¹⁾ Fiscal year 2021 is the City's tax year 2020.

City of Keene, New Hampshire

**Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property	Population	Taxes Raised	Median Per Household Per Capita Inc	Actual Taxable Value of Property
	General Obligation Bonds	Tax Increment Financing Bonds	Capital Leases	General Obligation Bonds	Tax Increment Financing Bonds									
	2021	\$ 21,850,409	\$ 2,557,000	\$ -	\$ 11,213,188									
2020	20,711,701	3,120,000	-	9,570,609	-	33,402,310	1,455	2.55%	1.79%	22,953	69,371,848	56,971	1,862,926,070	
2019	24,713,978	4,465,000	-	11,178,824	-	40,357,802	1,750	3.16%	2.21%	23,056	69,267,152	55,398	1,827,082,043	
2018	21,181,294	5,090,000	92,417	11,347,223	-	37,710,934	1,643	3.07%	2.10%	22,949	68,166,295	53,499	1,796,036,300	
2017	24,951,556	5,881,000	182,257	13,032,258	-	44,047,071	1,882	3.58%	2.46%	23,403	66,236,957	52,636	1,788,633,815	
2016	25,638,281	3,998,438	255,752	13,917,817	271,562	44,081,850	1,893	3.62%	2.39%	23,281	64,484,906	52,327	1,843,788,675	
2015	29,898,542	4,660,937	341,054	9,301,462	409,063	44,611,058	1,916	3.66%	2.42%	23,281	63,162,701	52,327	1,847,044,075	
2014	27,959,901	5,320,000	57,893	8,683,308	550,000	42,571,102	1,829	3.49%	2.31%	23,281	61,244,506	52,327	1,846,896,575	
2013	31,589,609	5,973,063	114,103	7,484,320	690,938	45,852,033	1,956	3.74%	2.47%	23,444	59,161,150	52,327	1,857,058,431	
2012	33,874,263	4,911,225	168,681	5,847,385	831,875	45,633,429	1,950	3.73%	2.45%	23,396	57,877,697	52,327	1,860,935,000	

2021 Median Per Household Per Capita Income was not available. Amount reported is 2020 figure.

*based on the Census' American Community Survey 2016 5-yr estimate and the Census' 2017 Population Estimates

Data Sources:
Audited Financial Statements
U.S. Census Bureau
Assessors Department MS-1 Report

City of Keene, New Hampshire

Computation of Overlapping Debt by Debt Type
Last Ten Calendar Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Direct Debt:										
City of Keene										
Net General Obligation Debt Outstanding	\$ 33,874,263	\$ 31,589,609	\$ 27,959,901	\$ 29,898,542	\$ 25,638,281	\$ 24,951,556	\$ 21,181,294	\$ 24,713,978	\$ 20,711,701	\$ 21,850,409
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 33,874,263	\$ 31,589,609	\$ 27,959,901	\$ 29,898,542	\$ 25,638,281	\$ 24,951,556	\$ 21,181,294	\$ 24,713,978	\$ 20,711,701	\$ 21,850,409
Subtotal Direct Debt	\$ 33,874,263	\$ 31,589,609	\$ 27,959,901	\$ 29,898,542	\$ 25,638,281	\$ 24,951,556	\$ 21,181,294	\$ 24,713,978	\$ 20,711,701	\$ 21,850,409
Overlapping Debt:										
Cheshire County										
Net General Obligation Debt Outstanding	\$ 33,381,627	\$ 28,539,277	\$ 28,040,000	\$ 26,075,096	\$ 28,040,000	\$ 46,095,000	\$ 49,585,000	\$ 46,000,000	\$ 48,855,000	\$ 45,000,000
Percentage Applicable to Government*	26.04%	26.11%	26.11%	26.44%	26.11%	26.18%	25.40%	25.42%	24.83%	25.17%
Amount Applicable to Government	\$ 8,691,541	\$ 7,452,633	\$ 7,321,244	\$ 6,894,516	\$ 7,321,244	\$ 12,067,671	\$ 12,593,648	\$ 11,694,258	\$ 12,130,697	\$ 11,326,500
Keene Union School District										
Net General Obligation Debt Outstanding	\$ -	\$ 38,223,428	\$ 35,196,745	\$ 29,421,201	\$ 32,263,902	\$ 26,666,003	\$ 24,109,630	\$ 21,630,370	\$ 19,225,934	\$ 17,767,250
Percentage Applicable to Government	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ -	\$ -	\$ 35,196,745	\$ 29,421,201	\$ 32,263,902	\$ 26,666,003	\$ 24,109,630	\$ 21,630,370	\$ 19,225,934	\$ 17,767,250
Subtotal Overlapping Debt	\$ 8,691,541	\$ 7,452,633	\$ 42,517,989	\$ 36,315,717	\$ 39,585,146	\$ 38,733,674	\$ 36,703,278	\$ 33,324,628	\$ 31,356,631	\$ 29,093,750
Grand Total	\$ 42,565,804	\$ 39,042,242	\$ 70,477,890	\$ 66,214,259	\$ 65,223,427	\$ 63,685,230	\$ 57,884,572	\$ 58,038,606	\$ 52,068,332	\$ 50,944,159

* The percentage applicable to the City is based on it's proportionate share of the Cheshire County's annual apportionment for each respective fiscal year.

Data Source:

Audited financial statements, Cheshire County, and Keene Union School District

City of Keene, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Value for Debt Limits ⁽¹⁾	\$ 1,819,399,000	\$ 1,819,399,000	\$ 1,819,399,000	\$ 1,758,640,000	\$ 1,738,800,000	\$ 1,792,296,603	\$ 1,840,121,797	\$ 1,920,248,283	\$ 1,992,795,421	\$ 2,181,146,207
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on ⁽²⁾	\$ 54,582,000	\$ 54,582,000	\$ 54,582,000	\$ 52,759,000	\$ 52,164,000	\$ 53,768,898	\$ 55,203,654	\$ 57,192,053	\$ 59,783,863	\$ 65,434,386
Parking - 0.05%	9,097,000	9,097,000	9,097,000	8,798,000	8,694,000	8,961,483	9,200,609	9,532,009	9,963,977	10,905,731
Water - 10% ⁽²⁾	181,940,000	181,940,000	181,940,000	175,864,000	173,880,000	179,229,660	184,012,180	190,640,177	199,279,542	218,114,621
	\$ 245,619,000	\$ 245,619,000	\$ 245,619,000	\$ 237,421,000	\$ 234,738,000	\$ 241,960,041	\$ 248,416,443	\$ 257,364,239	\$ 269,027,382	\$ 294,454,738
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 45,465,000	\$ 45,738,000	\$ 42,513,000	\$ 44,270,000	\$ 43,826,000	\$ 43,864,814	\$ 37,618,517	\$ 39,004,793	\$ 32,943,505	\$ 35,620,597
Less Water Fund	(566,300)	(818,956)	(1,456,876)	(1,203,752)	(987,122)	(1,769,366)	(1,459,584)	(1,273,569)	(1,084,986)	(2,620,788)
Less Sewer Fund ⁽³⁾	(5,281,085)	(6,665,364)	(7,226,432)	(8,097,707)	(12,930,695)	(11,262,892)	(9,887,639)	(9,905,255)	(8,485,623)	(8,592,400)
Less TIF, Parking, Landfill ⁽³⁾	(6,182,936)	(6,935,853)	(6,106,296)	(6,031,019)	(5,115,740)	(6,113,675)	(5,274,000)	(4,865,500)	(3,462,000)	(3,522,000)
	33,434,679	31,317,827	27,723,396	28,937,522	24,792,443	24,718,881	20,997,294	22,960,469	19,910,896	20,885,409
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	17,425,840	9,715,000	11,860,000	8,863,000	12,706,000	135,000	7,258,500	4,699,000	8,891,000	2,949,000
Less Water Fund	(780,000)	(780,000)	-	-	-	-	-	-	-	-
Less Sewer Fund ⁽³⁾	(13,066,700)	(8,175,000)	(7,495,000)	(6,690,000)	(6,045,000)	-	(1,350,000)	(1,727,000)	(1,727,000)	-
Less TIF, Parking, Landfill ⁽³⁾	(2,389,140)	(760,000)	(760,000)	(105,000)	(105,000)	-	(250,000)	(168,000)	(1,681,000)	-
Total Debt Subject to general limit	\$ 34,624,679	\$ 31,317,827	\$ 31,328,396	\$ 31,005,522	\$ 31,348,443	\$ 24,853,881	\$ 26,655,794	\$ 25,764,469	\$ 25,393,896	\$ 23,834,409
Legal Debt Margin										
General	\$ 19,957,321	\$ 23,264,173	\$ 23,253,604	\$ 21,753,478	\$ 20,815,557	\$ 28,915,017	\$ 28,547,860	\$ 31,427,584	\$ 34,389,967	\$ 41,599,977
Water Fund	\$ 180,593,700	\$ 180,341,044	\$ 180,483,124	\$ 174,660,248	\$ 172,892,878	\$ 177,460,294	\$ 182,552,596	\$ 189,366,608	\$ 198,194,556	\$ 215,493,833
% of Legal Debt Limits Used										
General	63.4%	57.4%	57.4%	58.8%	60.1%	46.2%	48.3%	45.0%	42.5%	36.4%
Water Fund	0.7%	0.9%	0.8%	0.7%	0.6%	1.0%	0.8%	0.7%	0.5%	1.2%

Data Source
Audited Financial Statements

Notes:

- ⁽¹⁾ Base Value for Debt Limits computed by the NH Department of Revenue Administration
- ⁽²⁾ Legal debt limit percentage rates set by NH State statute
- ⁽³⁾ Debt exempt from Debt limits consists of Landfills, Tax Increment Financing and Sewer debt.

City of Keene, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Income	Unemployment Rate
2021	23,047 *	\$ 714,296	\$ 30,993 **	3.20% ***
2020	22,953	711,382	30,993	9.20%
2019	23,056	709,410	30,769	2.70%
2018	22,949	684,110	29,810	2.80%
2017	23,406	697,733	29,810	2.80%
2016	23,281	593,037	25,473	2.60%
2015	23,281	593,037	25,473	3.10%
2014	23,281	593,037	25,473	4.00%
2013	23,444	593,037	25,473	4.20%
2012	23,396	597,189	25,473	4.90%

*Based on U.S. Census Bureau Quick Facts: Keene, NH Population estimates July 1, 2019

** Based on US Census Bureau

*** Unemployment rate is based on June of every year and is not seasonably adjusted

City of Keene, New Hampshire
Principal Employers
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Cheshire Medical Center/Dartmouth Hitchcock - Keene	1,561	1	13.21%	1,028	1	8.31%
C & S Wholesale Grocers	1,200	2	10.16%	850	3	6.87%
Keene School District	1,100	3	9.31%	682	4	5.51%
Keene State College	789	4	6.68%	960	2	7.76%
Markem-Imaje Corporation	400	5	3.39%	450	7	3.64%
Liberty Mutual/Peerless Insurance	354	6	3.00%	501	6	4.05%
Smith Industrial Medical Systems	350	7	2.96%	550	5	4.44%
City of Keene	343	8	2.90%	320	10	2.59%
National Grange Mutual Insurance	311	9	2.63%	371	9	3.00%
Timken Super Precision	267	10	2.26%	423	8	3.42%
Total Principal Employers	6,675		56.50%	6,135		49.57%
Total City Employment	11,815 *			approx 12,377 *		

Data Source

Final Official Statements for City of Keene bond issues and information provided by City's Economic Development Dept or Annual Report

* Based on labor force residing in Keene - NHDES 2020

City of Keene, New Hampshire

City Government Employees by Function - Full Time Equivalents

Last Ten Fiscal Years

Departments	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
City Attorney	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Clerk	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59
Assessment	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance	14.18	14.18	14.18	15.18	15.18	15.18	15.18	15.18	15.18	15.18
Human Resources	2.80	2.80	2.80	2.80	2.80	2.91	3.00	3.00	3.00	3.00
Information Technology	6.80	6.80	6.90	7.00	7.00	7.00	7.00	7.00	7.00	7.00
General Government	38.37	38.37	38.47	38.57	38.57	38.68	39.77	39.77	39.77	39.77
Fire	45.80	45.80	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Police	54.45	54.53	52.75	55.75	55.75	53.75	56.75	56.75	56.75	56.75
Health and Code	6.67	8.14	8.23	8.33	7.83	8.33	8.33	8.00	8.00	0.00
Community Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.95
Parking	5.70	5.70	6.39	5.42	5.33	5.10	5.12	6.86	6.86	6.86
Public Safety	112.62	114.17	113.37	115.50	114.91	113.18	116.20	117.61	117.61	121.56
Public Works	29.12	29.12	28.04	26.38	26.21	26.33	27.43	28.73	28.73	28.73
Solid Waste	7.46	7.38	7.85	7.58	7.77	10.17	10.27	10.27	10.27	10.27
Fleet Services	6.29	6.25	6.29	6.29	6.25	6.25	6.25	6.25	6.25	6.25
Public Works	42.87	42.75	42.18	40.25	40.23	42.75	43.95	45.25	45.25	45.25
Human Services	3.30	3.04	3.53	2.71	2.64	2.64	2.64	2.64	2.64	2.64
Youth Services	2.03	1.76	1.39	1.10	1.27	1.27	1.00	1.00	1.00	1.00
Welfare and human services	5.33	4.80	4.92	3.81	3.91	3.91	3.64	3.64	3.64	3.64
Airport	2.00	2.00	2.00	2.00	2.80	2.80	2.80	3.00	3.00	3.00
Library	10.00	10.00	8.00	8.00	9.44	10.07	10.74	11.26	11.26	11.26
Planning	5.00	3.90	4.65	4.91	4.91	4.91	4.91	4.91	4.91	0.00
Parks and facilities	15.99	16.04	17.24	16.25	15.95	15.30	16.24	19.09	19.09	19.09
Water	8.09	8.59	11.34	12.03	12.03	12.00	11.48	12.61	12.61	12.61
Sewer	15.24	14.66	15.99	15.30	15.22	13.24	14.77	15.63	15.63	15.63
Grand Totals	255.51	255.28	258.16	256.62	257.97	256.84	264.50	272.77	272.77	271.81

Data Source: Beth Fox (HR) and/or Terri Burke (Payroll)

Budgeted Positions per City of Keene Budget. Full time equivalent based on 40 hours per week.

City of Keene, New Hampshire

Operating Indicators by Function Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of police calls answered	35,857	34,951	32,723	31,567	29,382	29,688	29,796	28,706	27,615	27,542
Physical assets										
Traffic violations	4,553	3,963	3,114	4,814	5,848	5,425	6,219	5,260	7,963	4,579
Parking violations	21,919	17,997	18,879	19,079	21,776	25,686	30,461	21,791	14,542	12,956
Total Offenses Reported (prior calendar year basis)										
Group A	2,367	2,317	2,615	2,327	2,181	1,926	1,875	1,606	1,574	1,232
Group B	1,484	1,343	1,303	1,243	1,181	1,856	3,851	1,876	1,681	1,274
Fire and Rescue										
Calls answered	4,133	4,044	4,152	4,543	4,865	4,865	4,767	4,837	4,985	4,664
False alarms	24	23	17	24	21	64	15	42	16	22
Patients treated and transported	2,125	2,138	2,025	2,274	2,456	2,480	2,413	2,403	2,327	2,164
Patients treated only	209	233	327	289	228	222	38	1	12	16
Water										
Average daily consumption (in thousands of gallons)	*	*	1,602	1,519	1,516	1,415	1,411	1,432	1,408	1,325
Maximum daily capacity in gallons(safe yield but maximum daily capacity 6MGD)	*	*	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Sewer										
Daily average treatment (in thousands of gallons)	3,670	2,910	3,400	2,840	2,370	2,290	2,780	2,953	2,190	2,192
Maximum daily capacity in gallons(avg daily flow but designed for 21MGD)	5,180,000	5,380,000	5,380,000	5,380,000	5,380,000	6,000,000	6,000,000	6,600,000	6,600,000	6,600,000

Data Source

Various city departments

Police: Steve Russo, Todd Lawrence
FD: Mark Howard, Kelly Derosier

City of Keene, New Hampshire

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	10	10	10	10	10	10	10	10	10	10
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	3	3	3	3	4	4	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	5	5	0
Public works										
Miles of streets	126	126	126	126	126	126	126	126	126	123
Number of traffic lights (in sets)	*	*	*	*	*	13	13	13	13	12
Number of street lights ⁽¹⁾	1,515	1,515	1,515	1,515	1,515	1,515	1,155	1,150	1,150	1,140
Parks & facilities										
Number of parks	16	16	16	16	16	16	16	16	16	16
Swimming pools	2	2	2	2	2	2	2	2	2	2
Recreation areas ⁽²⁾	8	8	8	8	8	8	8	8	8	9
Miles of maintained trails	*	*	*	*	*	8	8.2	8	8	8
Water										
Water main (miles)	100+	100+	109	123	124	124	124	124	124	102.1
Maximum daily capacity (in thousands of gallons)	*	*	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Sewer										
Sanitary sewers (miles)	*	103	105	100	106	106	106	94.2	94.2	94.2
Maximum daily capacity of treatment (in thousands of gallons (avg daily flow but designed for 21MGD)	5,180	5,380	5,380	5,380	5,380	6,000	6,000	6,600	6,600	6,600

⁽¹⁾ In prior years, the number of street lights were incorrectly entered. All years have been subsequently updated.

⁽²⁾ Includes Tennis Courts, Skate Park, Basketball Courts, Pickleball courts etc.

Data Source

Various city departments

* Data unavailable

*For P&R I referenced a website per Andy B. I left the data as in the past since it closely matched the website info. PSH
 ** Sanitary sewers (miles) figure was confirmed by D.Lussier on 11/13 as the most accurate information available, based on their GIS mapping. He could not confirm where the 106 used in prior years was derived from since it was never at that level. Perhaps based on GASB34 which has its anomalies The CIP book lists 90+ miles.