CITY OF KEENE, NEW HAMPSHIRE

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

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CITY OF KEENE
NEW HAMPSHIRE

Annual Comprehensive Financial Report

For The Fiscal Year Ended
June 30, 2024

Prepared by:
The Finance Department

Kari Chamberlain
Finance Director/Treasurer

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City of Keene

New Hampshire

June 30, 2025

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, 2024. 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 recreational 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

Office	Name	Term Expires	2023 Standing Committee Assignment
Mayor	Jay V. Kahn	2025	N/A
Ward One Councilors	Jacob R. Favolise	2025	Municipal Services, Facilities & Infrastructure Committee
	Kris E. Roberts	2025	Finance, Organization & Personnel Committee
Ward Two Councilors	Mitchell H. Greenwald	2025	Municipal Services, Facilities & Infrastructure Committee (Chair)
	Robert C. Williams	2027	Planning, Licenses and Development Committee
Ward Three Councilors	Brian J. Lake	2027	Finance, Organization & Personnel Committee
	Andrew M. Madison	2025	Planning, Licenses and Development Committee
Ward Four Councilors	Laura E. Tobin	2027	Municipal Services, Facilities & Infrastructure Committee
	Catherine Workman	2025	Municipal Services, Facilities & Infrastructure Committee
Ward Five Councilors	Philip M. Jones	2025	Planning, Licenses and Development Committee (vice-Chair)
	Thomas F. Powers	2027	Finance, Organization & Personnel Committee (Chair)
At Large Councilors	Kate M. Bosely	2025	Planning, Licenses & Development Committee (Chair)
	Bettina A. Chadbourne	2025	Finance, Organization & Personnel Committee
	Randy L. Filiault	2025	Municipal Services, Facilities & Infrastructure Committee
	Edward J. Haas	2025	Planning, Licenses & Development Committee
	Michael J. Remy	2025	Finance, Organization & Personnel Committee (Vice-Chair)

*Term expires on December 31 in the year noted.

Appointed Administration

Title	Name
City Manager	Elizabeth A. Ferland
City Attorney	Amanda N. Palmeira
City Clerk	Terri M. Hood
Finance Director/Treasurer	Kari Chamberlain
Asst. Finance Director/Treasurer	Robert Constable

Local Economy – Nestled in the Monadnock region of New Hampshire is the City of Keene with a thriving robust downtown and miles of rail trail for hiking and biking. The local economy is built on a collaboration between the business community, local government and Keene State College. The downtown is not only beautiful and picturesque but will be undergoing development plans to enhance its appeal further with a focus on revitalizing Main Street and creating more vibrant spaces for residents and visitors. Outdoor recreation and downtown events have doubled over the past few years: proof that the city is benefiting from economic growth. The ongoing review of residential districts as part of the Land Development Code highlights Keene's commitment to identify further housing opportunities. The City has worked to allow Accessory Dwelling Units on any property with a single-family home, reduced the minimum developable lot size in the Rural Zoning District, and encourages the redevelopment of infill lots in our neighborhoods. Additionally, the city's proactive approach to communication with its businesses and residents underscores the importance of involving the community in shaping the upcoming Comprehensive Master Plan, positioning the City for continued success and growth.

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 is 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, adopted annually by Council, establishes and articulates the financial blueprint of the City. This policy mandates balanced budgets are presented and adopted annually, with a lapse at the end of each 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 $50,000 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 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.

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 $3,108,805,033 (fiscal year 2024).

Long- term debt outstanding from general obligation bonds as of June 30, 2024, totaled $26,855,582 and the amount authorized and unissued totaled $2,951,000.

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 17% of the sum of the total General Fund operating budget, the property tax commitment for the school (both local and State) and the county. 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 245 active and 32 retired members of the System.

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, which requires 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 are 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, and 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, 2024, 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 $5,426,303 or 25.88% of covered payroll. As the City participates in the New Hampshire Retirement System, the City's proportionate share of the medical subsidy was $2,284,714 or 10.90% of covered payroll.

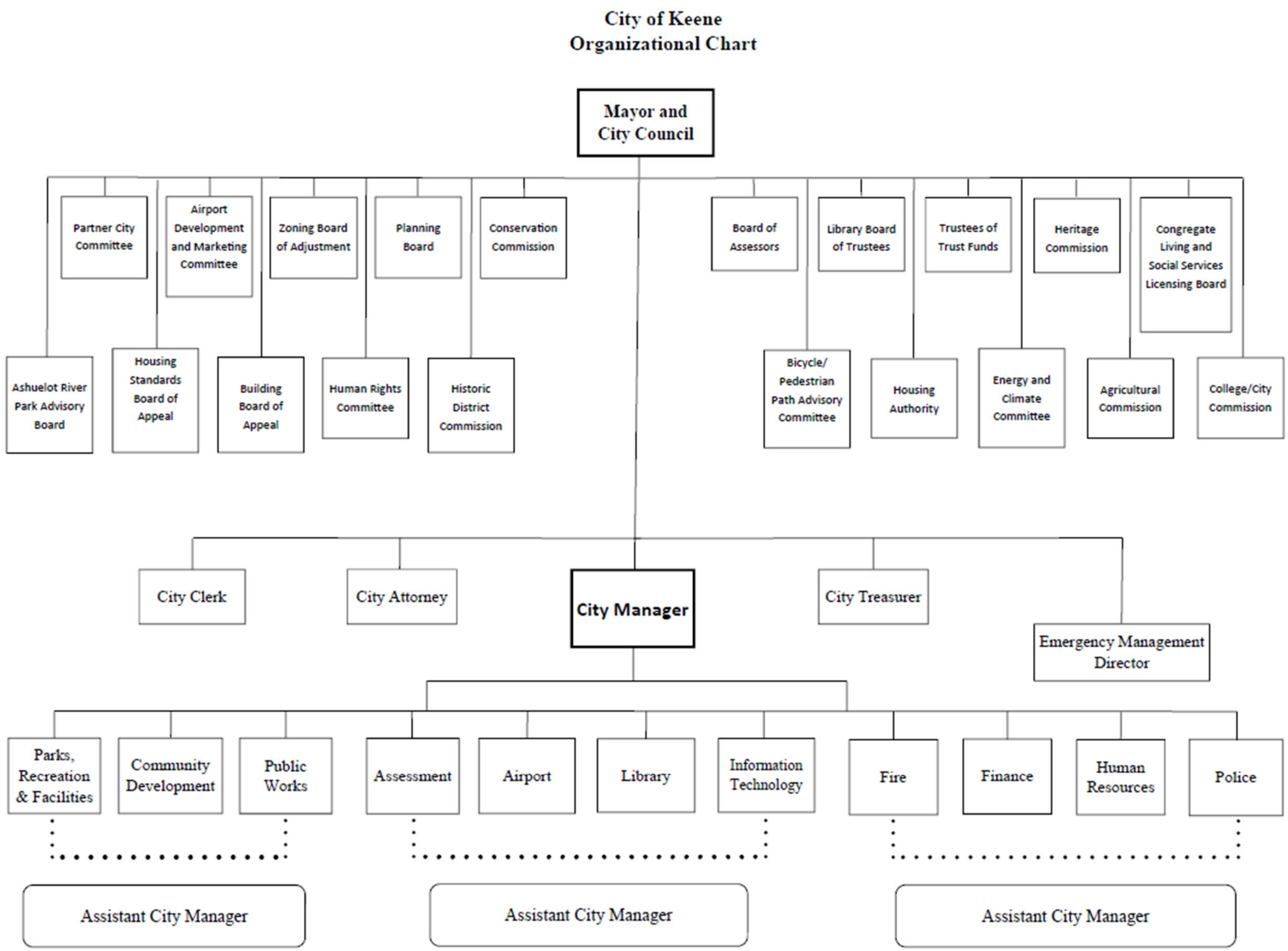
Audits - The City employs an outside independent accounting firm, CBiZ CPAs, P.C., Merrimack, New Hampshire to audit the City's operations annually. The audit is in accordance with generally accepted auditing standards.

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,

Kari Chamberlain

Kari Chamberlain
Finance Director


City of Keene
Organizational Chart
Mayor and City Council
Partner City Committee
Airport Development and Marketing Committee
Zoning Board of Adjustment
Planning Board
Conservation Commission
Board of Assessors
Library Board of Trustees
Trustees of Trust Funds
Heritage Commission
Congregate Living and Social Services Licensing Board
Ashuelot River Park Advisory Board
Housing Standards Board of Appeal
Building Board of Appeal
Human Rights Committee
Historic District Commission
Bicycle/ Pedestrian Path Advisory Committee
Housing Authority
Energy and Climate Committee
Agricultural Commission
College/City Commission
City Clerk
City Attorney
City Manager
City Treasurer
Emergency Management Director
Parks, Recreation & Facilities
Community Development
Public Works
Assessment
Airport
Library
Information Technology
Fire
Finance
Human Resources
Police
Assistant City Manager
Assistant City Manager
Assistant City Manager

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, 2023

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

CBIZ CPAs P.C.

9 Executive Park Drive
Suite 100
Merrimack, NH 03054

P: 603.882.1111

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keene, New Hampshire, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 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 the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Merrimack, NH
June 30, 2025

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, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required and 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 and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the 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, 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. The City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds
Governmental funds are used to account for essentially the same functions 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 the City'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. Reconciliations are provided 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 and Capital Projects Fund. Information from all other governmental funds is 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 City. 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 programs. The accounting used for fiduciary funds is much like that used for proprietary 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 and 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, and other supplementary information.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was $108,742,371, a change of $11,583,886 in comparison to the prior year, and net position in business-type activities was $69,654,226, a change of $2,097,598 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of $49,405,639, a change of $9,238,478 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $16,951,532, a change of $(143,708) 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 year:

NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 66,811,976	$ 78,303,192	$ 18,744,489	$ 15,823,548	$ 85,556,465	$ 94,126,740
Capital assets	117,447,521	110,193,871	65,607,118	65,412,075	183,054,639	175,605,946
Total Assets	184,259,497	188,497,063	84,351,607	81,235,623	268,611,104	269,732,686
Deferred Outflows of Resources	7,071,239	9,255,317	1,074,392	1,388,954	8,145,631	10,644,271
Liabilities						
Current liabilities	17,547,972	16,617,789	2,180,755	2,196,828	19,728,727	18,814,617
Noncurrent liabilities	59,852,889	58,956,745	13,421,406	12,581,416	73,274,295	71,538,161
Total Liabilities	77,400,861	75,574,534	15,602,161	14,778,244	93,003,022	90,352,778
Deferred Inflows of Resources	5,187,504	25,019,362	169,612	289,706	5,357,116	25,309,068
Net Position						
Net investment in capital assets	100,219,929	93,676,792	59,480,404	57,858,814	159,700,333	151,535,606
Restricted	11,524,421	9,439,212	-	-	11,524,421	9,439,212
Unrestricted	(3,001,979)	(5,957,520)	10,173,822	9,697,813	7,171,843	3,740,293
Total Net Position	$ 108,742,371	$ 97,158,484	$ 69,654,226	$ 67,556,627	$ 178,396,597	$ 164,715,111

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At the close of the most recent fiscal year, total net position was $178,396,597, a change of $25,291,666 in comparison to the prior year.

The largest portion of net position, $159,700,333 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, $11,524,421, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a surplus of $7,171,843.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$ 15,737,008	$ 15,175,288	$ 11,399,245	$ 11,430,481	$ 27,136,253	$ 26,605,769
Operating grants and contributions	6,641,226	5,331,850	41,898	63,234	6,683,124	5,395,084
Capital grants and contributions	5,891,634	5,401,909	329,335	365,521	6,220,969	5,767,430
General revenues:						
Property taxes	27,458,634	28,253,616	-	-	27,458,634	28,253,616
Payment in lieu of taxes	1,126,529	1,124,908	-	-	1,126,529	1,124,908
Penalties and interest on taxes	232,680	268,300	-	-	232,680	268,300
Investment income	3,429,484	1,860,244	820,589	264,914	4,250,073	2,125,158
Miscellaneous	589,737	583,474	89,272	-	679,009	583,474
Total Revenues	61,106,932	57,999,589	12,680,339	12,124,150	73,787,271	70,123,739
Expenses						
General government	9,761,341	8,392,710	-	-	9,761,341	8,392,710
Public safety	20,089,961	17,284,288	-	-	20,089,961	17,284,288
Public works	9,118,460	10,653,218	-	-	9,118,460	10,653,218
Airport	1,526,349	1,388,252	-	-	1,526,349	1,388,252
Library	2,009,548	2,090,394	-	-	2,009,548	2,090,394
Community development	1,493,157	1,450,229	-	-	1,493,157	1,450,229
Parks and facilities	5,023,043	4,709,029	-	-	5,023,043	4,709,029
Interest	501,186	382,048	-	-	501,186	382,048
Water	-	-	4,461,700	3,945,900	4,461,700	3,945,900
Sewer	-	-	6,121,040	6,180,746	6,121,040	6,180,746
Total Expenses	49,523,045	46,350,168	10,582,740	10,126,646	60,105,785	56,476,814
Change in net position before transfers and permanent fund contributions	11,583,887	11,649,421	2,097,599	1,997,504	13,681,486	13,646,925
Permanent fund contributions	-	53,650	-	-	-	53,650
Change in Net Position	11,583,887	11,703,071	2,097,599	1,997,504	13,681,486	13,700,575
Net Position - Beginning of Year	97,158,484	85,455,413	67,556,627	65,559,123	164,715,111	151,014,536
Net Position - End of Year	$ 108,742,371	$ 97,158,484	$ 69,654,226	$ 67,556,627	$ 178,396,597	$ 164,715,111

Governmental Activities

Governmental activities for the year ended June 30, 2024 resulted in a change in net position of $11,583,886 or 11.92%, which was consistent with the change in net position in the previous fiscal year. Significant changes from the previous fiscal year included:

- Investment earnings increased from the previous year by $1,569,240. This was as a result of rising interest rates and an increase in unrealized gains during the fiscal year 2024.
- Operating grants and contributions increased from the previous year by $1,309,376. This was primarily as a result of the increase in federal grant funding.

- Public safety expenses increased from the previous year by $2,805,673 primarily due to an increase in non-personnel costs associated with replenishing fleet and minor equipment costs. Public safety had a significant increase of capital purchases that did not meet the threshold per the City policy to be capitalized.

Business-Type Activities

Business-type activities for the year resulted in a change in net position of $2,097,598 or 3.10%. The primary reason for the change in net position relates to:

- Investment earnings increased from the previous year by $555,675. This was as a result of rising interest rates and an increase in unrealized gains during the fiscal year 2024.

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 the 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 $49,405,639, a change of $9,238,478 in comparison to the prior year. The majority of the increase represented issuance of bonds for the fiscal year ending June 30, 2024 in the amount of $5,210,016.

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 $16,951,532, while total fund balance was $28,680,448. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund tax levy. Refer to the following table:

General Fund	6/30/24	6/30/23	Change	% of Total General Fund Tax Levy
Unassigned fund balance	$ 16,951,532	$ 17,095,240	$ (143,708)	18.7%
Total fund balance	$ 28,680,448	$ 27,186,944	$ 1,493,504	31.6%

The unassigned fund balance of the General Fund changed by $(143,708) which was primarily driven by the use of fund balance in the budgeting process.

The total fund balance of the General Fund changed by $1,493,504 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	$ (4,040,974)
Revenues in excess of budget	2,290,382
Expenditures less than budget	2,039,026
Transfers less than budget	329,240
Change in capital reserves	1,943,760
Prior year carryforwards exceeding current year	273,027
Transfer to capital project funds	(1,340,957)
Total	$ 1,493,504

The underlying reasons for increase in revenues partly relate to increase in investment income due to increase in interest rates in fiscal year 2025 as well as significant increases in unrealized fair value of investments. The underlying reasons for expenditures remaining consistent with the previous year relate to public safety and public works positions still not being filled.

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 fund balance of the General Fund are the City's capital reserves with the following committed balances:

	6/30/24	6/30/23	Change
Downtown Infrastructure and Facility	$ 2,002,048	$ 1,810,646	$ 191,402
Bridges	1,772,861	1,371,844	401,017
Fire Equipment	707,462	692,307	15,155
Road and Sidewalk Infrastructure	1,023,896	775,791	248,105
Transfer/Recycle Facility	380,379	404,144	(23,765)
Transportation Improvements	453,107	416,633	36,474
Parks and Facilities Infrastructure	1,364,190	539,360	824,830
Other Capital Reserves	1,189,457	938,915	250,542
Total	$ 8,893,400	$ 6,949,640	$ 1,943,760

Capital Projects Fund

The Capital Projects Fund had a change in fund balance of $5,531,691. This change is driven by the issuance of debt, including premium, in the amount of $5,784,000.

Nonmajor Governmental Funds

The fund balance of nonmajor funds changed by $2,213,283 primarily from timing differences between the receipt and disbursement of grants.

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 $10,173,822, a change of $341,813 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

There were no overall differences between the original budget and the final amended budget. Significant changes between the final budget and the actual amounts were as follows:

- Charges for Services – Actual revenues were favorable to budget by $422K. This variance is the result of higher than anticipated revenue related to sewer services and ambulance services. It's important to note that while ambulance service revenues were higher than anticipated, charges are booked at our billable rates, which are not always reimbursed at 100%. Contractual allowances with insurance companies result in significant adjustments. In addition, there was an adjustment for reimbursement related to electrical services as part of the Island Street Bridget Project, which is booked against a non-budgeted object line.
- Investment income – Actual investment income was favorable to budget by $1.2M. The budget did not capture interest rate changes relative to interest income.
- Police – Overall expenses related to our Police Department were favorable compared to budget by $394K, due to vacant officer positions within our Investigation Unit. Salaries and related expenses were significantly less than anticipated.
- Public Works – Overall expenses related to our Public Works Department were favorable compared to budget by $392K. The Public Works Department director position was vacant for the last six months of the fiscal year, resulting in a favorable variance for those personnel-related expenses. In addition, winter maintenance expenses were less than anticipated.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to $183,054,639 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, vehicles and equipment, and infrastructure.

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

- State By-Pass Winchester Street project
- Mattson Recreation Center renovation
- Various ongoing infrastructure improvements

Additional information on capital assets can be found in Note 11.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was $28,815,990 (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.

Requests for Information

This financial report is designed to provide a general overview of the City'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 of Keene
3 Washington Street
Keene, New Hampshire 03431

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BASIC FINANCIAL STATEMENTS

CITY OF KEENE, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and short-term investments	$ 43,834,310	$ 4,127,630	$ 47,961,940
Investments	14,408,449	9,965,518	24,373,967
Receivables, net of allowance for uncollectibles:			
Property taxes	1,919,260	-	1,919,260
User fees	-	4,290,255	4,290,255
Accounts receivable	1,821,711	16,839	1,838,550
Notes receivable	16,326	203,775	220,101
Intergovernmental	2,348,988	111,662	2,460,650
Leases receivable	51,001	-	51,001
Internal balances	1,329,825	(1,329,825)	-
Prepaid items	265,393	-	265,393
Inventory	341,454	364,690	706,144
Total current assets	66,336,717	17,750,544	84,087,261
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Leases receivable, net of current portion	381,587	-	381,587
Notes receivable, net of current portion	93,672	993,945	1,087,617
Capital assets:			
Capital assets, net of accumulated depreciation	63,007,980	51,022,395	114,030,375
Land and construction in progress	54,439,541	14,584,723	69,024,264
Total noncurrent assets	117,922,780	66,601,063	184,523,843
Total Assets	184,259,497	84,351,607	268,611,104
Deferred Outflows of Resources			
Related to pension	6,021,330	922,679	6,944,009
Related to OPEB	1,001,309	139,898	1,141,207
Related to loss on refunding bonds	48,600	11,815	60,415
Total Deferred Outflows of Resources	7,071,239	1,074,392	8,145,631
Liabilities			
Current:			
Accounts payable	3,489,115	536,271	4,025,386
Accrued liabilities	662,374	139	662,513
Payroll withholdings	4,193,383	-	4,193,383
Tax refunds payable	3,929,102	-	3,929,102
Customer deposits	-	64,840	64,840
Guaranteed deposits	1,159,135	-	1,159,135
Due to fiduciary fund	218,866	-	218,866
Other current liabilities	33,523	86,926	120,449
Current portion of long-term liabilities:			
Bonds payable	3,142,300	1,445,478	4,587,778
Tax increment financing bonds payable	206,000	-	206,000
Other liabilities	338,071	23,204	361,275
Total/Net OPEB liability	176,103	23,897	200,000
Total current liabilities	17,547,972	2,180,755	19,728,727
Noncurrent:			
Bonds payable, net of current portion	15,531,403	7,123,809	22,655,212
Tax increment financing bonds payable, net of current portion	1,367,000	-	1,367,000
Other liabilities, net of current portion	2,693,066	208,834	2,901,900
Net pension liability	33,549,943	5,141,028	38,690,971
Total/Net OPEB liability, net of current portion	6,711,477	947,735	7,659,212
Total noncurrent liabilities	59,852,889	13,421,406	73,274,295
Total Liabilities	77,400,861	15,602,161	93,003,022
Deferred Inflows of Resources			
Related to pension	395,034	60,533	455,567
Related to OPEB	692,029	93,908	785,937
Related to leases	432,588	-	432,588
Related to taxes	3,644,082	-	3,644,082
Related to gain on refunding bonds	23,771	15,171	38,942
Total Deferred Inflows of Resources	5,187,504	169,612	5,357,116
Net Position			
Net investment in capital assets	100,219,929	59,480,404	159,700,333
Restricted for:			
Grants and other statutory restrictions	3,310,538	-	3,310,538
Permanent funds:			
Nonexpendable	1,894,229	-	1,894,229
Expendable	6,319,654	-	6,319,654
Unrestricted	(3,001,979)	10,173,822	7,171,843
Total Net Position	$ 108,742,371	$ 69,654,226	$ 178,396,597

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, 2024

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	$ 9,761,341	$ 4,610,079	$ 4,323,315	$ -	$ (827,947)	$ -	$ (827,947)
Public safety	20,089,961	3,609,218	2,127,935	-	(14,352,808)	-	(14,352,808)
Public works	9,118,460	6,446,325	133,141	5,782,335	3,243,341	-	3,243,341
Airport	1,526,349	539,617	10,135	109,299	(867,298)	-	(867,298)
Library	2,009,548	33,323	11,635	-	(1,964,590)	-	(1,964,590)
Community development	1,493,157	59,611	-	-	(1,433,546)	-	(1,433,546)
Parks and facilities	5,023,043	438,835	35,065	-	(4,549,143)	-	(4,549,143)
Interest	501,186	-	-	-	(501,186)	-	(501,186)
Total Governmental Activities	49,523,045	15,737,008	6,641,226	5,891,634	(21,253,177)	-	(21,253,177)
Business-Type Activities							
Water	4,461,700	5,075,577	41,898	-	-	655,775	655,775
Sewer	6,121,040	6,323,668	-	329,335	-	531,963	531,963
Total Business-Type Activities	10,582,740	11,399,245	41,898	329,335	-	1,187,738	1,187,738
Total	$ 60,105,785	$ 27,136,253	$ 6,683,124	$ 6,220,969	(21,253,177)	1,187,738	(20,065,439)
		General Revenues					
		Property taxes			27,458,634	-	27,458,634
		Payment in lieu of taxes			1,126,529	-	1,126,529
		Penalties and interest on taxes			232,680	-	232,680
		Investment income			3,429,484	820,589	4,250,073
		Miscellaneous			589,737	89,272	679,009
		Total general revenues			32,837,064	909,861	33,746,925
		Change in Net Position			11,583,887	2,097,599	13,681,486
		Net Position					
		Beginning of year			97,158,484	67,556,627	164,715,111
		End of year			$ 108,742,371	$ 69,654,226	$ 178,396,597

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

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	$ 30,999,015	$ 5,444,976	$ 5,902,206	$ 42,346,197
Investments	5,505,465	-	8,202,712	13,708,177
Receivables:				
Property taxes, net	1,919,260	-	-	1,919,260
Accounts receivable, net	1,134,941	-	678,888	1,813,829
Intergovernmental	-	2,164,300	184,688	2,348,988
Leases receivable	432,588	-	-	432,588
Due from other funds	1,329,825	126,720	-	1,456,545
Advance to other funds	-	-	258,510	258,510
Prepaid items	265,393	-	-	265,393
Total Assets	$ 41,586,487	$ 7,735,996	$ 15,227,004	$ 64,549,487
Liabilities				
Accounts payable	$ 1,077,707	$ 1,869,776	$ 367,835	$ 3,315,318
Accrued liabilities	447,181	-	198	447,379
Payroll withholdings	4,193,383	-	-	4,193,383
Due to other funds	126,720	-	-	126,720
Due to fiduciary funds	218,866	-	-	218,866
Advance from other funds	258,510	-	-	258,510
Guaranteed deposits	1,159,135	-	-	1,159,135
Other liabilities	33,523	-	-	33,523
Total Liabilities	7,515,025	1,869,776	368,033	9,752,834
Deferred Inflows of Resources				
Unavailable revenues	1,314,344	-	-	1,314,344
Taxes collected in advance	3,644,082	-	-	3,644,082
Related to leases	432,588	-	-	432,588
Total Deferred Inflows of Resources	5,391,014	-	-	5,391,014
Fund Balances				
Nonspendable	265,393	-	6,319,654	6,585,047
Committed	10,258,206	2,478,622	4,806,108	17,542,936
Restricted	-	3,387,598	3,733,209	7,120,807
Assigned	1,205,317	-	-	1,205,317
Unassigned	16,951,532	-	-	16,951,532
Total Fund Balances	28,680,448	5,866,220	14,858,971	49,405,639
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 41,586,487	$ 7,735,996	$ 15,227,004	$ 64,549,487

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, 2024

Total Governmental Fund Balances	$ 49,405,639
• Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	114,197,270
• 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 pension	6,021,330
Related to OPEB	1,001,309
Losses on refunding bonds	48,600
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,314,344
• Long-term notes receivable not due in the current period are not reported in governmental funds.	109,998
• Tax refunds payable not due and payable in the current period, and therefore, are not reported in governmental funds.	(3,929,102)
• 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 fund are included in governmental activities in the Statement of Net Position.	5,531,116
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(215,014)
• Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds:	
Bonds payable, including unamortized bond premiums	(18,673,703)
Tax increment financing bonds payable	(1,573,000)
Net pension liability	(33,549,943)
Total/Net OPEB liability	(6,887,580)
Other long-term liabilities (compensated absences and landfill liability)	(2,948,059)
• 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 pension	(395,034)
Related to OPEB	(692,029)
Gains on refunding bonds	(23,771)
Net Position of Governmental Activities	$ 108,742,371

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, 2024

	General Fund	Solid Waste Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 30,267,254	$ -	$ -	$ 205,978	$ 30,473,232
Charges for services	3,621,505	-	-	6,738,406	10,359,911
Intergovernmental	3,710,312	-	5,420,335	3,261,440	12,392,087
Licenses and permits	4,497,291	-	-	102,000	4,599,291
Investment income	2,092,143	-	-	1,161,825	3,253,968
Contributions	-	-	102,389	83,113	185,502
Miscellaneous	309,168	-	27,699	161,433	498,300
Total Revenues	44,497,673	-	5,550,423	11,714,195	61,762,291
Expenditures					
General government	9,457,575	-	-	354,217	9,811,792
Public safety	16,448,369	-	-	2,167,812	18,616,181
Public works	2,182,333	-	-	5,375,092	7,557,425
Airport	662,699	-	-	-	662,699
Library	1,712,054	-	-	56,685	1,768,739
Community development	1,481,833	-	-	-	1,481,833
Parks and facilities	4,018,873	-	-	120,918	4,139,791
Debt service:					
Principal	2,636,485	-	-	150,000	2,786,485
Interest	562,294	-	-	30,626	592,920
Capital outlay	-	-	10,912,532	-	10,912,532
Total Expenditures	39,162,515	-	10,912,532	8,255,350	58,330,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,335,158	-	(5,362,109)	3,458,845	3,431,894
Other Financing Sources (Uses)					
Issuance of bonds	-	-	5,210,016	-	5,210,016
Bond premiums	-	-	573,984	-	573,984
Transfers in	290,906	-	5,109,800	77,212	5,477,918
Transfers out	(4,132,560)	-	-	(1,322,774)	(5,455,334)
Total Other Financing Sources (Uses)	(3,841,654)	-	10,893,800	(1,245,562)	5,806,584
Change in Fund Balance	1,493,504	-	5,531,691	2,213,283	9,238,478
Fund Balances at Beginning of Year, as previously reported	27,186,944	3,206,476	334,529	9,439,212	40,167,161
Adjustment - change from major to nonmajor fund	-	(3,206,476)	-	3,206,476	-
Fund Balances at Beginning of Year, as restated	27,186,944	-	334,529	12,645,688	40,167,161
Fund Balances at End of Year	$ 28,680,448	$ -	$ 5,866,220	$ 14,858,971	$ 49,405,639

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, 2024

Net Changes in Fund Balances - Total Governmental Funds	$	9,238,478
• 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:		
Capital outlay		10,626,485
Depreciation		(3,708,165)
• 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:		
Repayments of general obligation and tax increment financing bonds		2,786,485
• 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.		(1,671,919)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(70,643)
• Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:		
Issuance of debt		(5,210,016)
Bond premium		(573,984)
Bond premium amortization		174,202
Amortization of gain/loss on prior years refunding bonds		(11,825)
Net pension liability and related deferred outflows and inflows of resources		(556,664)
Net OPEB liability and related deferred outflows and inflows of resources		89,667
Other (compensated absences and landfill liability)		340,077
• 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.		131,709
Change in Net Position of Governmental Activities	$	11,583,887

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

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Assets				
Current:				
Cash and short-term investments	$ 4,127,630	$ -	$ 4,127,630	$ 1,488,113
Investments	3,293,243	6,672,275	9,965,518	700,272
Receivables, net of allowance for uncollectibles				
User fees	2,041,373	2,248,882	4,290,255	-
Accounts receivable	-	16,839	16,839	7,882
Notes receivable	3,137	200,638	203,775	-
Intergovernmental	34,023	77,639	111,662	-
Inventory	167,311	197,379	364,690	341,454
Total current assets	9,666,717	9,413,652	19,080,369	2,537,721
Noncurrent:				
Notes receivables, net of current portion	56,460	937,485	993,945	-
Capital assets:				
Land and construction in progress	6,008,019	8,576,704	14,584,723	-
Capital assets, net of accumulated depreciation	24,540,594	26,481,801	51,022,395	3,250,251
Total noncurrent assets	30,605,073	35,995,990	66,601,063	3,250,251
Total Assets	40,271,790	45,409,642	85,681,432	5,787,972
Deferred Outflows of Resources				
Related to pension	410,748	511,931	922,679	-
Related to OPEB	62,727	77,171	139,898	-
Other	-	11,815	11,815	-
Total Deferred Outflows of Resources	473,475	600,917	1,074,392	-
Liabilities				
Current:				
Accounts payable	203,376	332,895	536,271	173,797
Accrued liabilities	35	104	139	35
Due to other funds	-	1,329,825	1,329,825	-
Customer deposits	64,840	-	64,840	-
Other current liabilities	53,426	33,500	86,926	-
Current portion of long-term liabilities:				
Bonds payable	322,200	1,123,278	1,445,478	-
Compensated absences	11,827	11,377	23,204	8,302
Total/Net OPEB liability	10,740	13,157	23,897	-
Total current liabilities	666,444	2,844,136	3,510,580	182,134
Noncurrent:				
Bonds payable, net of current portion	4,025,855	3,097,954	7,123,809	-
Compensated absences, net of current portion	106,443	102,391	208,834	74,722
Net pension liability	2,288,623	2,852,405	5,141,028	-
Total/Net OPEB liability, net of current portion	424,575	523,160	947,735	-
Total noncurrent liabilities	6,845,496	6,575,910	13,421,406	74,722
Total Liabilities	7,511,940	9,420,046	16,931,986	256,856
Deferred Inflows of Resources				
Related to pension	26,947	33,586	60,533	-
Related to OPEB	42,207	51,701	93,908	-
Other	-	15,171	15,171	-
Total Deferred Inflows of Resources	69,154	100,458	169,612	-
Net Position				
Net investment in capital assets	28,631,316	30,849,088	59,480,404	3,250,251
Unrestricted	4,532,855	5,640,967	10,173,822	2,280,865
Total Net Position	$ 33,164,171	$ 36,490,055	$ 69,654,226	$ 5,531,116

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 NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Operating Revenues				
Charges for services	$ 5,075,577	$ 6,323,668	$ 11,399,245	$ 3,012,184
Other	-	-	-	91,435
Total Operating Revenues	5,075,577	6,323,668	11,399,245	3,103,619
Operating Expenses				
Salaries and benefits	1,779,032	2,168,786	3,947,818	912,654
Other operating expenses	1,543,127	2,464,239	4,007,366	1,589,670
Depreciation	997,770	1,355,746	2,353,516	565,825
Total Operating Expenses	4,319,929	5,988,771	10,308,700	3,068,149
Operating Income	755,648	334,897	1,090,545	35,470
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	41,898	-	41,898	-
Investment income	432,078	388,511	820,589	175,516
Other income	-	89,272	89,272	-
Loss on disposal of capital assets	-	-	-	(56,693)
Interest expense	(141,771)	(132,269)	(274,040)	-
Total Nonoperating Revenues (Expenses), Net	332,205	345,514	677,719	118,823
Income Before Contributions	1,087,853	680,411	1,768,264	154,293
Capital contributions	-	329,335	329,335	-
Transfers out	-	-	-	(22,584)
Change in Net Position	1,087,853	1,009,746	2,097,599	131,709
Net Position at Beginning of Year	32,076,318	35,480,309	67,556,627	5,399,407
Net Position at End of Year	$ 33,164,171	$ 36,490,055	$ 69,654,226	$ 5,531,116

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, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	$ 4,468,699	$ 6,264,864	$ 10,733,563	$ 3,106,196
Payments to vendors	(1,451,348)	(2,589,855)	(4,041,203)	(1,444,090)
Payments to employees for salaries and benefits	(1,717,117)	(2,175,675)	(3,892,792)	(933,311)
Net Cash Provided By Operating Activities	1,300,234	1,499,334	2,799,568	728,795
Cash Flows From Noncapital Financing Activities				
Transfers out	-	-	-	(22,584)
Proceeds from interfund loan agreements	-	995,429	995,429	-
Net Cash Provided By (Used For) Noncapital Financing Activities	-	995,429	995,429	(22,584)
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(1,409,219)	(1,139,339)	(2,548,558)	(957,852)
Proceeds from issuance of bonds	2,175,566	-	2,175,566	-
Bond premiums	257,406	-	257,406	-
Principal payments on bonds	(160,000)	(1,376,224)	(1,536,224)	-
Interest expense	(100,315)	(133,522)	(233,837)	-
Intergovernmental revenues	619,000	-	619,000	-
Other income	-	89,272	89,272	-
Capital contributions	-	617,747	617,747	-
Net Cash Used For Capital and Related Financing Activities	1,382,438	(1,942,066)	(559,628)	(957,852)
Cash Flows From Investing Activities				
Sale of investments	-	-	-	234,882
Purchase of investments	(190,531)	(746,506)	(937,037)	-
Investment income	330,133	193,809	523,942	144,790
Net Cash Provided by (Used For) Investing Activities	139,602	(552,697)	(413,095)	379,672
Net Change in Cash and Short-Term Investments	2,822,274	-	2,822,274	128,031
Cash and Short-Term Investments, Beginning of Year	1,305,356	-	1,305,356	1,360,082
Cash and Short-Term Investments, End of Year	$ 4,127,630	$ -	$ 4,127,630	$ 1,488,113
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	$ 755,648	$ 334,897	$ 1,090,545	$ 35,470
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	997,770	1,355,746	2,353,516	565,825
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees receivable	(287)	(51,217)	(51,504)	2,577
Intergovernmental receivables	(607,988)	-	(607,988)	-
Inventory	(8,247)	(58,183)	(66,430)	16,369
Deferred outflows - related to pension	122,955	153,245	276,200	-
Deferred outflows - related to OPEB	13,603	18,851	32,454	-
Deferred outflows - other	-	5,908	5,908	-
Accounts payable	100,028	(73,340)	26,688	129,211
Accrued liabilities	(5,479)	(80,987)	(86,466)	(20,657)
Collections in advance	1,399	-	1,399	
Net pension liability	(69,309)	(86,383)	(155,692)	-
Total/Net OPEB liability	21,218	16,291	37,509	-
Deferred inflows - related to pension	(15,674)	(19,534)	(35,208)	-
Deferred inflows - related to OPEB	(5,403)	(8,374)	(13,777)	-
Deferred inflows - other	-	(7,586)	(7,586)	-
Net Cash Provided By Operating Activities	$ 1,300,234	$ 1,499,334	$ 2,799,568	$ 728,795

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, 2024

	Private Purpose Trust Funds	Custodial Fund
Assets		
Cash and short-term investments	$ -	$ 5,585,525
Investments:		
Corporate equities	5,182,091	-
Total Assets	5,182,091	5,585,525
Liabilities		
Taxes collected in advance	-	5,585,525
Total Liabilities	-	5,585,525
Net Position		
Restricted for individuals, organizations, and other governments	$ 5,182,091	$ -

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, 2024

	Private Purpose Trust Funds	Custodial Fund
Additions		
Property taxes collected for school districts	$ -	$ 25,986,186
Property taxes collected for the County of Cheshire	-	5,453,950
Investment income	505,871	-
Total Additions	505,871	31,440,136
Deductions		
Payments of taxes to school districts	-	25,986,186
Payment of taxes to the County of Cheshire	-	5,453,950
Payments to beneficiaries	41,121	-
Total Deductions	41,121	31,440,136
Change in Net Position	464,750	-
Restricted Net Position		
Beginning of year	4,717,341	-
End of year	$ 5,182,091	$ -

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

1. Summary of Significant Accounting Policies

The accounting policies of the City of Keene, New Hampshire (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the City.

Reporting Entity

The City is a municipal corporation governed by a Mayor/City Council/Manager form of government. As required by GAAP, these financial statements present the City and applicable component units for which the City is considered to be financially accountable. In fiscal year 2024, it was determined that no entities met the component unit requirements of GASB 14 (as amended).

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. 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 *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 an 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.

Internal Service Funds are used to account for 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 Funds* are used to account for trust arrangements, other than those properly reported in a permanent fund, under which principal and investment income exclusively benefit individuals and private organizations.
- The *Custodial Fund* accounts 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. The custodial fund includes 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 financial statements under the caption "cash and short-term investments."

For the 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 net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using 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*, where investments are valued at amortized cost.

Leases

City as a Lessor

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis over its useful life. The following key assumptions are made:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases receivable and will remeasure a lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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."

Inventory

Inventory is 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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method. Under this method, the cost of prepaid items is recorded as an asset at the time of purchase and expensed in the period when the related goods or services are consumed.

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 and in the proprietary fund statements. Capital assets are defined by the City as assets with an individual cost of more than $10,000 for infrastructure and $5,000 for all other assets and estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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:

Assets	Years
Buildings and improvements	20 - 50
Vehicles and equipment	5 - 30
Land improvements	20
Infrastructure	50 - 60

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 fund 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 Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term liabilities are reported 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 current assets/deferred outflows and current liabilities/deferred inflows. 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, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) 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 solid waste operations, capital reserve funds set aside by City Council resolution for future capital acquisitions and improvements, and capital projects. 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. The General Fund is the only fund that reports a positive unassigned fund balance. 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.

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

3. Deposits and Investments

State statutes (RSA 48:16) place certain limitations 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 of New Hampshire 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 the high liquidity of the fund and are carried at amortized cost in accordance with GASB Statement 79.

Deposits

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.

Pursuant to New Hampshire Statute, "the Treasurer shall ensure 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, 2024, $3,986,163 of the City's bank balance of $52,827,440 was exposed to custodial credit risk as uninsured and/or uncollateralized. The uncollateralized amount primarily represents the cash portion of the Cambridge Trust Company investment portfolios, held by the Trustees of Trust Funds.

Investments

The following is a summary of the City's investments as of June 30, 2024:

Investment Type		Amount
Market linked certificates of deposits	$	1,420,530
Corporate bonds		1,231,145
Corporate equities		8,225,123
Equity mutual funds		550,977
Federal agency securities		16,071,892
Fixed income taxable funds		296,264
Mortgage backed securities		339,890
Alternatives		124,469
U.S. Treasury notes		1,295,768
Total investments	$	29,556,058

Custodial Credit Risk

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, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have formal investment policies for custodial credit risk.

As of June 30, 2024, all of the City's investments were subject to custodial credit risk exposure because the related securities were uninsured, unregistered, and held by the City's brokerage firm, which is also the counterparty to these securities. Investments are held by the counterparty's agent.

Credit Risk – Investments in 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 are the ratings as of year-end for each debt related investment of the City at June 30, 2024, except for U.S. Treasury notes, which have an implied credit rating of Aaa, as rated by Moody's:

		Ratings as of Year-End				
Debt related securities	Amount	Aaa	Aa1-Aa3	A1	Baa2	Unrated
Market linked certificates of deposits	$ 1,420,530	$ -	-	-	-	$ 1,420,530
Corporate bonds	1,231,145	-	432,123	681,685	117,337	-
Federal agency securities	16,071,892	16,071,892	-	-	-	-
Fixed income taxable funds	296,264	-	-	-	-	296,264
Mortgage backed securities	339,890		-	-	-	339,890
Alternatives	124,469	-	-	-	-	124,469
Total investments	$ 19,484,190	$ 16,071,892	$ 432,123	$ 681,685	$ 117,337	$ 2,181,153

Concentration of Credit Risk

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 that may be invested 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 in 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 at June 30, 2024:

		Investment Maturities (in Years)		
Investment Type	Amount	Less Than 1	1-5	6-10
Certificates of deposits	$ 1,420,530	$ 979,588	440,942	-
Corporate bonds	1,231,145	97,231	1,133,914	-
Federal agency securities	16,071,892	1,219,447	14,852,445	-
Fixed income taxable funds	296,264	-	99,911	196,353
Mortgage backed securities	339,890	-	-	339,890
U.S. Treasury notes	1,295,768	-	339,748	956,020
Total	$ 20,655,489	$ 2,296,266	$ 16,866,960	$ 1,492,263

Foreign Currency Risk

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. None of the City's investments were subject to foreign currency risk at June 30, 2024.

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 an asset or liability 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 are accessible 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, 2024:

Investment Type	Amount	Fair Value Measurements Using: Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:				
Market linked CDs	$ 1,420,530	$ -	$ 1,420,530	$ -
Corporate bonds	1,231,145	-	1,231,145	-
Corporate equities	8,225,123	8,225,123	-	-
Equity mutual funds	550,977	550,977	-	-
Federal agency securities	16,071,892	-	16,071,892	-
Fixed income taxable funds	296,264	-	296,264	-
Mortgage backed securities	339,890	-	339,890	-
Alternatives	124,469	-	124,469	-
U.S. Treasury notes	1,295,768	1,295,768	-	-
Total	$ 29,556,058	$ 10,071,868	$ 19,484,190	$ -

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

Debt securities 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 is 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, 2024 consisted of the following:

	Gross Amount (fund basis)	Less Allowance	Net Receivable
Real estate taxes	$ 360,891	$ -	$ 360,891
Tax liens	1,281,532	-	1,281,532
Elderly liens	196,691	-	196,691
Tax deeded properties	80,146	-	80,146
Total property taxes	$ 1,919,260	$ -	$ 1,919,260

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 Fees Receivable

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, 2024 consisted of the following:

	Gross Amount	Allowance for Doubtful Accounts	Net Amount
Water	$ 2,042,373	$ (1,000)	$ 2,041,373
Sewer	2,255,072	(6,190)	2,248,882
Total	$ 4,297,445	$ (7,190)	$ 4,290,255

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 of allowances for uncollectable accounts:

	Net Amount (fund basis)	Net Amount (accrual basis)
Landfill tipping fees	$ 613,669	$ 613,669
Tipping fees allowance	(19,369)	(19,369)
Ambulance services	1,181,404	1,181,404
Ambulance allowance	(390,040)	(390,040)
Other receivables	428,165	428,165
Fleet services	-	7,882
Total Accounts Receivable	$ 1,813,829	$ 1,821,711

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 balance at June 30, 2024 of notes receivable in the proprietary funds represents the remaining portion to be received from the State of New Hampshire.

	Principal	Interest	Total
2025	$ 179,269	$ 24,506	$ 203,775
2026	178,529	20,490	199,019
2027	178,529	16,590	195,119
2028	178,529	12,681	191,210
2029	170,403	8,951	179,354
2030 - 2034	169,026	14,308	183,334
2035 - 2039	25,510	-	25,510
2040 - 2043	20,399	-	20,399
Total	$ 1,100,194	$ 97,526	$ 1,197,720

In addition, at June 30, 2024 the governmental activities reflect $(148,512) 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 year 2024.

9. Leases Receivable

In fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*, which changed the definition of a lease and requires a lease receivable, offset with deferred inflows, to be shown on the financial statements. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Inflows related to leases for fiscal year 2024 were $50,174.

Leases receivable consisted of the following:

Purpose	Original Issue	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of June 30, 2024
Retail space	$ 136,445	07/31/27	1.65%	$ 92,443
Ground lease	395,676	04/30/35	1.65%	340,145
Total				$ 432,588

Future minimum lease payments under these leases consisted of the following at June 30, 2024:

	Principal	Interest
2025	$ 51,001	$ 7,137
2026	51,843	6,296
2027	52,698	5,441
2028	53,567	4,573
2029	30,380	3,687
2030 - 2034	159,584	10,751
2035	33,515	552
Total	$ 432,588	$ 38,437

10. Interfund Receivables/Payables and Transfers

Due to/from other funds represents short term cash borrowing between General Fund and the Sewer Fund:

Fund	Due From Other Funds	Due To Other Funds
General Fund	$ 1,329,825	$ 126,720
Capital Projects Fund	126,720	-
Enterprise Fund:		
Sewer Fund	-	1,329,825
Total	$ 1,456,545	$ 1,456,545

During fiscal year 2007, the City voted to authorize $1,723,400 for the design and construction of a round-about at the intersection of Main, Marlboro, and Winchester Streets funded by an interfund loan from the Solid Waste Fund to the General Fund. This advance is being repaid according to a payment schedule through fiscal year 2027. As of June 30, 2024, the following balance remains outstanding:

Fund	Advance To Other Funds	Advance From Other Funds
General Fund	$ -	$ 258,510
Nonmajor Funds:		
Special Revenue Funds:		
Solid waste	258,510	-
Total	$ 258,510	$ 258,510

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 a schedule of major interfund transfers for the year ended June 30, 2024:

	Transfers In	Transfers Out
Governmental Funds		
Major Funds:		
General Fund	$ 290,906	$ 4,132,560
Capital Projects Fund	5,109,800	-
Nonmajor Funds:		
Special Revenue Funds:		
Grants	77,212	891,663
Parking	-	190,000
Solid waste	-	125,000
Permanent Fund:		
Cemetery trusts	-	100,925
Other trusts	-	15,186
Internal Service Funds:		
PC Replacement	-	22,584
Total	$ 5,477,918	$ 5,477,918

Of the $4,222,548 transfer out from the General Fund, $4,019,932 was to the Capital Projects Fund, which represents the City's practice of funding certain capital activity from General Fund revenues and capital reserves. Of the $891,663 transfer out from the Grants Fund, $850,000 was to the Capital Projects Fund, which represents the City's ARPA allocation used to help fund capital activity.

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.

11. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	$ 50,175,247	$ -	$ (80,000)	$ 50,095,247
Vehicles and equipment	28,546,525	2,040,528	(1,980,185)	28,606,868
Land improvements	11,061,177	-	-	11,061,177
Infrastructure	91,768,667	-	-	91,768,667
Total capital assets, being depreciated	181,551,616	2,040,528	(2,060,185)	181,531,959
Less accumulated depreciation for:				
Buildings and improvements	(19,160,073)	(970,664)	80,000	(20,050,737)
Vehicles and equipment	(19,819,106)	(1,347,364)	1,507,185	(19,659,285)
Land improvements	(9,021,016)	(230,485)	-	(9,251,501)
Infrastructure	(67,836,979)	(1,725,477)	-	(69,562,456)
Total accumulated depreciation	(115,837,174)	(4,273,990)	1,587,185	(118,523,979)
Total capital assets, being depreciated, net	65,714,442	(2,233,462)	(473,000)	63,007,980
Capital assets, not being depreciated:				
Land	21,498,062	-	-	21,498,062
Construction in progress	22,981,367	9,960,112	-	32,941,479
Total capital assets, not being depreciated	44,479,429	9,960,112	-	54,439,541
Governmental activities capital assets, net	$ 110,193,871	$ 7,726,650	$ (473,000)	$ 117,447,521

The following two tables provide further details 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, Solid Waste, and Parking				
Capital assets, being depreciated:				
Buildings and improvements	$ 50,175,247	$ -	$ (80,000)	$ 50,095,247
Vehicles and equipment	20,445,705	1,082,680	(1,285,937)	20,242,448
Land improvements	11,061,177	-	-	11,061,177
Infrastructure	91,768,667	-	-	91,768,667
Total capital assets, being depreciated	173,450,796	1,082,680	(1,365,937)	173,167,539
Less accumulated depreciation for:				
Buildings and improvements	(19,160,073)	(970,664)	80,000	(20,050,737)
Vehicles and equipment	(14,633,207)	(781,539)	869,630	(14,545,116)
Land improvements	(9,021,016)	(230,485)	-	(9,251,501)
Infrastructure	(67,836,979)	(1,725,477)	-	(69,562,456)
Total accumulated depreciation	(110,651,275)	(3,708,165)	949,630	(113,409,810)
Total capital assets, being depreciated, net	62,799,521	(2,625,485)	(416,307)	59,757,729
Capital assets, not being depreciated:				
Land	21,498,062	-	-	21,498,062
Construction in progress	22,981,367	9,960,112	-	32,941,479
Total capital assets, not being depreciated	44,479,429	9,960,112	-	54,439,541
Governmental activities - general, solid waste, and parking capital assets, net	$ 107,278,950	$ 7,334,627	$ (416,307)	$ 114,197,270

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - Internal Service				
Capital assets, being depreciated:				
Vehicles and equipment	$ 8,100,820	$ 957,848	$ (694,248)	$ 8,364,420
Total capital assets, being depreciated	8,100,820	957,848	(694,248)	8,364,420
Less accumulated depreciation for:				
Vehicles and equipment	(5,185,899)	(565,825)	637,555	(5,114,169)
Total accumulated depreciation	(5,185,899)	(565,825)	637,555	(5,114,169)
Governmental activities - internal service capital assets, net	$ 2,914,921	$ 392,023	$ (56,693)	$ 3,250,251

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	$ 22,763,785	$ -	$ -	$ 22,763,785
Vehicles and equipment	18,395,596	-	-	18,395,596
Land improvements	447,415	-	-	447,415
Infrastructure	70,791,331	-	-	70,791,331
Total capital assets, being depreciated	112,398,127	-	-	112,398,127
Less accumulated depreciation for:				
Buildings and improvements	(12,886,528)	(386,176)	-	(13,272,704)
Vehicles and equipment	(12,438,021)	(689,258)	-	(13,127,279)
Land improvements	(416,980)	(2,975)	-	(419,955)
Infrastructure	(33,280,688)	(1,275,107)	-	(34,555,795)
Total accumulated depreciation	(59,022,217)	(2,353,516)	-	(61,375,733)
Total capital assets, being depreciated, net	53,375,910	(2,353,516)	-	51,022,394
Capital assets, not being depreciated:				
Land	2,478,735	-	-	2,478,735
Construction in progress	9,557,430	2,548,559	-	12,105,989
Total capital assets, being depreciated, net	12,036,165	2,548,559	-	14,584,724
Business-type activities capital assets, net	$ 65,412,075	$ 195,043	$ -	$ 65,607,118

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

Governmental Activities		
General government	$	392,639
Public safety		681,865
Public works		1,373,405
Library		321,663
Parks and facilities		205,030
Airport		733,563
Fleet (Internal Service Fund)		565,825
Total governmental activities	$	4,273,990
Business-Type Activities		
Water	$	997,770
Sewer		1,355,746
Total business-type activities	$	2,353,516

12. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the City that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension 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 resulted from the loss on prior year debt refundings will be amortized over the life of the new bonds.

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 and State Revolving Loans

The City issues general obligation bonds and state revolving loans to provide funds for the acquisition and construction of major capital facilities. The City had outstanding general obligation bonds from public offerings and direct borrowings related to governmental activities and general obligation bonds from public offerings and state revolving loans related to business-type activities outstanding as follows at June 30, 2024:

Governmental Activities:	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/24
Municipal facilities 2013 refunded	01/2026	2.00%	$ 620,100
Sidewalk construction 2013 refunded	01/2026	2.00%	10,000
Drainage improvements 2013 refunded	01/2026	2.00%	40,000
Consolidated infrastructure 2015	11/2034	2.00 - 4.00%	270,000
Airport Rd culvert 2015	11/2034	2.00 - 4.00%	10,000
Ice rink 2015	11/2034	2.00 - 4.00%	715,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	405,000
City Hall boiler replacement & oil tank removal	09/2026	2.00 - 4.00%	30,000
Flood management	09/2026	2.00 - 4.00%	117,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	435,000
2017 Refunding Series B	07/2028	2.00 - 4.00%	690,604
Transfer station tip floor replacement	09/2026	2.00 - 4.00%	30,000
Airport Terminal Improvements	09/2038	3.00 - 3.50%	50,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	650,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	625,000
Flood Management	09/2038	3.00 - 3.50%	600,000
Winchester Street Bypass	09/2038	3.00 - 3.50%	400,000
Goose Pond Dam Improvements	09/2038	3.00 - 3.50%	660,000
Transfer Station Energy Source	09/2038	3.00 - 3.50%	125,000
City Hall Rear Wall	09/2027	1.63%	100,000
Winchester Street Bypass	09/2035	1.63%	686,000
Flood Management	09/2035	1.63%	408,000
Road Rehabilitation	09/2030	1.63%	889,000
Flood Management	09/2035	1.63%	586,000
Road Rehabilitation	09/2030	1.63%	626,000
Transfer Station Roof	09/2035	1.63%	135,000
Airport Fuel Tanks	09/2030	1.63%	355,000
Police Dispatch Console	09/2025	1.63%	91,000
Municipal Building Improvements	09/2025	1.63%	124,000
Fire Station Refunding Series B	10/2030	1.36%	1,718,000
Robin Dam Refunding Series B	10/2030	1.36%	207,000
Municipal Building Roofs	08/2033	5.10%	489,976
Road Rehab	08/2033	5.10%	269,895
Salt Shed Replacement	08/2033	5.10%	397,596
Flood Management	08/2038	5.10%	665,278
Pat Russel Park	08/2038	5.10%	1,147,247
Carpenter Flood	08/2038	5.10%	89,420
Pat Russel Park	08/2033	5.10%	312,968
State Bypass Winch. St	08/2033	5.10%	528,920
Road Rehab	08/2033	5.10%	835,042
Wells St Parking	08/2033	5.10%	473,674
Total Governmental Activities			$ 17,617,720

Business-Type Activities:	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/24
Water Fund:			
Woodward pond dam	09/2035	1.63%	$ 1,380,000
Reservoir dam repairs	09/2036	2.00 - 4.00%	535,000
3.0 MG water tank repair	08/2038	5.10%	2,175,566
Total Water Fund			4,090,566

(continued)

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Sewer Fund:			
Sewer main improvements	01/2033	2.00 - 2.75%	385,000
Advance treatment refunded	01/2026	2.00%	39,900
Sewer main improvement refunded	01/2026	2.00%	125,000
WWTP closure	11/2034	2.00 - 4.00%	440,000
2017 Refunding Series 2016 B	07/2028	2.00 - 4.00%	474,397
WWTP construction	05/2025	1.60%	646,935
2018 Martel Court Headworks Replace	09/2033	3.00 - 3.50%	900,000
Colony court bloomer swamp main	09/2035	1.63%	1,210,000
Total Sewer Fund			4,221,232
Total Business-Type Activities			$ 8,311,798

Future Debt Service

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2024 were as follows:

	Direct Borrowings			General Obligation Bonds (Public Offerings)		
Governmental	Principal	Interest	Total	Principal	Interest	Total
2025	$ 1,642,656	$ 224,671	$ 1,867,327	$ 1,287,176	$ 339,974	$ 1,627,150
2026	1,352,513	167,262	1,519,775	1,277,176	304,226	1,581,402
2027	984,774	116,884	1,101,658	1,167,174	269,452	1,436,626
2028	643,348	80,703	724,051	1,162,174	235,613	1,397,787
2029	534,413	54,107	588,520	1,137,173	202,006	1,339,179
2030 - 2034	1,050,000	130,011	1,180,011	4,055,845	546,231	4,602,076
2035 - 2039	275,000	18,722	293,722	1,048,298	99,246	1,147,544
Total	$ 6,482,704	$ 792,360	$ 7,275,064	$ 11,135,016	$ 1,996,748	$ 13,131,764

The following governmental funds have been designated as the sources to repay the governmental-type general obligation bonds outstanding as of June 30, 2024:

General Fund	$ 16,854,046
Solid Waste Fund	290,000
Parking Fund	473,674
Total	$ 17,617,720

Water Fund:	Direct Borrowings			General Obligation Bonds (Public Offerings)		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 260,038	$ 129,075	$ 389,113	$ 45,000	$ 17,500	$ 62,500
2026	260,038	119,781	379,819	45,000	15,700	60,700
2027	260,038	110,487	370,525	45,000	13,900	58,900
2028	260,038	101,192	361,230	40,000	12,350	52,350
2029	260,038	91,898	351,936	40,000	11,050	51,050
2030 - 2034	1,300,190	320,075	1,620,265	200,000	35,750	235,750
2035 - 2039	955,186	96,255	1,051,441	120,000	5,850	125,850
Total Water Fund	$ 3,555,566	$ 968,763	$ 4,524,329	$ 535,000	$ 112,100	$ 647,100

Sewer Fund:	Direct Borrowings			General Obligation Bonds (Public Offerings)		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 746,934	$ 29,458	$ 776,392	$ 376,344	$ 75,705	$ 452,049
2026	100,000	17,489	117,489	366,488	62,841	429,329
2027	100,000	15,839	115,839	274,226	50,596	324,822
2028	100,000	14,189	114,189	271,652	39,872	311,524
2029	100,000	12,540	112,540	225,588	30,493	256,081
2030 - 2034	500,000	37,948	537,948	810,000	69,356	879,356
2035 - 2039	210,000	-	210,000	40,000	4,165	44,165
Total Sewer Fund	$ 1,856,934	$ 127,463	$ 1,984,397	$ 2,364,298	$ 333,028	$ 2,697,326

Tax Increment Financing Bonds

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

- $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, and are further backed by the full taxing authority of the City.

Tax increment financing bonds outstanding are as follows:

Governmental Activities:	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/24
93rd and Norway Infrastructure	11/2024	2.00 - 4.00%	$ 75,000
Library Campus Development	09/2036	2.00 - 4.00%	1,288,000
Courthouse Refunding Series B	10/2030	1.36%	210,000
Total Governmental Activities			$ 1,573,000

Future Debt Service on Tax Increment Financing Bonds

The annual payments to retire all tax increment financing bonds outstanding as of June 30, 2024 were as follows:

	Direct Borrowings			General Obligation Bonds (Public Offerings)		
Governmental	Principal	Interest	Total	Principal	Interest	Total
2025	$ 30,000	$ 2,652	$ 32,652	$ 176,000	$ 43,613	$ 219,613
2026	30,000	2,244	32,244	101,000	380,736	481,736
2027	30,000	1,836	31,836	101,000	34,032	135,032
2028	30,000	1,428	31,428	100,000	30,388	130,388
2029	30,000	1,020	31,020	100,000	27,138	127,138
2030 - 2034	60,000	816	60,816	500,000	86,938	586,938
2035 - 2039	-	-	-	285,000	13,894	298,894
Total	$ 210,000	$ 9,996	$ 219,996	$ 1,363,000	$ 616,739	$ 1,979,739

Changes in Long-Term Liabilities

During the year ended June 30, 2024, 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	$ 8,217,190	$ -	$ (1,734,485)	$ 6,482,705	$ (1,287,176)	$ 5,195,529
Direct borrowings	6,770,000	5,210,016	(845,000)	11,135,016	(1,642,656)	9,492,360
Unamortized premium	656,200	573,984	(174,202)	1,055,982	(212,468)	843,514
Subtotal bonds payable	15,643,390	5,784,000	(2,753,687)	18,673,703	(3,142,300)	15,531,403
Tax increment financing bonds payable						
General obligation bonds	1,540,000	-	(177,000)	1,363,000	(176,000)	1,187,000
Direct borrowings	240,000	-	(30,000)	210,000	(30,000)	180,000
Subtotal tax increment financing bonds payable	1,780,000	-	(207,000)	1,573,000	(206,000)	1,367,000
Net pension liability	34,565,978	-	(1,016,035)	33,549,943	-	33,549,943
Net OPEB liability	7,130,133	-	(242,553)	6,887,580	(176,103)	6,711,477
Other:						
Landfill closure	291,308	-	(58,263)	233,045	(58,262)	174,783
Accrued employee benefits	3,087,958	-	(289,866)	2,798,092	(279,809)	2,518,283
Subtotal - other	3,379,266	-	(348,129)	3,031,137	(338,071)	2,693,066
Totals	$ 62,498,767	$ 5,784,000	$ (4,567,404)	$ 63,715,363	$ (3,862,474)	$ 59,852,889

	Beginning Balance	Additions	Reductions	Ending Balance	Less: Current Portion	Equals Long-Term Portion
Business-Type Activities						
Bonds payable						
General obligation bonds	$ 3,322,812	$ -	$ (423,515)	$ 2,899,297	$ (421,344)	$ 2,477,953
Direct borrowings	4,349,643	2,175,566	(1,112,709)	5,412,500	(1,006,972)	4,405,528
Unamortized premium	-	257,490	-	257,490	(17,162)	240,328
Subtotal bonds payable	7,672,455	2,433,056	(1,536,224)	8,569,287	(1,445,478)	7,123,809
Net pension liability	5,296,720	-	(155,692)	5,141,028	-	5,141,028
Net OPEB liability	934,123	37,509	-	971,632	(23,897)	947,735
Other:						
Accrued employee benefits	266,738	-	(34,700)	232,038	(23,204)	208,834
Subtotal - other	266,738	-	(34,700)	232,038	(23,204)	208,834
Totals	$ 14,170,036	$ 2,470,565	$ (1,726,616)	$ 14,913,985	$ (1,492,579)	$ 13,421,406

Long-Term Debt Supporting Governmental and Business-Type Activities

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.

Authorized and Unissued Debt

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2024 were as follows:

Purpose	Amount
Road Rehabilitation Project	$ 520,000
Stormwater Resiliency	1,374,000
Thompson Road	1,057,000
Total	$ 2,951,000

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, 2024, the balance in the landfill capital reserve was $21,941. The remaining post-closure costs are expected to be financed from the operations of the Solid Waste Fund.

The $233,047 reported as landfill closure and postclosure care liability at June 30, 2024 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 represent the acquisition of net assets by the City that apply 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 are more fully described in the corresponding pension and OPEB notes.

Deferred inflows related to leases, in accordance with GASB Statement No. 87, have been recognized in fiscal year 2023, and are offset with leases receivable.

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 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

The City's fund balances at June 30, 2024 were comprised of the following:

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid expenditures	$ 265,393	$ -	$ -	$ 265,393
Permanent funds	-	-	6,319,654	6,319,654
Total Nonspendable	265,393	-	6,319,654	6,585,047
Restricted				
Capital projects	-	3,387,598	-	3,387,598
Grant fund	-	-	2,066,671	2,066,671
Other special revenue funds	-	-	1,243,868	1,243,868
Permanent funds	-	-	422,670	422,670
Total Restricted	-	3,387,598	3,733,209	7,120,807
Committed				
Retirement	1,364,806	-	-	1,364,806
Solid waste	-	-	3,334,550	3,334,550
Cemetery	-	-	1,471,558	1,471,558
Capital Reserve Funds:				
Road and sidewalks	1,023,896	-	-	1,023,896
Parks and facilities infrastructure	1,364,190	-	-	1,364,190
Bridges	1,772,861	-	-	1,772,861
Downtown infrastructure and facilities	2,002,048	-	-	2,002,048
Other capital reserve funds	2,730,405	-	-	2,730,405
Capital projects	-	2,478,622	-	2,478,622
Total Committed	10,258,206	2,478,622	4,806,108	17,542,936
Assigned				
General government	585,133	-	-	585,133
Public works	414,108	-	-	414,108
Other purposes	206,076	-	-	206,076
Total Assigned	1,205,317	-	-	1,205,317
Unassigned				
General fund	16,951,532	-	-	16,951,532
Total Unassigned	16,951,532	-	-	16,951,532
Total Fund Balance	$ 28,680,448	$ 5,866,220	$ 14,858,971	$ 49,405,639

18. Restricted Net Position

The City's restricted net position at June 30, 2023 was comprised of the following:

Purpose		Governmental Activities
American Rescue Plan	$	887,205
Library trust fund		632,691
Parking fund		558,958
Cable franchise fees		398,233
Federal drug forfeiture		128,544
Permanent funds		8,213,883
Other		704,907
Total	$	11,524,421

19. 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, 2024, the City's performance deposits are reported as guaranteed deposits.

20. New Hampshire 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, 2022, using a measurement date of June 30, 2023.

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (NHRS), 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. NHRS 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 NHRS. 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 NHRS'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 January 1, 2012	Minimum Age	Minimum Service	Benefit Multiplier
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 earnable compensation to the pension plan. 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 13.75% for employees, 30.67% for police, and 29.78% for fire. The City's contributions to NHRS for the year ended June 30, 2024 was $4,052,093, 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 pension, 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, 2024, the City reported a liability of $38,690,971 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023. 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, 2023, the City's proportion was 0.691%, which was a decrease of 0.004% from its previous year proportion.

For the year ended June 30, 2024, the City recognized pension expense of $4,666,005. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 988,640	$ 15,549
Changes of assumptions	1,018,326	-
Net difference between projected and actual earnings on pension plan investments	559,537	-
Changes in proportion and differences between contributions and proportionate share of contributions	325,413	440,018
Contributions subsequent to the measurement date	4,052,093	-
Total	$ 6,944,009	$ 455,567

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pension will be recognized as a change in pension expense as follows:

Year Ended June 30:	
2024	$ 1,119,972
2025	(682,914)
2026	2,097,794
2027	(98,503)
Total	$ 2,436,349

Actuarial Assumptions and Other Inputs

The collective total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Price inflation	2.00%
Wage inflation	2.75%
Salary increases	5.40% average, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation

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.

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

Target Allocations

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

Asset Class	Target Allocation Percentage		Average Long-Term Expected Real Rate of Return
Broad US equity	30.00	%	5.40%
Global Ex-US equity	20.00		5.65%
Total public equity	50.00		
Real estate equity	10.00		4.00%
Private equity	10.00		6.65%
Total private market equity	20.00		
Private debt	5.00		5.05%
Core US fixed income	25.00		2.15%
Inflation			2.50%
Total	100.00	%	

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
$ 52,498,964	$ 38,690,971	$ 26,892,886

Pension Plan Fiduciary Net Position

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

21. Other Post-Employment Benefits

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This 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, 2024.

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

Inactive employees or beneficiaries currently receiving benefit payments	29
Active employees	245
Total	274

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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	3.93%
Healthcare cost trend rates	8.0% for 2023, decreasing 0.5% per year to 6.5%, then grading down to an ultimate trend rate of 4.1%
Retirees' share of benefit-related costs	100%
Participation rate	60% of eligible retired employees

Pre-retirement mortality rates were based on the Pub-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post-retirement mortality rates for healthy retirees were based on 101% of the Pub-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of the Pub-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019. Post-retirement mortality rates for surviving spouses were based on the Pub-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019. Post-retirement mortality rates for disabled retirees were based on the Pub-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

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 3.93%, 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, 2024.

Total OPEB Liability
The City's total OPEB liability of $5,426,303 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024.

Changes in the Total OPEB Liability
The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB Liability
Balance, beginning of year	$ 5,347,538
Changes for the year:	
Service cost	226,475
Interest	199,804
or other inputs	(147,680)
Benefit payments	(199,834)
Net Changes	78,765
Balance, end of year	$ 5,426,303

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 3.93%, 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% Decrease	Current Discount Rate	1% Increase
$ 4,936,216	$ 5,426,303	$ 5,975,998

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 8.00%, 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% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$ 4,794,167	$ 5,426,303	$ 6,174,677

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2024, the City recognized an OPEB expense of $395,428. At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 511,439	$ 119,114
Changes of assumptions	365,318	666,823
Total	$ 876,757	$ 785,937

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

Year Ended June 30:		
2025	$	57,447
2026		88,549
2027		5,580
2028		(41,299)
2029		(25,196)
Thereafter		5,739
Total	$	90,820

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, 2022, using a measurement date of June 30, 2023.

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed above, 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 0.31% of earnable compensation for Group I employees, 1.54% of earnable compensation for Group I teachers, and 3.21% 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 New Hampshire Retirement System, which is disclosed in Note 20.

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, 2023 was $2,432,909, representing 0.712%.

For the year ended June 30, 2024, the City recognized an OPEB expense related to the NHRS Medical Subsidy of $32,291. At June 30, 2024, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 2,924	$ -
Contributions subsequent to the measurement date	261,526	-
Total	$ 264,450	$ -

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, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a change in OPEB expense as follows:

Fiscal Year Ended June 30:		
2024	$	(484)
2025		(3,694)
2026		7,904
2027		(802)
Total	$	2,924

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
$ 2,642,378	$ 2,432,909	$ 2,250,153

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, 2024. 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 (Income)
City OPEB Plan	$ 5,426,303	$ 876,757	$ 785,937	$ 395,428
Proportionate share of NHRS Medical Subsidy Plan	2,432,909	264,450	-	32,291
Total	$ 7,859,212	$ 1,141,207	$ 785,937	$ 427,719

22. Commitments and Contingencies

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.

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 $1,205,317 in encumbrances that will be honored in the next fiscal year.

23. Subsequent Events

Management has evaluated subsequent events through June 30, 2025, which is the date the financial statements were available to be issued.

24. New Pronouncements

The following Governmental Accounting Standards Board (GASB) pronouncements will be implemented in the future, as applicable:

- The GASB issued Statement No. 101, *Compensated Absences*, which is required to be implemented in fiscal year 2025.
- The GASB issued Statement No. 102, *Certain Risk Disclosures*, which is required to be implemented in fiscal year 2025.
- The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which is required to be implemented in fiscal year 2026.
- The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is required to be implemented in fiscal year 2026.

Management is currently assessing the impact the implementation of the upcoming new GASB pronouncements will have on the basic financial statements.

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, 2024

(UNAUDITED)

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 30,287,989	$ 30,143,182	$ 30,267,254	$ 124,072
Charges for services	3,199,096	3,199,096	3,621,505	422,409
Intergovernmental	3,416,783	3,561,590	3,710,312	148,722
Licenses and permits	4,183,392	4,183,392	4,497,291	313,899
Investment income	325,000	325,000	1,602,850	1,277,850
Other revenues	305,738	305,738	309,168	3,430
Total Revenues	41,717,998	41,717,998	44,008,380	2,290,382
Expenditures				
Elected and Appointed Officials:				
Mayor and City Council	121,591	121,591	116,367	5,224
Outside agencies	306,938	306,938	306,938	-
Community funded events	72,553	72,553	55,178	17,375
Boards and commissions	29,298	29,298	28,711	587
City manager	730,792	730,792	683,096	47,696
City attorney	464,688	464,688	375,848	88,840
City clerk	732,594	732,594	706,242	26,352
Administrative Services:				
Assessment	427,990	427,990	418,413	9,577
Finance (including human services)	3,840,406	3,840,406	3,646,528	193,878
Human resources	766,480	766,480	651,408	115,072
Information technology	1,674,335	1,674,335	1,588,199	86,136
Community Services:				
Fire	8,573,001	8,573,001	8,414,189	158,812
Library	1,716,209	1,716,209	1,712,054	4,155
Parks, rec and facilities (including youth services)	4,306,013	4,306,013	4,058,737	247,276
Police	8,423,467	8,423,467	8,029,581	393,886
Municipal Development Services:				
Airport	750,760	750,760	679,488	71,272
Community development	1,532,190	1,532,190	1,476,658	55,532
Public works	5,297,166	5,297,166	4,905,524	391,642
Debt Service	3,324,493	3,324,493	3,198,779	125,714
Total Expenditures	43,090,964	43,090,964	41,051,938	2,039,026
Other Financing Sources (Uses)				
Transfers in	3,390,285	3,390,285	3,719,525	329,240
Transfers out	(6,058,293)	(6,058,293)	(6,058,293)	-
Use of fund balance	4,040,974	4,040,974	-	(4,040,974)
Total Other Financing Sources (Uses)	1,372,966	1,372,966	(2,338,768)	(3,711,734)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	$ -	$ -	$ 617,674	$ 617,674

See Independent Auditors' Report and Notes to the Required Supplementary Information.

Notes to the Required Supplementary Information for General Fund Budget

Budgetary Basis

The General Fund final appropriations appearing on the "Budget and Actual" page 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 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, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting:

General Fund	Revenues and Transfers In	Expenditures and Transfers Out
GAAP Basis	$ 44,788,579	$ 43,295,075
Reverse beginning of year appropriation carryforwards from expenditures	-	(932,290)
Add end of year appropriation carryforwards to expenditures	-	1,205,317
To reverse capital reserve activity	661,664	1,264,467
To reverse City admin charges	2,277,662	2,277,662
Budgetary Basis	$ 47,727,905	$ 47,110,231

CITY OF KEENE, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE

OF THE NET PENSION LIABILITY

(Unaudited)

New Hampshire Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2024	June 30, 2023	0.69112249%	$38,690,971	$ 20,014,726	193.31%	67.2%
June 30, 2023	June 30, 2022	0.69494045%	$39,862,698	$ 18,893,205	210.99%	65.1%
June 30, 2022	June 30, 2021	0.68414363%	$30,320,693	$ 18,343,037	165.30%	72.2%
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%

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

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, 2024	$ 4,052,093	$ 4,052,093	$ -	$ 20,932,848	19.36%
June 30, 2023	$ 4,184,114	$ 4,184,114	$ -	$ 20,014,726	20.91%
June 30, 2022	$ 4,042,168	$ 4,042,168	$ -	$ 18,893,205	21.39%
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%

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

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, 2024	June 30, 2023	0.71195940%	$ 2,432,909	$ 20,014,725	12.16%	12.80%
June 30, 2023	June 30, 2022	0.71892209%	$ 2,716,718	$ 18,893,205	14.38%	10.64%
June 30, 2022	June 30, 2021	0.65800486%	$ 2,635,025	$ 18,343,037	14.37%	11.06%
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, 2024	$ 261,526	$ 261,526	$ -	$20,932,848	1.25%
June 30, 2023	$ 311,758	$ 311,758	$ -	$20,014,725	1.56%
June 30, 2022	$ 304,597	$ 304,597	$ -	$18,893,205	1.61%
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 notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

(Unaudited)

City of Keene OPEB Plan

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	226,475	$ 266,104	$ 343,847	$ 283,578	$ 212,290	$ 209,926	$ 213,897	$ 267,444
Interest	199,804	203,967	140,299	123,643	162,636	193,648	198,431	164,088
Change in benefit terms	-	(907,537)	-	-	-	-	-	-
Differences between expected and actual experience	-	272,140	-	664,483	-	(1,071,997)	(588,774)	-
Changes of assumptions or other inputs	(147,680)	135,133	(897,839)	23,942	746,737	543,148	(134,387)	(384,126)
Benefit payments	(199,834)	(235,902)	(248,361)	(262,132)	(227,896)	(240,425)	(207,886)	(209,207)
Net change in total OPEB liability	78,765	(266,095)	(662,054)	833,514	893,767	(365,700)	(518,719)	(161,801)
Total OPEB liability - beginning	5,347,538	5,613,633	6,275,687	5,442,173	4,548,406	4,914,106	5,432,825	5,594,626
Total OPEB liability - ending	5,426,303	$ 5,347,538	$ 5,613,633	$ 6,275,687	$ 5,442,173	$ 4,548,406	$ 4,914,106	$ 5,432,825
Covered employee payroll	$ 20,965,095	$ 19,134,820	$ 18,893,205	$ 17,907,811	$ 17,171,933	$ 17,040,297	$ 16,972,222	$ 16,674,879
Total OPEB liability as a percentage of covered employee payroll	25.88%	27.95%	29.71%	35.04%	31.69%	26.69%	28.95%	32.58%

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.
Additionally, the City has not established a trust to pay related benefits for the OPEB plan.

See Independent Auditors' Report.

Combining and Individual Fund
Financial Statements and Schedules

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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.

- Solid Waste Fund: to account for the activities of the transfer and recycling operations and for post-closure costs associated with the landfill. Funding is primarily from tipping fees and recycling fees.

- Other Expendable Trusts: to account for various assets and activities restricted for specific purposes. Both the principal and earnings may be used.

PERMANENT FUND

Permanent fund is 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, 2024

	Special Revenue Funds						Permanent Funds			
	Grants Fund	Parking Fund	Library Fund	Solid Waste Fund	Other Expendable Trusts	Total Special Revenue Funds	Cemetery Trusts	Other Permanent Trusts	Total Permanent Funds	Total Nonmajor Governmental Funds
Assets										
Cash and short-term investments	$ 1,837,868	$ 551,015	$ 77,815	$ 2,832,844	$ -	$ 5,299,542	$ -	$ 602,664	$ 602,664	$ 5,902,206
Investments	-	-	554,876	-	52,218	607,094	6,666,524	929,094	7,595,618	8,202,712
Receivables:										
Accounts receivable, net	57,693	11,295	-	594,300	-	663,288	15,600	-	15,600	678,888
Intergovernmental	184,688	-	-	-	-	184,688	-	-	-	184,688
Advances to other funds	-	-	-	258,510	-	258,510	-	-	-	258,510
Total Assets	$ 2,080,249	$ 562,310	$ 632,691	$ 3,685,654	$ 52,218	$ 7,013,122	$ 6,682,124	$ 1,531,758	$ 8,213,882	$ 15,227,004
Liabilities										
Accounts payable	$ 13,513	$ 3,297	$ -	$ 351,025	$ -	$ 367,835	$ -	$ -	$ -	$ 367,835
Accrued liabilities	65	54	-	79	-	198	-	-	-	198
Total Liabilities	13,578	3,351	-	351,104	-	368,033	-	-	-	368,033
Fund Balances										
Nonspendable	-	-	-	-	-	-	4,854,094	1,465,560	6,319,654	6,319,654
Committed	-	-	-	3,334,550	-	3,334,550	1,471,558	-	1,471,558	4,806,108
Restricted	2,066,671	558,959	632,691	-	52,218	3,310,539	356,472	66,198	422,670	3,733,209
Total Fund Balances	2,066,671	558,959	632,691	3,334,550	52,218	6,645,089	6,682,124	1,531,758	8,213,882	14,858,971
Total Liabilities and Fund Balances	$ 2,080,249	$ 562,310	$ 632,691	$ 3,685,654	$ 52,218	$ 7,013,122	$ 6,682,124	$ 1,531,758	$ 8,213,882	$ 15,227,004

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds						Permanent Funds			
	Grants Fund	Parking Fund	Library Fund	Solid Waste Fund	Other Expendable Trusts	Total Special Revenue Funds	Cemetery Trusts	Other Permanent Trusts	Total Permanent Funds	Total Nonmajor Governmental Funds
Revenues										
Property taxes	$ -	$ 205,978	$ -	$ -	$ -	$ 205,978	$ -	$ -	$ -	$ 205,978
Charges for services	232,749	1,077,097	-	5,428,560	-	6,738,406	-	-	-	6,738,406
Intergovernmental	3,237,366	16,530	6,500	1,044	-	3,261,440	-	-	-	3,261,440
Licenses and permits	43,356	-	-	58,644	-	102,000	-	-	-	102,000
Investment income	77	41,644	67,805	190,503	5,022	305,051	695,450	161,324	856,774	1,161,825
Contributions	49,778	-	5,135	-	-	54,913	28,200	-	28,200	83,113
Miscellaneous	138,316	1,535	16,582	5,000	-	161,433	-	-	-	161,433
Total Revenues	3,701,642	1,342,784	96,022	5,683,751	5,022	10,829,221	723,650	161,324	884,974	11,714,195
Expenditures										
General government	354,217	-	-	-	-	354,217	-	-	-	354,217
Public safety	1,261,718	906,094	-	-	-	2,167,812	-	-	-	2,167,812
Public works	-	-	-	5,375,092	-	5,375,092	-	-	-	5,375,092
Library	9,956	-	46,729	-	-	56,685	-	-	-	56,685
Parks and facilities	120,918	-	-	-	-	120,918	-	-	-	120,918
Debt service:										
Principal	-	105,000	-	45,000	-	150,000	-	-	-	150,000
Interest	-	20,041	-	10,585	-	30,626	-	-	-	30,626
Total Expenditures	1,746,809	1,031,135	46,729	5,430,677	-	8,255,350	-	-	-	8,255,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,954,833	311,649	49,293	253,074	5,022	2,573,871	723,650	161,324	884,974	3,458,845
Other Financing Sources (Uses)										
Transfers in	77,212	-	-	-	-	77,212	-	-	-	77,212
Transfers out	(891,663)	(190,000)	-	(125,000)	-	(1,206,663)	(100,925)	(15,186)	(116,111)	(1,322,774)
Total Other Financing Sources (Uses)	(814,451)	(190,000)	-	(125,000)	-	(1,129,451)	(100,925)	(15,186)	(116,111)	(1,245,562)
Change in Fund Balance	1,140,382	121,649	49,293	128,074	5,022	1,444,420	622,725	146,138	768,863	2,213,283
Fund Balances at Beginning of Year, as previously reported	926,289	437,310	583,398	-	47,196	1,994,193	6,059,399	1,385,620	7,445,019	9,439,212
Adjustment - change from major to nonmajor fund	-	-	-	3,206,476	-	3,206,476	-	-	-	3,206,476
Fund Balances at Beginning of Year, as restated	926,289	437,310	583,398	3,206,476	47,196	5,200,669	6,059,399	1,385,620	7,445,019	12,645,688
Fund Balances at End of Year	$ 2,066,671	$ 558,959	$ 632,691	$ 3,334,550	$ 52,218	$ 6,645,089	$ 6,682,124	$ 1,531,758	$ 8,213,882	$ 14,858,971

See Independent Auditors' Report.

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, 2024

	Fleet Fund	PC Replacement Fund	Total
Assets			
Current:			
Cash and short-term investments	$ 1,244,630	$ 243,483	$ 1,488,113
Investments	700,272	-	700,272
Accounts receivable	7,882	-	7,882
Inventory	341,454	-	341,454
Total current assets	2,294,238	243,483	2,537,721
Noncurrent:			
Capital assets:			
Capital assets, net of accumulated depreciation	3,250,251	-	3,250,251
Total noncurrent assets	3,250,251	-	3,250,251
Total Assets	5,544,489	243,483	5,787,972
Liabilities			
Current:			
Accounts payable	172,594	1,203	173,797
Accrued liabilities	35	-	35
Current portion of long-term liabilities:			
Compensated absences	8,302	-	8,302
Total current liabilities	180,931	1,203	182,134
Noncurrent:			
Compensated absences, net of current portion	74,722	-	74,722
Total noncurrent liabilities	74,722	-	74,722
Total Liabilities	255,653	1,203	256,856
Net Position			
Net investment in capital assets	3,250,251	-	3,250,251
Unrestricted	2,038,585	242,280	2,280,865
Total Net Position	$ 5,288,836	$ 242,280	$ 5,531,116

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Fleet Fund	PC Replacement Fund	Total
Operating Revenues			
Charges for services	$ 2,888,563	$ 123,621	$ 3,012,184
Other	91,285	150	91,435
Total Operating Revenues	2,979,848	123,771	3,103,619
Operating Expenses			
Salaries and benefits	912,654	-	912,654
Other operating expenses	1,507,293	82,377	1,589,670
Depreciation	565,825	-	565,825
Total Operating Expenses	2,985,772	82,377	3,068,149
Operating Income	(5,924)	41,394	35,470
Nonoperating Revenues (Expenses)			
Investment income	171,282	4,234	175,516
Loss on disposal of capital assets	(56,693)	-	(56,693)
Total Nonoperating Revenues (Expenses), net	114,589	4,234	118,823
Income before transfers	108,665	45,628	154,293
Transfers			
Transfers out	-	(22,584)	(22,584)
Change in Net Position	108,665	23,044	131,709
Net Position at Beginning of Year	5,180,171	219,236	5,399,407
Net Position at End of Year	$ 5,288,836	$ 242,280	$ 5,531,116

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Fleet Fund	PC Replacement Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	$ 2,982,425	$ 123,771	$ 3,106,196
Payments to vendors	(1,359,658)	(84,432)	(1,444,090)
Payments to employees for salaries and benefits	(933,311)	-	(933,311)
Net Cash Provided By Operating Activities	689,456	39,339	728,795
Cash Flows From Noncapital Financing Activities			
Transfers out	-	(22,584)	(22,584)
Net Cash Used For Noncapital Financing Activities	-	(22,584)	(22,584)
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(957,852)	-	(957,852)
Net Cash (Used For) Capital and Related Financing Activities	(957,852)	-	(957,852)
Cash Flows From Investing Activities			
Sale of investments	234,882	-	234,882
Investment income	140,556	4,234	144,790
Net Cash Provided By (Used for) Investing Activities	375,438	4,234	379,672
Net Change in Cash and Short-Term Investments	107,042	20,989	128,031
Cash and Short-Term Investments, Beginning of Year	1,137,588	222,494	1,360,082
Cash and Short-Term Investments, End of Year	$ 1,244,630	$ 243,483	$ 1,488,113
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Operating income (loss)	$ (5,924)	$ 41,394	$ 35,470
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	565,825	-	565,825
Changes in assets and liabilities:			
Accounts receivable	2,577	-	2,577
Inventory	16,369	-	16,369
Accounts payable	131,266	(2,055)	129,211
Accrued liabilities	(20,657)	-	(20,657)
Net Cash Provided By Operating Activities	$ 689,456	$ 39,339	$ 728,795

See Independent Auditors' Report.

PRIVATE PURPOSE TRUST FUNDS

Private purpose trust funds are used to account for trust arrangements, other than those properly reported in a permanent fund, under which principal and investment income exclusively benefit individuals and private organizations.

The City of Keene has the following private purpose trust funds:

- Scholarship Fund: to account for the Frank Wright and Maurice Alger Scholarship Funds.

- Trust Fund: to account for parks, recreation, library, flower, flag, poor/indigent, and police and fire trust arrangements.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2024

	Fiduciary Funds Private Purpose Trust Funds		
	Scholarship Fund	Trust Fund	Total
Assets			
Investments:			
Corporate equities	$ 2,257,742	$ 2,924,349	$ 5,182,091
Total Assets	2,257,742	2,924,349	5,182,091
Net Position			
Restricted for individuals, organizations, and other governments	$ 2,257,742	$ 2,924,349	$ 5,182,091

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Fiduciary Funds Private Purpose Trust Funds		
	Scholarship Fund	Trust Fund	Total
Additions			
Investment income	$ 236,172	$ 269,698	$ 505,870
Total Additions	236,172	269,698	505,870
Deductions			
Payments to beneficiaries	30,500	10,621	41,121
Total Deductions	30,500	10,621	41,121
Change in Net Position	205,672	259,077	464,749
Restricted Net Position			
Beginning of year	2,052,070	2,665,272	4,717,342
End of year	$ 2,257,742	$ 2,924,349	$ 5,182,091

See Independent Auditors' Report.

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STATISTICAL SECTION

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CITY OF KEENE, NEW HAMPSHIRE

STATISTICAL SECTION

The City's 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 City's overall financial health.

City of Keene, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	$ 56,903,534	$ 57,485,620	$ 59,166,584	$ 66,711,745	$ 69,956,379	$ 73,675,189	$ 78,094,792	$ 84,468,726	$ 93,676,792	$ 100,219,929
Restricted	8,451,104	9,138,862	11,757,799	9,833,924	11,404,883	10,925,796	9,113,807	8,633,071	9,439,212	11,524,421
Unrestricted	(15,389,928)	(16,519,232)	(17,115,229)	(20,126,396)	(21,426,686)	(18,811,632)	(11,006,794)	(7,646,384)	(5,957,520)	(3,001,979)
Total governmental activities net position	$ 49,964,710	$ 50,105,250	$ 53,809,154	$ 56,419,273	$ 59,934,576	$ 65,789,353	$ 76,201,805	$ 85,455,413	$ 97,158,484	$ 108,742,371
Business-type activities										
Net investment in capital assets	$ 41,793,286	$ 45,601,603	$ 46,911,847	$ 47,558,442	$ 47,115,869	$ 49,350,970	$ 55,092,329	$ 55,727,114	$ 57,858,814	$ 59,480,404
Unrestricted	15,184,011	14,630,415	14,425,082	14,473,134	15,870,281	14,968,960	7,341,694	9,832,009	9,697,813	10,173,822
Total business-type activities net position	$ 56,977,297	$ 60,232,018	$ 61,336,929	$ 62,031,576	$ 62,986,150	$ 64,319,930	$ 62,434,023	$ 65,559,123	$ 67,556,627	$ 69,654,226
Primary government										
Net investment in capital assets	$ 98,696,820	$ 103,087,223	$ 106,078,431	$ 114,270,187	$ 117,072,248	$ 123,026,159	$ 133,187,121	$ 140,195,840	$ 151,535,606	$ 159,700,333
Restricted	8,451,104	9,138,862	11,757,799	9,833,924	11,404,883	10,925,796	9,113,807	8,633,071	9,439,212	11,524,421
Unrestricted	(205,917)	(1,888,817)	(2,690,147)	(5,653,262)	(5,556,405)	(3,842,672)	(3,665,100)	2,185,625	3,740,293	7,171,843
Total primary government net position	$ 106,942,007	$ 110,337,268	$ 115,146,083	$ 118,450,849	$ 122,920,726	$ 130,109,283	$ 138,635,828	$ 151,014,536	$ 164,715,111	$ 178,396,597

Data Source:

Audited Financial Statements

City of Keene, New Hampshire

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	$ 6,192,633	$ 7,698,162	$ 7,008,103	$ 7,607,341	$ 7,216,829	$ 8,152,525	$ 6,967,014	$ 8,108,838	$ 8,392,710	$ 9,761,341
Public safety	11,522,512	13,841,925	15,922,427	15,588,700	16,193,749	17,665,400	16,275,916	16,508,376	17,284,288	20,089,961
Public works	12,030,608	14,272,374	12,342,448	10,207,597	11,239,823	9,635,462	9,540,493	9,470,615	10,653,218	9,118,460
Welfare and human services(3)	1,678,845	1,594,633	1,600,241	1,757,686	801,566	747,728	587,322	-	-	-
Airport	854,783	1,084,668	1,312,906	1,313,506	1,298,840	1,396,849	1,512,705	1,481,211	1,388,252	1,526,349
Library	1,383,430	1,529,730	1,468,787	1,488,344	1,654,529	1,540,768	1,660,766	2,301,565	2,090,394	2,009,548
Community development	1,468,668	498,721	328,168	597,408	1,435,562	1,468,186	1,432,118	1,323,039	1,450,229	1,493,157
Parks and facilities	2,910,530	2,519,671	3,018,676	3,409,437	3,455,725	3,629,902	3,814,782	3,405,142	4,709,029	5,023,043
Interest	1,105,316	1,070,477	1,225,901	1,115,646	604,575	771,454	691,772	509,029	382,048	501,186
Total governmental activities expenses	39,147,325	44,110,361	44,227,657	43,085,665	43,901,198	45,008,274	42,482,888	43,107,815	46,350,168	49,523,045
Business-type activities:										
Water services	3,167,831	3,866,375	3,894,553	3,978,790	3,909,379	3,784,833	5,307,330	3,692,765	3,945,900	4,461,700
Sewer services	4,462,398	6,089,976	5,491,891	5,361,320	5,839,543	5,737,639	7,114,138	5,721,659	6,180,749	6,121,040
Total business-type activities expenses	7,630,229	9,956,351	9,386,444	9,340,110	9,748,922	9,522,472	12,421,468	9,414,424	10,126,649	10,582,740
Total primary government expenses	$ 46,777,554	$ 54,066,712	$ 53,614,101	$ 52,425,775	$ 53,650,120	$ 54,530,746	$ 54,904,356	$ 52,522,239	$ 56,476,817	$ 60,105,785
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 3,221,992	$ 3,463,979	$ 4,094,396	$ 3,581,446	$ 3,810,002	$ 3,955,780	$ 4,354,096	$ 5,104,968	$ 5,039,359	$ 4,610,079
Public safety	2,230,916	2,214,391	2,550,657	3,137,231	2,762,013	2,363,133	2,042,176	2,934,793	2,952,044	3,609,218
Public works	4,985,725	4,951,189	5,333,948	5,305,390	5,590,770	5,380,272	5,701,437	6,399,994	6,170,917	6,446,325
Welfare and human services(3)	313,247	314,710	324,824	71,202	18,843	22,279	22,185	-	-	-
Airport	50,106	54,689	416,709	441,208	444,018	426,562	425,023	439,583	506,085	539,617
Library	51,751	49,824	47,585	44,792	40,298	29,480	25,456	26,927	32,920	33,323
Community development	12,148	9,329	24,224	17,331	379,938	389,114	374,944	79,905	60,433	59,611
Parks and facilities	298,927	288,647	559,805	474,694	480,233	404,505	397,734	431,453	413,530	438,835
Operating grants and contributions	2,815,646	3,914,405	2,868,256	3,908,607	3,406,882	4,268,360	4,108,748	4,903,902	5,331,850	6,641,226
Capital grants and contributions	2,124,908	1,549,538	2,879,365	5,097,486	4,876,546	2,371,339	1,776,962	3,734,425	5,401,909	5,891,634
Total governmental activities program revenues	16,105,366	16,810,701	19,099,769	22,079,387	21,809,543	19,610,824	19,228,761	24,055,950	25,909,047	28,269,868
Business-type activities:										
Charges for services:										
Water	3,864,511	3,620,088	3,510,387	3,903,050	4,075,327	4,055,576	3,862,130	4,713,486	5,287,028	5,075,577
Sewer	6,186,269	6,268,834	6,221,802	6,129,002	6,017,723	6,035,085	6,006,167	6,303,111	6,206,187	6,323,668
Operating grants and contributions	176,929	141,079	551,152	-	-	34,500	37,881	8,200	500	41,898
Capital grants and contributions	-	2,995,426	-	677,271	220,561	390,293	584,248	1,735,426	365,521	329,335
Total business-type activities program revenues	10,227,709	13,025,427	10,283,341	10,709,323	10,313,611	10,515,454	10,490,426	12,760,223	11,859,236	11,770,478
Total primary government program revenues	$ 26,333,075	$ 29,836,128	$ 29,383,110	$ 32,788,710	$ 32,123,154	$ 30,126,278	$ 29,719,187	$ 36,816,173	$ 37,768,283	$ 40,040,346
Net (Expenses)Revenue										
Governmental activities	$ (23,041,959)	$ (27,299,660)	$ (25,127,888)	$ (21,006,278)	$ (22,091,655)	$ (25,397,450)	$ (23,254,127)	$ (19,051,865)	$ (20,441,121)	$ (21,253,177)
Business-type activities	2,597,480	3,069,076	896,897	1,369,213	564,689	992,982	(1,931,042)	3,345,799	1,732,587	1,187,738
Total Primary government net expense	$ (20,444,479)	$ (24,230,584)	$ (24,230,991)	$ (19,637,065)	$ (21,526,966)	$ (24,404,468)	$ (25,185,169)	$ (15,706,066)	$ (18,708,534)	$ (20,065,439)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	$ 24,168,766	$ 25,409,198	$ 26,741,212	$ 25,974,118	$ 22,974,005	$ 28,122,695	$ 30,147,335	$ 26,913,743	$ 28,253,616	$ 27,458,634
Payment in lieu of taxes(2)	390,688	412,492	433,772	444,471	443,461	1,107,500	1,111,350	1,114,363	1,124,908	1,126,529
Penalties, interest and other taxes	497,483	500,916	644,611	953,911	337,501	639,756	316,837	310,650	268,300	232,680
Investment income (loss)	574,119	243,658	663,683	787,744	1,486,136	766,490	1,776,124	(622,230)	1,860,244	3,429,484
Miscellaneous	1,568,073	825,354	311,474	312,538	346,105	592,586	281,479	549,870	583,474	589,737
Transfers, net(1)	1,145,574	21,242	-	-	-	-	-	9,361	-	-
Permanent fund contributions	23,165	27,933	37,024	23,550	19,750	23,200	41,911	29,716	53,650	-
Total governmental activities	28,367,868	27,440,793	28,831,776	28,496,332	25,606,958	31,252,227	33,675,036	28,305,473	32,144,192	32,837,064
Business-type activities:										
Property tax	160,144	147,897	145,440	136,746	-	-	-	-	-	-
Investment income (loss)	46,625	47,112	62,580	93,411	389,885	340,798	35,561	(220,699)	264,914	820,589
Miscellaneous	-	635	-	-	-	-	1,117	-	-	89,272
Transfers, net(1)	(1,098,454)	(10,000)	-	-	-	-	-	-	-	-
Total business-type activities	(891,685)	185,644	208,020	230,157	389,885	340,798	36,678	(220,699)	264,914	909,861
Total primary government	$ 27,476,183	$ 27,626,437	$ 29,039,796	$ 28,726,489	$ 25,996,843	$ 31,593,025	$ 33,711,714	$ 28,084,774	$ 32,409,106	$ 33,746,925
Change in Net Position										
Governmental activities	$ 5,325,909	$ 141,133	$ 3,703,888	$ 7,490,054	$ 3,515,303	$ 5,854,777	$ 10,420,909	$ 9,253,608	$ 11,703,071	$ 11,583,887
Business-type activities	1,705,795	3,254,720	1,104,917	1,599,370	954,574	1,333,780	(1,894,364)	3,125,100	1,997,501	2,097,599
Total primary government	$ 7,031,704	$ 3,395,853	$ 4,808,805	$ 9,089,424	$ 4,469,877	$ 7,188,557	$ 8,526,545	$ 12,378,708	$ 13,700,572	$ 13,681,486

(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.

(3) Beginning in 2022, welfare and human services were reported in general government.

Data Source
Audited Financial Statements

City of Keene, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	$ 341,018	$ 362,095	$ 699,572	$ 640,262	$ 94,085	$ 98,793	$ 91,188	$ 145,737	$ 228,335	$ 265,393
Committed	3,517,742	3,380,255	3,968,918	4,661,196	5,049,191	5,607,279	6,718,919	7,793,600	8,899,052	10,258,206
Assigned	1,378,786	1,038,111	436,301	418,729	802,771	1,147,450	854,785	1,133,529	964,317	1,205,317
Unassigned	6,763,152	7,495,863	8,655,952	8,924,574	10,702,620	13,184,021	15,250,484	16,289,911	17,095,240	16,951,532
Total General Fund	$ 12,000,698	$ 12,276,324	$ 13,760,743	$ 14,644,761	$ 16,648,667	$ 20,037,543	$ 22,915,376	$ 25,362,777	$ 27,186,944	$ 28,680,448
Other Governmental Funds										
Nonspendable	$ 5,659,081	$ 5,585,419	$ 5,881,176	$ 5,317,971	$ 5,935,014	$ 5,668,799	$ 6,978,188	$ 6,578,574	$ 7,071,850	$ 6,319,654
Restricted	6,857,313	3,405,551	5,764,563	5,995,590	6,569,207	4,348,560	8,821,887	6,007,784	4,463,471	7,120,807
Committed	4,064,769	2,673,426	6,572,329	3,048,755	4,113,680	4,519,850	4,843,568	4,621,385	4,655,438	7,284,730
Unassigned	(2,890)	-	-	(1,611,338)	(188,045)	(322,641)	(861,872)	(628,351)	(3,210,542)	-
Total Other Governmental Funds	$ 16,578,273	$ 11,664,396	$ 18,218,068	$ 12,750,978	$ 16,429,856	$ 14,214,568	$ 19,781,771	$ 16,579,392	$ 12,980,217	$ 20,725,191

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property taxes	$ 25,288,836	$ 26,432,668	$ 26,967,454	$ 27,159,503	$ 27,353,420	$ 29,739,445	$ 30,079,024	$ 29,677,317	$ 29,365,745	$ 30,473,232
Charges for services	7,533,948	7,629,481	8,485,858	8,416,059	9,006,321	8,325,973	8,619,691	10,428,244	10,162,451	10,359,911
Intergovernmental	4,484,310	4,652,406	3,862,127	6,744,527	7,344,170	5,231,050	5,819,444	8,409,245	10,594,374	12,392,087
Licenses and permits	3,294,504	3,501,521	4,384,530	4,251,933	4,100,599	4,198,908	4,268,273	4,349,230	4,307,227	4,599,291
Investment income (loss)	593,061	237,109	657,924	775,538	1,447,812	732,077	1,771,746	(473,283)	1,786,070	3,253,968
Contributions	479,409	839,470	1,922,518	2,285,116	959,008	391,847	130,771	275,738	209,768	185,502
Miscellaneous	1,564,627	819,207	301,616	284,496	327,043	585,178	265,538	517,168	556,022	498,300
Total revenues	43,238,695	44,111,862	46,582,027	49,917,172	50,538,373	49,204,478	50,954,487	53,183,659	56,981,657	61,762,291
Expenditures by Function										
General government	5,410,852	6,287,467	6,180,882	6,552,501	6,268,348	7,090,007	6,702,003	8,129,207	9,004,490	9,811,792
Public safety	14,139,779	14,224,160	14,438,473	14,856,213	15,284,919	15,826,385	16,578,274	17,073,770	17,576,596	18,616,181
Public works	8,067,083	6,403,527	6,878,521	7,511,885	7,036,466	7,120,309	7,450,210	7,352,492	7,930,823	7,557,425
Welfare and human services*	1,752,376	1,671,546	1,665,998	1,742,081	801,363	747,620	720,163	-	-	-
Airport	549,447	573,307	614,617	625,712	638,408	650,399	723,501	664,605	590,242	662,699
Library	1,473,703	1,435,749	1,378,262	1,376,184	1,531,189	1,456,751	1,419,820	1,899,239	1,753,218	1,768,739
Community development	1,506,517	477,780	696,896	563,731	1,425,470	1,422,219	1,427,697	1,397,936	1,447,702	1,481,833
Parks and facilities	2,907,419	2,870,008	2,891,011	3,082,351	3,384,630	3,450,731	3,460,950	3,816,384	4,144,608	4,139,791
Debt service:										
Principal	4,250,422	4,922,760	5,958,531	4,561,262	4,150,325	4,453,075	7,152,485	4,282,485	3,357,734	2,786,485
Interest	1,086,337	1,070,867	1,025,032	979,711	965,706	965,498	802,118	703,612	570,131	592,920
Capital outlay	4,164,096	8,863,593	4,910,046	12,588,613	9,741,708	4,880,896	4,902,773	8,628,268	12,381,121	10,912,532
Miscellaneous	23,747	-	-	-	-	-	-	-	-	-
Total expenditures	45,331,778	48,800,764	46,638,269	54,440,244	51,228,532	48,063,890	51,339,994	53,947,998	58,756,665	58,330,397
Excess of revenues										
Over(under) expenditures	(2,093,083)	(4,688,902)	(56,242)	(4,523,072)	(690,159)	1,140,588	(385,507)	(764,339)	(1,775,008)	3,431,894
Other Financing Sources (Uses)										
Issuance of general obligation bonds	5,530,000	-	5,676,000	-	5,705,000	-	5,651,000	-	-	5,210,016
Issuance of refunding bonds	-	-	2,151,304	-	-	-	3,188,000	-	-	-
Bond premiums on general obligation bonds	-	-	821,082	-	667,943	-	-	-	-	573,984
Bond premiums on refunding bonds	-	-	253,002	-	-	-	-	-	-	-
Payment to escrow agent	-	-	(807,071)	-	-	-	-	-	-	-
Transfers in	3,481,201	2,340,391	2,802,014	8,166,582	2,746,683	3,300,257	3,566,358	2,353,227	3,460,605	5,477,918
Transfers out	(2,071,336)	(2,289,149)	(2,802,014)	(8,226,582)	(2,746,683)	(3,267,257)	(3,574,815)	(2,343,866)	(3,460,605)	(5,455,334)
Total other financing sources (uses)	6,939,865	51,242	8,094,317	(60,000)	6,372,943	33,000	8,830,543	9,361	-	5,806,584
Net Change in fund balances	$ 4,846,782	$ (4,637,660)	$ 8,038,075	$ (4,583,072)	$ 5,682,784	$ 1,173,588	$ 8,445,036	$ (754,978)	$ (1,775,008)	$ 9,238,478
Debt Service as a percentage of non-capital outlay expenditures	12.36%	13.25%	15.91%	13.11%	11.79%	12.34%	17.20%	10.94%	7.80%	7.08%

* Beginning in 2022, welfare and human services were reported in general government.

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
2024	$ 27,902,203	$ 5,146	$ 5,498	$ 6,150	$ 3,629,952	$ 1,126,529	$ 32,675,478
2023	26,669,277	67,050	73,498	6,075	3,411,114	1,124,908	31,351,922
2022	26,866,304	28,130	6,738	-	3,402,677	1,114,363	31,418,212
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

Data Source
The City's general ledger

City of Keene, New Hampshire

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

Fiscal Year	Local Assessed Value [1] Residential	Commercial/ Industrial	Utilities	Total Assessed Value	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
2024	$1,399,897,799	$681,197,331	$223,925,400	$ 2,305,020,530	10,545,842	2,294,474,688	$ 33.07	3,158,132,311	73.0%
2023	1,376,193,100	774,098,800	119,139,600	2,269,431,500	9,356,700	2,260,074,800	31.03	2,836,839,865	80.0%
2022	1,368,592,220	773,714,200	110,928,200	2,253,234,620	8,933,600	2,244,301,020	31.28	2,391,688,798	94.2%
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%

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

	City Direct Rates					Overlapping Rate	
Fiscal Year	City	Local School	State School	Total School	Total Direct	County	Total
2024	$ 13.31	$ 15.16	$ 1.53	$ 16.69	$ 30.00	$ 3.07	$ 33.07
2023	12.31	14.38	1.21	15.59	27.90	3.13	31.03
2022	12.31	14.02	1.67	15.69	28.00	3.28	31.28
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

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

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

Taxpayer	Type of Business	Tax Year 2024 Net Taxable Assessed Value	Rank	Percentage of Total Assessed Value		Tax Year 2015 Net Taxable Assessed Value	Rank	Percentage of Net Assessed Value	
Eversource (formerly PSNH)	Utility	$104,573,000	1	4.68	%	$47,077,400	1	2.55	%
Keene MZL LLC (formerly MB Keene Monadnock LLC)	Retail/Commercial Space	31,253,700	2	1.40		31,675,500	2	1.72	
Riverside Improvements LLC	Retail/Commercial Space	21,279,100	3	0.95		23,562,600	3	1.28	
Realties Inc/Ellis Robertson	Retail/Commercial Space	19,592,210	4	0.88		23,130,800	4	1.25	
Target Corporation	Retail/Commercial Space	15,466,000	6	0.69		14,561,200	5	0.79	
480 West Street LLC	Retail/Commercial Space	14,713,000	5	0.66		14,468,000	6	0.78	
Washington Park of Keene LLC	Apartments/Mixed Use	14,478,900	9	0.65				-	
AH Keene LLC	Elderly Housing	13,289,400	8	0.59				-	
Tanglewood Park Cooperative, Inc.	Manufactured Home Park	13,226,200	7	0.59				-	
149 Emerald Street LLC	Retail/Commercial Space	12,743,000	10	0.57				-	
Total Principal Taxpayers		260,614,510		11.66	%	154,475,500		8.38	%
Total Net Assessed Taxable Value		$ 2,235,081,865				$ 1,843,788,675			

Data Source
City of Keene Tax Warrant

City of Keene, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

Tax Year [1]	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Tax lien Collections	Balance at end of Current Fiscal Year	Total Collections to Date	
		Amount	% of Levy			Amount	% of Levy
2023	$71,921,127	$70,418,545	97.91%	$ -	$ -	$70,418,545	97.91%
2022	69,992,519	68,637,258	98.06%	-	983,261	68,615,533	98.03%
2021	69,683,746	68,997,336	99.01%	244,754	428,111	69,242,090	99.37%
2020	69,829,870	68,473,089	98.06%	158,435	183,959	68,631,524	98.28%
2019	69,371,848	67,645,277	97.51%	77,185	66,517	67,722,462	97.62%
2018	69,267,152	67,971,414	98.13%	7,938	12,821	68,173,431	98.42%
2017	68,166,295	66,968,501	98.24%	5,542	-	67,379,570	98.85%
2016	66,236,957	65,229,896	98.48%	-	-	65,229,896	98.48%
2015	64,484,906	63,554,757	98.56%	-	-	63,963,378	99.19%
2014	63,162,701	62,099,707	98.32%	-	-	63,043,025	99.81%

[1] Fiscal year 2024 is the City's tax year 2023.

Data Source:
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.

City of Keene, New Hampshire

Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities									
Fiscal Year	General Obligation Bonds	Tax Increment Financing Bonds	Leases	General Obligation Bonds	Tax Increment Financing Bonds	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
2024	$18,673,703	$1,573,000	$ -	$8,569,287	$ -	$28,815,990	$1,257	1.61%	1.26%	22,917	$71,921,127	$78,183	$2,294,474,688
2023	15,643,390	1,780,000	-	7,672,455	-	25,095,845	1,102	1.59%	1.11%	22,774	69,992,519	69,381	2,260,074,800
2022	18,968,327	1,987,000	-	9,398,107	-	30,353,434	1,314	2.29%	1.35%	23,106	69,683,746	57,393	2,244,301,020
2021	22,855,014	2,557,000	-	11,213,188	-	36,625,202	1,589	2.79%	1.94%	23,047	69,829,870	56,971	1,885,713,164
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	22,040,562	5,090,000	92,417	11,347,223	-	38,570,202	1,681	3.14%	2.15%	22,949	68,166,295	53,499	1,796,036,300
2017	25,918,232	5,881,000	182,257	13,032,258	-	45,013,747	1,923	3.65%	2.52%	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

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

City of Keene, New Hampshire

Computation of Overlapping Debt by Debt Type
Last Ten Calendar Years

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct Debt:											
	City of Keene										
	Net General Obligation Debt Outstanding	$ 34,559,479	$ 29,636,719	$ 31,799,232	$ 27,130,562	$ 29,178,978	$ 23,831,701	$ 25,412,014	$ 20,955,327	$ 17,423,390	$ 20,246,703
	Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Amount Applicable to Government	$ 34,559,479	$ 29,636,719	$ 31,799,232	$ 27,130,562	$ 29,178,978	$ 23,831,701	$ 25,412,014	$ 20,955,327	$ 17,423,390	$ 20,246,703
	Subtotal Direct Debt	$ 34,559,479	$ 29,636,719	$ 31,799,232	$ 27,130,562	$ 29,178,978	$ 23,831,701	$ 25,412,014	$ 20,955,327	$ 17,423,390	$ 20,246,703
Overlapping Debt:											
	Cheshire County										
	Net General Obligation Debt Outstanding	$ 26,075,096	$ 28,040,000	$ 46,095,000	$ 49,585,000	$ 46,000,000	$ 48,855,000	$ 45,000,000	$ 43,722,608	$ 40,274,005	$ 32,601,392
	Percentage Applicable to Government*	26.44%	26.11%	26.18%	25.40%	25.42%	24.83%	25.17%	25.16%	23.87%	23.88%
	Amount Applicable to Government	$ 6,894,516	$ 7,321,244	$ 12,067,671	$ 12,593,648	$ 11,694,258	$ 12,130,697	$ 11,326,500	$ 11,000,608	$ 9,613,405	$ 7,785,049
	Keene Union School District										
	Net General Obligation Debt Outstanding	$ 29,421,201	$ 32,263,902	$ 26,666,003	$ 24,109,630	$ 21,630,370	$ 19,225,934	$ 17,767,250	$ 16,376,399	$ 16,774,875	$ 13,785,193
	Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Amount Applicable to Government	$ 29,421,201	$ 32,263,902	$ 26,666,003	$ 24,109,630	$ 21,630,370	$ 19,225,934	$ 17,767,250	$ 16,376,399	$ 16,774,875	$ 13,785,193
	Subtotal Overlapping Debt	$ 36,315,717	$ 39,585,146	$ 38,733,674	$ 36,703,278	$ 33,324,628	$ 31,356,631	$ 29,093,750	$ 27,377,007	$ 26,388,280	$ 21,570,242
	Grand Total	**$ 70,875,196**	**$ 69,221,865**	**$ 70,532,906**	**$ 63,833,840**	**$ 62,503,606**	**$ 55,188,332**	**$ 54,505,764**	**$ 48,332,334**	**$ 43,811,670**	**$ 41,816,945**

* 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base Value for Debt Limits [1]	$ 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	$ 2,430,594,340	2,791,281,392	3,158,132,311
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on [2]	$ 52,759,000	$ 52,164,000	$ 53,768,898	$ 55,203,654	$ 57,192,053	$ 59,783,863	$ 65,434,386	$ 72,917,830	$ 83,738,442	$ 94,743,969
Parking - 0.05%	8,798,000	8,694,000	8,961,483	9,200,609	9,532,009	9,963,977	10,905,731	12,152,972	13,956,407	15,790,662
Water - 10% (2)	175,864,000	173,880,000	179,229,660	184,012,180	190,640,177	199,279,542	218,114,621	243,059,434	279,128,139	315,813,231
	$ 237,421,000	**$ 234,738,000**	**$ 241,960,041**	**$ 248,416,443**	**$ 257,364,239**	**$ 269,027,382**	**$ 294,454,738**	**$ 328,130,236**	**$ 376,822,988**	**$ 426,347,862**
Issued Debt at June 30										
Total Issued Debt at June 30	$ 44,270,000	$ 43,826,000	$ 43,864,814	$ 37,618,517	$ 39,004,793	$ 32,943,505	$ 35,620,597	$ 29,523,031	$ 25,095,845	$ 28,815,990
Less Water Fund	(1,203,752)	(987,122)	(1,769,366)	(1,459,584)	(1,273,569)	(1,084,986)	(2,620,788)	(2,309,929)	(2,075,000)	(4,090,566)
Less Sewer Fund [3]	(8,097,707)	(12,930,695)	(11,262,892)	(9,887,639)	(9,905,255)	(8,485,623)	(8,592,400)	(7,088,178)	(4,052,812)	(3,574,297)
Less TIF, Parking, Landfill [3]	(6,031,019)	(5,115,740)	(6,113,675)	(5,274,000)	(4,865,500)	(3,462,000)	(3,522,000)	(2,482,000)	(2,115,000)	(290,000)
	28,937,522	24,792,443	24,718,881	20,997,294	22,960,469	19,910,896	20,885,409	17,642,924	16,853,033	20,861,127
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	8,863,000	12,706,000	135,000	7,258,500	4,699,000	8,891,000	2,949,000	8,217,000	8,217,000	8,217,000
Less Water Fund	-	-	-	-	-	-	-	(2,433,000)	(2,433,000)	(2,433,000)
Less Sewer Fund [3]	(6,690,000)	(6,045,000)	-	(1,350,000)	(1,727,000)	(1,727,000)	-	-	-	-
Less TIF, Parking, Landfill [3]	(105,000)	(105,000)	-	(250,000)	(168,000)	(1,681,000)	-	-	-	-
Total Debt Subject to general limit	**$ 31,005,522**	**$ 31,348,443**	**$ 24,853,881**	**$ 26,655,794**	**$ 25,764,469**	**$ 25,393,896**	**$ 23,834,409**	**$ 23,426,924**	**$ 22,637,033**	**$ 26,645,127**
Legal Debt Margin										
General	$ 21,753,478	$ 20,815,557	$ 28,915,017	$ 28,547,860	$ 31,427,584	$ 34,389,967	$ 41,599,977	$ 49,490,906	$ 61,101,409	$ 68,098,842
Water Fund	$ 174,660,248	$ 172,892,878	$ 177,460,294	$ 182,552,596	$ 189,366,608	$ 198,194,556	$ 215,493,833	$ 238,316,505	$ 274,620,139	$ 309,289,665
% of Legal Debt Limits Used										
General	58.8%	60.1%	46.2%	48.3%	45.0%	42.5%	36.4%	32.1%	27.0%	28.1%
Water Fund	0.7%	0.6%	1.0%	0.8%	0.7%	0.5%	1.2%	2.0%	1.6%	2.1%

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	
2024	22,917	*	$ 906,390	$ 39,551	2.50%	***
2023	22,774	*	864,683	37,968	1.90%	***
2022	23,106		743,528	32,179	2.60%	
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%	

*Based on U.S. Census Bureau Quick Facts: Keene, NH Population estimates July 1, 2022

** Based on US Census Bureau
*** Unemployment rate is based on June of every year and is not seasonally adjusted

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

	2024			2015		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Cheshire Medical Center/Dartmouth Hitchcock - Keene	1,531	1	13.78%	1,500	1	12.12%
C & S Wholesale Grocers	1,200	2	10.80%	1,200	2	9.70%
Keene School District	846	3	7.62%	960	4	7.76%
Keene State College	687	4	6.19%	1,027	3	8.30%
Markem-Imaje Corporation	400	5	3.60%	390	6	3.15%
National Grange Mutual Insurance	311	7	2.80%	347	7	2.80%
Timken Super Precision	267	9	2.40%	262	9	2.12%
Smith Industrial Medical Systems	350	6	3.15%	480	5	3.88%
City of Keene	278	8	2.50%	316	8	2.55%
Janos Technologies	75	10	0.68%			
Total Principal Employers	5,945		53.52%	6,482		52.37%
Total City Employment	11,107 *			12,377 *		

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 2022

City of Keene, New Hampshire

City Government Employees by Function - Full Time Equivalents
Last Ten Fiscal Years

Departments	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Manager	2.00	2.00	2.00	3.00	3.00	3.00	3.00	5.00	4.00	4.5
City Attorney	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.0
City Clerk	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.89	6.5
Assessment	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.0
Finance	15.18	15.18	15.18	15.18	15.18	15.18	15.18	17.08	15.18	16.0
Human Resources	2.80	2.80	2.91	3.00	3.00	3.00	3.00	3.50	3.67	4.5
Information Technology	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	7.0
General Government	38.57	38.57	38.68	39.77	39.77	39.77	39.77	44.17	42.74	44.5
Fire	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	51.0
Police	55.75	55.75	53.75	56.75	56.75	56.75	56.75	56.75	56.75	50.0
Community Development	13.24	12.74	13.24	13.24	12.91	12.91	12.50	12.50	12.20	12.0
Parking	5.42	5.33	5.10	5.12	6.86	6.86	6.86	4.25	4.70	4.0
Public Safety	120.41	119.82	118.09	121.11	122.52	122.52	122.11	119.50	119.65	117.0
Public Works	26.38	26.21	26.33	27.43	28.73	28.73	28.73	28.73	33.00	29.5
Solid Waste	7.58	7.77	10.17	10.27	10.27	10.27	10.27	10.27	10.60	10.0
Fleet Services	6.29	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.00	7.0
Public Works	40.25	40.23	42.75	43.95	45.25	45.25	45.25	45.25	49.60	46.5
Human Services	2.71	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	3.0
Youth Services	1.10	1.27	1.27	1.00	1.00	1.00	1.00	1.00	1.00	2.0
Welfare and human services	3.81	3.91	3.91	3.64	3.64	3.64	3.64	3.64	3.64	5.0
Airport	2.00	2.80	2.80	2.80	3.00	3.00	3.00	4.00	3.00	3.0
Library	8.00	9.44	10.07	10.74	11.26	11.26	11.26	11.26	11.36	14.5
Parks and facilities	16.25	15.95	15.30	16.24	19.09	19.09	19.09	21.65	20.68	24.0
Water	12.03	12.03	12.00	11.48	12.61	12.61	12.61	12.61	8.00	9.0
Sewer	15.30	15.22	13.24	14.77	15.63	15.63	15.63	15.63	12.00	14.0
Grand Totals	256.62	257.97	256.84	264.50	272.77	272.77	272.36	277.71	270.67	277.50

Data Source: Human Resources and Payroll Departments
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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Number of police calls answered	31,567	29,382	29,688	29,796	28,706	27,615	27,614	31,140	29,892	30,591
Traffic violations	4,814	5,848	5,425	6,219	5,260	7,963	5,378	3,918	3,360	3,331
Parking violations	19,079	21,776	25,686	30,461	21,791	14,542	14,536	15,038	14,878	15,792
Total Offenses Reported (prior calendar year basis)										
Group A	2,327	2,181	1,926	1,875	1,606	1,574	1,513	1,499	1,706	1,626
Group B	1,243	1,181	1,856	3,851	1,876	1,681	1,612	1,631	1,425	1,360
Fire and Rescue										
Calls answered	4,543	4,865	4,865	4,767	4,837	4,985	4,664	5,421	5,758	6,208
False alarms	24	21	64	15	42	16	22	27	485	489
Patients treated and transported	2,274	2,456	2,480	2,413	2,403	2,327	2,164	2,548	2,733	3,135
Patients treated only	289	228	222	38	1	12	16	22	36	26
Water										
Average daily consumption (in thousands of gallons)	1,519	1,516	1,415	1,411	1,432	1,408	1,325	1,725	1,460	1,444
Maximum daily capacity in gallons(safe yield but maximum daily capacity 6MGD)	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD
Sewer										
Daily average treatment (in thousands of gallons)	2,840	2,370	2,290	2,780	2,953	2,190	2,192	2,222	2,250	2,903
Maximum daily capacity in gallons(avg daily flow but designed for 21MGD)	5.38MGD	5.38MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD

Data Source
Various city departments

City of Keene, New Hampshire

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	4	4	3	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	7	7	7	7
Public works										
Miles of streets	126	126	126	126	126	126	123	123	127	127
Number of traffic lights (in sets)	*	*	13	13	13	13	12	12	12	12
Number of street lights	1,515	1,515	1,515	1,155	1,150	1,150	1,140	1,200	1,150	1,150
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	8	8	8	8	8	8	9	9	9	9
Miles of maintained trails	*	*	8	8.2	8	8	8	8	8	8
Water										
Water main (miles)	123	124	124	124	124	124	102.1	102.1	102.1	102.1
Maximum daily capacity (in thousands of gallons)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,400	5,400	5,400
Sewer										
Sanitary sewers (miles)	100	106	106	106	94.2	94.2	94.2	94.2	94.2	94.2
Maximum daily capacity of treatment (in thousands of gallons) (avg daily flow but designed for 21MGD)	5,380	5,380	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000

(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

CBIZ CPAs P.C.

9 Executive Park Drive
Suite 100
Merrimack, NH 03054

P: 603.882.1111

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Merrimack, NH
June 30, 2025

CITY OF KEENE, NEW HAMPSHIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

2024-001 Project Accounting and Reporting (Significant Deficiency)

Criteria or Specific Requirement: The accounting of capital projects requires project level accounting to facilitate financial transparency of each individual authorized project. Proper controls procedures require management to have the ability at any point and time to see the status of individual projects and remaining balances by type of funding sources.

Condition and Context: The total ending balances of individual capital projects are not fully reconciled to the fund balances reported in the general, water and sewer capital project funds.

Cause: It appears that the setup chosen for the MUNIS project accounting module is complicating the reporting of the projects.

Effect: While this issue is not expected to have an effect on the general ledger, individual project balances may not be accurately reported by funding source, affecting the reporting, oversight and monitoring of the individual project balances.

Recommendation: We recommend the City reevaluate the setup in the MUNIS project accounting module to assure that individual projects are properly tacked and reported to City Council, unspent bond proceeds are accurately determined for the calculation of net investment in capital assets for financial reporting, and life-to-date project income statements are accurately displaying the data.

Views of Responsible Official and Planned Corrective Action: Management's views and corrective action plan is included at the end of this report.

CITY OF KEENE
NEW HAMPSHIRE

To: CBIZ CPAs P.C.

From: Kari Chamberlain, Finance Director/Treasurer

Cc: Elizabeth Ferland, City Manager
Finance, Organization and Personnel Committee

Re: Corrective Action – FY24 Audited Financial Statements, City of Keene

Corrective Action Plan – Finding 2024-001

Statement of Concurrence or Nonconcurrence

We agree with the finding.

Planned Corrective Action: The implementation of the Munis software platform, specifically related to project and fund accounting, has resulted in a cumbersome accounting process. This process has made it increasingly difficult to provide real-time data, project-specific data for users.

At the recommendation of our independent auditors, we have reached out to Hannah York at CliftonLarsonAllen to engage with them for consultant services related to project accounting restructuring. Our conversation with Ms. York validated that, in her experience, Tyler/Munis software is often implemented without consideration for the needs of the organization for which it is intended. I am confident in this consultant firm's ability to assist us in restructuring this process in a manner which will provide us with the ability to provide accurate and timely information.

Name of Contact Person: Kari Chamberlain
Finance Director/Treasurer
Work phone: (603) 757-1877
Email: kchamberlain@keenenh.gov

Expected Completion Date: December 31, 2025