



CITY OF KEENE, NEW HAMPSHIRE

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



(This page intentionally left blank.)

CITY OF KEENE NEW HAMPSHIRE

Annual Comprehensive Financial Report

**For The Fiscal Year Ended
June 30, 2025**



**Prepared by:
The Finance Department**

**Kari Chamberlain
Finance Director/Treasurer**

(This page intentionally left blank.)

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Transmittal Letter	3
Organizational Chart	8
Certificate of Achievement	9
<u>FINANCIAL SECTION:</u>	
Independent Auditors' Report	12
Management's Discussion and Analysis	16
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	29
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	30
Statement of Revenues, Expenditures, and Changes in Fund Balances	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Net Position	34
Statement of Cash Flows	35

Fiduciary Funds:	
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37
Notes to Financial Statements	38
Required Supplementary Information:	
Budget and Actual:	
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - General Fund	81
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - Solid Waste Fund	82
Notes to the Required Supplementary Information for General Fund and Solid Waste Fund Budget	83
Pension:	
Schedule of Proportionate Share of the Net Pension Liability	84
Schedule of Pension Contributions	85
OPEB:	
Schedules of Proportionate Share and Contributions of the Net OPEB Liability	86
Schedule of Changes in the Total OPEB Liability	87
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	92
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - Parking Fund	93
Combining Statement of Net Position - Internal Service Funds	95
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	96

Combining Statement of Cash Flows - Internal Service Funds	97
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	99
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	100

STATISTICAL SECTION:

Financial Trends

Net Position by Component - Last Ten Fiscal Years	105
Changes in Net Position - Last Ten Fiscal Years	106
Fund Balances, Governmental Funds - Last Ten Fiscal Years	107
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	108

Revenue Capacity

General Government Tax Revenues by Source - Last Ten Fiscal Years	109
Assessed and Estimated Full Value of Real Property - Last Ten Fiscal Years	110
Property Tax Rates per \$1,000 of Assessed Value - Direct and Overlapping Governments - Last Ten Fiscal Years	111
Principal Taxpayers - Current Year and Nine Years Ago	112
Property Tax Levies and Collections - Last Ten Fiscal Years	113

Debt Capacity

Ratios of Outstanding Debt by Debt Type - Last Ten Fiscal Years	114
Computation of Overlapping Debt by Debt Type - Last Ten Fiscal Years	115
Ratios of Long-Term Debt Outstanding and Legal Debt Limits - Last Ten Fiscal Years	116

Demographic and Economic Information

Demographic Statistics - Last Ten Fiscal Years 117

Principal Employers - Current Year and Nine Years Ago 118

Operating Information

City Government Employees by Function - Full Time Equivalents -
Last Ten Fiscal Years 119

Operating Indicators by Function - Last Ten Fiscal Years 120

Capital Asset Statistics by Function - Last Ten Fiscal Years 121

OTHER INFORMATION:

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 122

INTRODUCTORY SECTION

(This page intentionally left blank.)



June 10, 2026

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, 2025. This report provides residents, elected officials, investors, and other interested parties with detailed information regarding the City's financial condition and performance. Responsibility for the accuracy of the data, and the completeness and fairness of the information presented rests with management.

To the best of our knowledge, the data presented is accurate in all material respects and reported in a manner designed to fairly reflect the City's financial position and results of operations. The accompany disclosures are intended to enhance the reader's understanding of the City's financial activities. This transmittal letter should be read in conjunction with Management's Discussion and Analysis (MD&A).

The ACFR does not include financial information for the Keene School District or Cheshire County, which are independent governmental entities and do not meet the criteria for inclusion in the City's reporting entity.

General Information

Incorporated in 1874, the City of Keene is located in southwestern New Hampshire and serves as the regional hub for Cheshire County. The City covers 37.1 square miles and had a 2020 Census population of 23,047. Keene is accessible via Routes 101, 12, 10, and 9, which connect to Interstates 91, 89, and 93, positioning the community as a key gateway in the Monadnock Region.

The City provides a full range of municipal services including police, fire, ambulance, public works, public health and welfare, code compliance, public library services, and water and sewer utilities. It also maintains parks and recreational facilities including 16 parks, 2 municipal pools, 9 recreational courts, cemeteries, and the Keene Dillant-Hopkins Airport.

Form of 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 City 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	2025 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 & Development Committee
Ward Three Councilors	Bryan J. Lake	2027	Finance, Organization & Personnel Committee
	Andrew M. Madison	2025	Planning, Licenses & Development Committee
Ward Four Councilors	Laura E. Tobin	2027	Municipal Services, Facilities & Infrastructure Committee
	Catherine I. Workman	2025	Municipal Services, Facilities & Infrastructure Committee
Ward Five Councilors	Philip M. Jones	2025	Planning, Licenses & 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 (Vice-Chair)
	Edward J. Haas	2025	Planning Licenses & Development Committee
	Michael J. Remy	2025	Finance, Organization & Personnel Committee (Vice-Chair)

*Term expires on December 31 in year noted.

Appointed Administration

<u>Title</u>	<u>Name</u>
City Manager	Elizabeth A. Ferland
City Attorney	Amanda N. Palmeira
City Clerk	Terri M. Hood
Finance Director/Treasurer	Kari L. 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 are part of the annual audit, though an audit opinion is not expressed; any deficiencies and material weaknesses are brought forward by the auditors to management.

Budget Process

The City maintains strong budgetary controls through the adoption of its fiscal policy, which ensures compliance with legal requirements and establishes the financial framework for municipal operations. This policy requires the City Manager to present a balanced budget each year for City Council adoption. Once adopted, the budget sets the legal level of control and identifies which revenues support specific appropriations. Throughout the fiscal year, the original budget may be amended by the City Council to address changing conditions.

The annual operating budget includes appropriations for the General, Parking, PC Replacement, Solid Waste, Sewer, Water, Equipment, and Compensated Absence Funds. The fiscal policy also requires the budget document to include multi-year revenue and expenditure projections, consider the City's policies on unassigned fund balance, account for General Fund debt service and current revenue capital outlay appropriations, return residual capital project funds to the originating fund, and limit increases in property tax revenue.

Departments must operate within their approved budgets; however, City Council may authorize the reallocation of personnel and non-personnel appropriations. Formal budget integration is used as a management control tool for the General Fund throughout the year. At year-end, unspent appropriations lapse unless associated with specific capital items or encumbrances, which are carried forward into the subsequent fiscal year.

Long-term Financial Planning and Capital Improvement Program

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 Management

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

Long-term borrowing is used to finance projects that have a significant cost and are of a lasting nature. While projects are often bundled together into one annual sale 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 \$3,450,277,222 (fiscal year 2025).

Long-term debt outstanding from general obligation bonds as of June 30, 2025, totaled \$25,617,168 and the amount authorized and unissued totaled \$12,351,000.

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 total of the City's General Fund budget, local, and state education taxes, and the county tax. The unassigned fund balance can be used to offset emergency expenditures, a downturn in collection of significant revenues, or other unforeseen events.

Retirement and Post-Employment Benefits

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 262 active and 30 inactive members of the System and its predecessor programs.

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

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

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

As of June 30, 2025, 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 \$5,529,007 or 26.27% of covered payroll. As the City participates in the New Hampshire Retirement System, the City's proportionate share of the medical subsidy was \$4,180,991 or 19.86% of covered payroll.

Independent Audit

CBIZ, CPAs, PC, Merrimack, New Hampshire, conducted the annual audit in accordance with generally accepted accounting standards. Their independent review ensures the integrity of the City's financial reporting.

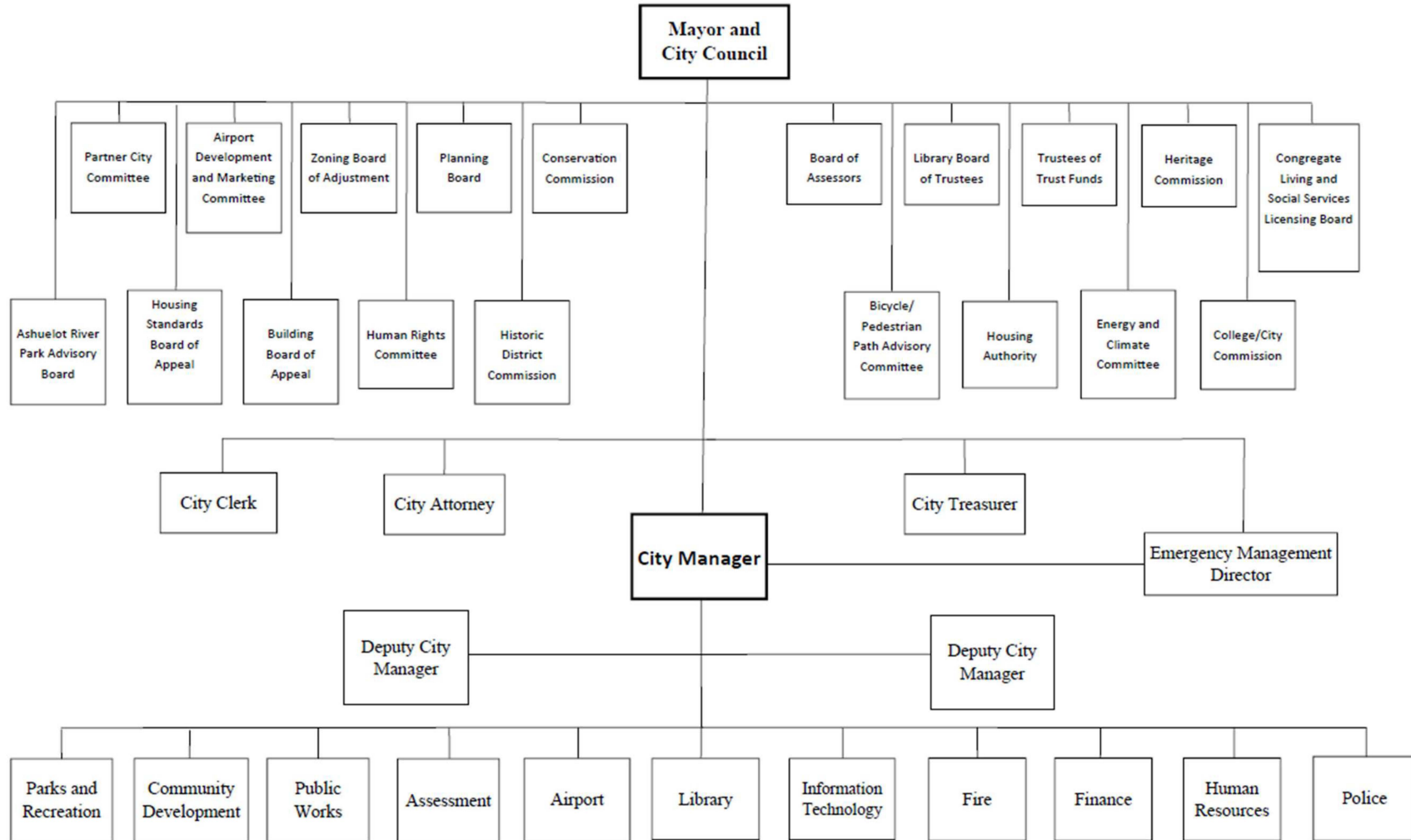
Thank you to the finance staff and all City departments for their cooperation and assistance in gathering the information contained in this report.

Respectfully submitted,



Kari Chamberlain
Finance Director

City of Keene Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Keene
New Hampshire**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

(This page intentionally left blank.)

**FINANCIAL
SECTION**

Independent Auditors' Report

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

Report on the 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, 2025, 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, 2025, 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.

Auditors' 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 auditors' 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 GAAS, 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 combining and individual fund financial statements and schedules as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 auditors' 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 July 17, 2026, 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, New Hampshire
July 17, 2026

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, 2025.

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 \$117,903,726, a change of \$9,161,355 in comparison to the prior year, and net position in business-type activities was \$71,159,020, a change of \$1,504,794 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$50,555,588, a change of \$1,149,949 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,252,384, a change of \$(1,699,148) 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:

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets						
Current and other assets	\$ 72,475,397	\$ 66,811,976	\$ 20,051,711	\$ 18,744,489	\$ 92,527,108	\$ 85,556,465
Capital assets	<u>122,051,299</u>	<u>117,447,521</u>	<u>65,463,109</u>	<u>65,607,118</u>	<u>187,514,408</u>	<u>183,054,639</u>
Total Assets	194,526,696	184,259,497	85,514,820	84,351,607	280,041,516	268,611,104
Deferred Outflows of Resources	5,656,111	7,071,239	827,366	1,074,392	6,483,477	8,145,631
Liabilities						
Current liabilities	9,294,955	13,685,498	1,840,954	688,176	11,135,909	14,373,674
Noncurrent liabilities	<u>61,563,723</u>	<u>63,715,363</u>	<u>12,962,195</u>	<u>14,913,985</u>	<u>74,525,918</u>	<u>78,629,348</u>
Total Liabilities	70,858,678	77,400,861	14,803,149	15,602,161	85,661,827	93,003,022
Deferred Inflows of Resources	11,420,403	5,187,504	380,017	169,612	11,800,420	5,357,116
Net Position						
Net investment in capital assets	105,533,622	100,219,929	60,700,558	59,480,404	166,234,180	159,700,333
Restricted	11,520,565	11,524,421	902,116	-	12,422,681	11,524,421
Unrestricted	<u>849,539</u>	<u>(3,001,979)</u>	<u>9,556,346</u>	<u>10,173,822</u>	<u>10,405,885</u>	<u>7,171,843</u>
Total Net Position	\$ <u>117,903,726</u>	\$ <u>108,742,371</u>	\$ <u>71,159,020</u>	\$ <u>69,654,226</u>	\$ <u>189,062,746</u>	\$ <u>178,396,597</u>

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 \$189,062,746, a change of \$10,666,149 in comparison to the prior year.

The largest portion of net position, \$166,234,180 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, \$12,422,681, 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 \$10,405,885.

CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program revenues:						
Charges for services	\$ 16,327,028	\$ 15,737,008	\$ 11,804,492	\$ 11,399,245	\$ 28,131,520	\$ 27,136,253
Operating grants and contributions	4,397,788	6,641,226	39,243	41,898	4,437,031	6,683,124
Capital grants and contributions	1,720,507	5,891,634	530,247	329,335	2,250,754	6,220,969
General revenues:						
Property taxes	34,222,080	27,458,634	-	-	34,222,080	27,458,634
Payment in lieu of taxes	1,167,383	1,126,529	-	-	1,167,383	1,126,529
Penalties and interest on taxes	375,312	232,680	-	-	375,312	232,680
Investment income	3,026,421	3,429,484	719,245	820,589	3,745,666	4,250,073
Miscellaneous	881,139	589,737	-	89,272	881,139	679,009
Total Revenues	62,117,658	61,106,932	13,093,227	12,680,339	75,210,885	73,787,271
Expenses						
General government	10,693,207	9,761,341	-	-	10,693,207	9,761,341
Public safety	20,447,060	20,089,961	-	-	20,447,060	20,089,961
Public works	11,390,055	9,118,460	-	-	11,390,055	9,118,460
Airport	1,578,601	1,526,349	-	-	1,578,601	1,526,349
Library	2,246,373	2,009,548	-	-	2,246,373	2,009,548
Community development	1,443,188	1,493,157	-	-	1,443,188	1,493,157
Parks and facilities	4,648,369	5,023,043	-	-	4,648,369	5,023,043
Interest	509,450	501,186	-	-	509,450	501,186
Water	-	-	4,970,300	4,461,700	4,970,300	4,461,700
Sewer	-	-	6,618,133	6,121,040	6,618,133	6,121,040
Total Expenses	52,956,303	49,523,045	11,588,433	10,582,740	64,544,736	60,105,785
Change in Net Position	9,161,355	11,583,887	1,504,794	2,097,599	10,666,149	13,681,486
Net Position - Beginning of Year	108,742,371	97,158,484	69,654,226	67,556,627	178,396,597	164,715,111
Net Position - End of Year	\$ 117,903,726	\$ 108,742,371	\$ 71,159,020	\$ 69,654,226	\$ 189,062,746	\$ 178,396,597

Governmental Activities

Governmental activities for the year ended June 30, 2025, resulted in a change in net position of \$9,161,355 or 8.42%, which was consistent with the change in net position in the previous fiscal year. Significant changes from the previous fiscal year included an increase in charges for service revenues due to realignment of some fees for cost recovery purposes, use of unrestricted fund balance to offset higher personnel costs in public safety to maintain safe staffing levels for City employees and maintain a high level of public safety for the community, and an increase in public works non-personnel expenses related to rising operational costs.

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,504,794 or 2.16%. The primary reason for the change in net position relates to an increase in charges for services revenues due to realignment of some fees for cost recovery purposes, an increase in capital grants and contributions, and increased capitalized expenditures.

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 \$50,555,588, a change of \$1,149,949 in comparison to the prior year. The majority of the increase represented issuance of bonds for the fiscal year ending June 30, 2025, in the amount of \$2,678,800.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,252,384, while total fund balance was \$26,749,340. 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:

<u>General Fund</u>		<u>6/30/25</u>		<u>6/30/24</u>	<u>Change</u>	<u>% of Total General Fund Tax Levy</u>
Unassigned fund balance	\$	15,252,384	\$	16,951,532	\$ (1,699,148)	15.7%
Total fund balance	\$	26,749,340	\$	28,680,448	\$ (1,931,108)	27.6%

The unassigned fund balance of the General Fund changed by \$(1,699,148) which was primarily driven by the use of fund balance in the budgeting process, as well as to offset increased public safety personnel expenses.

The total fund balance of the General Fund changed by \$(1,931,108) during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (2,945,334)
Revenues in excess of budget	27,476
Expenditures less than budget	2,072,792
Transfers less than budget	129,586
Change in retirement fund	(276,542)
Change in capital reserves	73,293
Prior year carryforwards exceeding current year	<u>(1,012,379)</u>
Total	\$ <u>(1,931,108)</u>

Revenues remained consisted with budget, while overall, expenditures remained relatively consistent with prior year. Approved carryovers were less than prior year by \$328,578, demonstrating awareness of unassigned fiscal policy usage and the need to effectively balance resources. Some public safety positions remain unfilled, also contributing to overall expenditures falling short of budget expectations.

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:

	<u>6/30/25</u>	<u>6/30/24</u>	<u>Change</u>
Downtown Infrastructure and Facility	\$ 1,614,511	\$ 2,002,048	\$ (387,537)
Bridges	1,921,127	1,772,861	148,266
Fire Equipment	1,054,117	707,462	346,655
Road and Sidewalk Infrastructure	556,929	1,023,896	(466,967)
Transfer/Recycle Facility	548,483	380,379	168,104
Transportation Improvements	329,123	453,107	(123,984)
Parks and Facilities Infrastructure	1,188,722	1,364,190	(175,468)
Other Capital Reserves	<u>1,753,681</u>	<u>1,189,457</u>	<u>564,224</u>
Total	\$ <u>8,966,693</u>	\$ <u>8,893,400</u>	\$ <u>73,293</u>

Solid Waste Fund

The Solid Waste Fund reports a small decrease in fund balance due to an increase in hauling and disposal costs.

Capital Projects Fund

The Capital Projects Fund had a change in fund balance of \$3,085,999. This change is driven by the issuance of debt, including premiums, in the amount of \$2,951,000.

Nonmajor Governmental Funds

The fund balance of nonmajor funds changed by \$89,816.

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 \$9,556,346, a change of \$(275,663) 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:

- Revenues: Motor vehicle registrations revenue exceeded budget by approximately \$250K. While ambulance revenues exceeded budget by approximately \$830K, it's important to note that this revenue is based on gross billings. The City incurred a \$625K write-off during FY25 for ambulance services.
- Investment income – Actual investment income was favorable to budget by \$757,157. The budget did not capture interest rate changes relative to interest income.
- A number of departments had personnel expenses which were favorable to budget due to vacancies. These vacancies included police investigations, public works administration, engineering, public works winter maintenance, finance purchasing and revenue collection. These vacancies resulted in favorable budget variances for both salary and benefit accounts.

Other favorable variances included professional services within community development related to delayed software implementation, as well as road maintenance resulting from a staffing shortage.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$187,514,408 (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
- Thompson Road reconstruction
- 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 \$26,973,182 (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 13.

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

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

CITY OF KEENE, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and short-term investments	\$ 51,045,673	\$ 5,236,075	\$ 56,281,748
Investments	13,946,076	11,070,699	25,016,775
Receivables, net of allowance for uncollectibles:			
Property taxes	2,113,087	-	2,113,087
User fees	-	3,872,259	3,872,259
Accounts receivable	1,627,265	15,317	1,642,582
Intergovernmental receivable	1,057,523	234,388	1,291,911
Notes receivable	16,122	5,102	21,224
Leases receivable	51,843	-	51,843
Internal balances	1,554,665	(1,554,665)	-
Prepaid items	271,633	-	271,633
Inventory	384,216	377,610	761,826
Total current assets	72,068,103	19,256,785	91,324,888
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental receivable, net of current portion	-	708,199	708,199
Leases receivable, net of current portion	329,744	-	329,744
Notes receivable, net of current portion	77,550	86,727	164,277
Capital assets:			
Capital assets, net of accumulated depreciation	60,436,047	48,686,715	109,122,762
Land and construction in progress	61,615,252	16,776,394	78,391,646
Total noncurrent assets	122,458,593	66,258,035	188,716,628
Total Assets	194,526,696	85,514,820	280,041,516
Deferred Outflows of Resources			
Related to pension	4,497,938	668,731	5,166,669
Related to OPEB	1,133,873	152,727	1,286,600
Related to loss on refunding bonds	24,300	5,908	30,208
Total Deferred Outflows of Resources	5,656,111	827,366	6,483,477
Liabilities			
Current:			
Accounts payable	3,280,711	1,657,869	4,938,580
Accrued liabilities	558,829	40,655	599,484
Payroll withholdings	4,129,086	-	4,129,086
Customer deposits	-	64,840	64,840
Guaranteed deposits	1,236,558	-	1,236,558
Due to fiduciary fund	68,990	-	68,990
Other current liabilities	20,781	77,590	98,371
Current portion of long-term liabilities:			
Bonds payable	3,087,008	788,687	3,875,695
Tax increment financing bonds payable	131,000	-	131,000
Other liabilities	505,366	40,757	546,123
Total/Net OPEB liability	176,259	23,741	200,000
Total current liabilities	13,194,588	2,694,139	15,888,727
Noncurrent:			
Bonds payable, net of current portion	15,395,395	6,335,092	21,730,487
Tax increment financing bonds payable, net of current portion	1,236,000	-	1,236,000
Other liabilities, net of current portion	4,033,220	366,818	4,400,038
Net pension liability	30,289,550	4,503,304	34,792,854
Total/Net OPEB liability, net of current portion	6,709,925	903,796	7,613,721
Total noncurrent liabilities	57,664,090	12,109,010	69,773,100
Total Liabilities	70,858,678	14,803,149	85,661,827
Deferred Inflows of Resources			
Related to pension	1,626,260	241,784	1,868,044
Related to OPEB	969,960	130,648	1,100,608
Related to leases	381,587	-	381,587
Related to taxes	8,430,709	-	8,430,709
Related to gain on refunding bonds	11,887	7,585	19,472
Total Deferred Inflows of Resources	11,420,403	380,017	11,800,420
Net Position			
Net investment in capital assets	105,533,622	60,700,558	166,234,180
Restricted for:			
Grants and other statutory restrictions	2,372,754	902,116	3,274,870
Permanent funds:			
Expendable	2,218,610	-	2,218,610
Nonexpendable	6,929,201	-	6,929,201
Unrestricted	849,539	9,556,346	10,405,885
Total Net Position	\$ 117,903,726	\$ 71,159,020	\$ 189,062,746

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, 2025

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 10,693,207	\$ 4,850,714	\$ 2,989,167	\$ -	\$ (2,853,326)	\$ -	\$ (2,853,326)
Public safety	20,447,060	3,388,971	1,299,968	-	(15,758,121)	-	(15,758,121)
Public works	11,390,055	6,961,714	10,074	1,583,760	(2,834,507)	-	(2,834,507)
Airport	1,578,601	560,479	8,267	136,747	(873,108)	-	(873,108)
Library	2,246,373	28,701	27,434	-	(2,190,238)	-	(2,190,238)
Community development	1,443,188	59,822	-	-	(1,383,366)	-	(1,383,366)
Parks and facilities	4,648,369	476,627	62,878	-	(4,108,864)	-	(4,108,864)
Interest	509,450	-	-	-	(509,450)	-	(509,450)
Total Governmental Activities	52,956,303	16,327,028	4,397,788	1,720,507	(30,510,980)	-	(30,510,980)
Business-Type Activities							
Water	4,970,300	5,385,139	39,243	-	-	454,082	454,082
Sewer	6,618,133	6,419,353	-	530,247	-	331,467	331,467
Total Business-Type Activities	11,588,433	11,804,492	39,243	530,247	-	785,549	785,549
Total	\$ 64,544,736	\$ 28,131,520	\$ 4,437,031	\$ 2,250,754	(30,510,980)	785,549	(29,725,431)
General Revenues							
Property taxes					34,222,080	-	34,222,080
Payment in lieu of taxes					1,167,383	-	1,167,383
Penalties and interest on taxes					375,312	-	375,312
Investment income					3,026,421	719,245	3,745,666
Miscellaneous					881,139	-	881,139
Total general revenues					39,672,335	719,245	40,391,580
Change in Net Position					9,161,355	1,504,794	10,666,149
Net Position							
Beginning of year					108,742,371	69,654,226	178,396,597
End of year					\$ 117,903,726	\$ 71,159,020	\$ 189,062,746

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

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2025

	<u>General Fund</u>	<u>Solid Waste Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and short-term investments	\$ 34,459,451	\$ 2,779,961	\$ 9,854,584	\$ 2,723,447	\$ 49,817,443
Investments	4,230,325	-	-	8,648,268	12,878,593
Receivables:					
Property taxes, net	2,113,087	-	-	-	2,113,087
Accounts receivable, net	814,903	710,070	-	97,433	1,622,406
Intergovernmental	-	-	449,341	608,182	1,057,523
Notes receivable	-	-	-	93,672	93,672
Leases receivable	381,587	-	-	-	381,587
Due from other funds	1,554,665	-	-	-	1,554,665
Advance to other funds	-	172,340	-	-	172,340
Prepaid items	271,633	-	-	-	271,633
Total Assets	\$ <u>43,825,651</u>	\$ <u>3,662,371</u>	\$ <u>10,303,925</u>	\$ <u>12,171,002</u>	\$ <u>69,962,949</u>
Liabilities					
Accounts payable	\$ 690,206	\$ 420,767	\$ 1,350,189	\$ 538,223	\$ 2,999,385
Accrued liabilities	289,334	1,812	1,517	18,542	311,205
Payroll withholdings	4,129,086	-	-	-	4,129,086
Due to fiduciary funds	68,990	-	-	-	68,990
Advance from other funds	172,340	-	-	-	172,340
Guaranteed deposits	1,236,558	-	-	-	1,236,558
Other liabilities	20,781	-	-	-	20,781
Total Liabilities	6,607,295	422,579	1,351,706	556,765	8,938,345
Deferred Inflows of Resources					
Unavailable revenues	1,656,720	-	-	-	1,656,720
Taxes collected in advance	8,430,709	-	-	-	8,430,709
Related to leases	381,587	-	-	-	381,587
Total Deferred Inflows of Resources	10,469,016	-	-	-	10,469,016
Fund Balances					
Nonspendable	271,633	-	-	6,929,201	7,200,834
Restricted	-	3,239,792	4,983,211	4,685,036	12,908,039
Committed	10,055,049	-	5,243,983	-	15,299,032
Assigned	1,170,274	-	-	-	1,170,274
Unassigned	15,252,384	-	(1,274,975)	-	13,977,409
Total Fund Balances	26,749,340	3,239,792	8,952,219	11,614,237	50,555,588
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>43,825,651</u>	\$ <u>3,662,371</u>	\$ <u>10,303,925</u>	\$ <u>12,171,002</u>	\$ <u>69,962,949</u>

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

CITY OF KEENE, NEW HAMPSHIRE

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

JUNE 30, 2025

Total Governmental Fund Balances	\$ 50,555,588
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	118,502,148
- 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 - Related to OPEB - Losses on refunding bonds	4,497,938 1,133,873 24,300
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,656,720
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.	5,830,597
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(232,964)
- 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 - Tax increment financing bonds payable - Net pension liability - Total/Net OPEB liability - Other long-term liabilities (compensated absences and landfill liability)	(18,482,403) (1,367,000) (30,289,550) (6,886,184) (4,431,230)
- 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 - Related to OPEB - Gains on refunding bonds	(1,626,260) (969,960) (11,887)
Net Position of Governmental Activities	\$ <u>117,903,726</u>

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

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Solid Waste Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 31,254,722	\$ -	\$ -	\$ 238,511	\$ 31,493,233
Charges for services	3,508,948	6,054,118	-	1,353,260	10,916,326
Intergovernmental	3,674,364	260	1,236,980	1,258,187	6,169,791
Licenses and permits	4,644,739	59,182	-	56,311	4,760,232
Investment income	1,691,677	174,614	-	1,021,538	2,887,829
Contributions	-	-	9,814	48,689	58,503
Miscellaneous	<u>242,091</u>	<u>6,210</u>	<u>359,642</u>	<u>192,628</u>	<u>800,571</u>
Total Revenues	45,016,541	6,294,384	1,606,436	4,169,124	57,086,485
Expenditures					
General government	9,707,700	-	-	936,372	10,644,072
Public safety	17,860,297	-	-	1,500,016	19,360,313
Public works	3,049,235	6,051,051	-	14,217	9,114,503
Airport	771,034	-	-	-	771,034
Library	1,849,340	-	-	56,940	1,906,280
Community development	1,452,202	-	-	-	1,452,202
Parks and facilities	4,096,131	-	-	117,204	4,213,335
Debt service:					
Principal	2,938,463	45,000	-	152,368	3,135,831
Interest	655,682	8,770	-	27,101	691,553
Capital outlay	<u>-</u>	<u>-</u>	<u>7,598,413</u>	<u>-</u>	<u>7,598,413</u>
Total Expenditures	<u>42,380,084</u>	<u>6,104,821</u>	<u>7,598,413</u>	<u>2,804,218</u>	<u>58,887,536</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	2,636,457	189,563	(5,991,977)	1,364,906	(1,801,051)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	2,678,800	-	2,678,800
Bond premiums	-	-	272,200	-	272,200
Transfers in	474,321	-	6,126,976	7,000	6,608,297
Transfers out	<u>(5,041,886)</u>	<u>(284,321)</u>	<u>-</u>	<u>(1,282,090)</u>	<u>(6,608,297)</u>
Total Other Financing Sources (Uses)	<u>(4,567,565)</u>	<u>(284,321)</u>	<u>9,077,976</u>	<u>(1,275,090)</u>	<u>2,951,000</u>
Change in Fund Balance	(1,931,108)	(94,758)	3,085,999	89,816	1,149,949
Fund Balances at Beginning of Year, as previously reported	28,680,448	-	5,866,220	14,858,971	49,405,639
Adjustment - change from nonmajor to major fund	<u>-</u>	<u>3,334,550</u>	<u>-</u>	<u>(3,334,550)</u>	<u>-</u>
Fund Balances at Beginning of Year, as reclassified	<u>28,680,448</u>	<u>3,334,550</u>	<u>5,866,220</u>	<u>11,524,421</u>	<u>49,405,639</u>
Fund Balances at End of Year	\$ <u>26,749,340</u>	\$ <u>3,239,792</u>	\$ <u>8,952,219</u>	\$ <u>11,614,237</u>	\$ <u>50,555,588</u>

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

CITY OF KEENE, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2025

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,149,949																										
- 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: <table> <tr> <td>Capital outlay</td><td style="text-align: right;">7,852,874</td></tr> <tr> <td>Depreciation</td><td style="text-align: right;">(3,547,996)</td></tr> </table> - 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: <table> <tr> <td>Repayments of general obligation and tax increment financing bonds</td><td style="text-align: right;">3,135,831</td></tr> </table> - 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. <table> <tr> <td></td><td style="text-align: right;">4,161,543</td></tr> </table> - In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table> <tr> <td></td><td style="text-align: right;">(17,950)</td></tr> </table> - 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: <table> <tr> <td>Issuance of debt</td><td style="text-align: right;">(2,678,800)</td></tr> <tr> <td>Bond premium</td><td style="text-align: right;">(272,200)</td></tr> <tr> <td>Bond premium amortization</td><td style="text-align: right;">212,468</td></tr> <tr> <td>Amortization of gain/loss on prior years refunding bonds</td><td style="text-align: right;">(12,416)</td></tr> <tr> <td>Net pension liability and related deferred outflows and inflows of resources</td><td style="text-align: right;">505,775</td></tr> <tr> <td>Net OPEB liability and related deferred outflows and inflows of resources</td><td style="text-align: right;">(143,971)</td></tr> <tr> <td>Other (compensated absences and landfill liability)</td><td style="text-align: right;">(1,483,233)</td></tr> </table> - 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. <table> <tr> <td></td><td style="text-align: right;">299,481</td></tr> </table>	Capital outlay	7,852,874	Depreciation	(3,547,996)	Repayments of general obligation and tax increment financing bonds	3,135,831		4,161,543		(17,950)	Issuance of debt	(2,678,800)	Bond premium	(272,200)	Bond premium amortization	212,468	Amortization of gain/loss on prior years refunding bonds	(12,416)	Net pension liability and related deferred outflows and inflows of resources	505,775	Net OPEB liability and related deferred outflows and inflows of resources	(143,971)	Other (compensated absences and landfill liability)	(1,483,233)		299,481	
Capital outlay	7,852,874																										
Depreciation	(3,547,996)																										
Repayments of general obligation and tax increment financing bonds	3,135,831																										
	4,161,543																										
	(17,950)																										
Issuance of debt	(2,678,800)																										
Bond premium	(272,200)																										
Bond premium amortization	212,468																										
Amortization of gain/loss on prior years refunding bonds	(12,416)																										
Net pension liability and related deferred outflows and inflows of resources	505,775																										
Net OPEB liability and related deferred outflows and inflows of resources	(143,971)																										
Other (compensated absences and landfill liability)	(1,483,233)																										
	299,481																										
Change in Net Position of Governmental Activities	\$ <u>9,161,355</u>																										

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

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Assets				
Current:				
Cash and short-term investments	\$ 5,236,075	\$ -	\$ 5,236,075	\$ 1,228,230
Investments	3,572,336	7,498,363	11,070,699	1,067,483
Receivables, net of allowance for uncollectibles				
User fees	1,745,057	2,127,202	3,872,259	-
Accounts receivable	990	14,327	15,317	4,859
Notes receivable	3,137	1,965	5,102	-
Intergovernmental receivable	2,519	231,869	234,388	-
Inventory	228,314	149,296	377,610	384,216
Total current assets	10,788,428	10,023,022	20,811,450	2,684,788
Noncurrent:				
Notes receivable, net of current portion	53,323	33,404	86,727	-
Intergovernmental receivable, net of current portion	-	708,199	708,199	-
Capital assets:				
Land and construction in progress	6,945,294	9,831,100	16,776,394	-
Capital assets, net of accumulated depreciation	23,553,818	25,132,897	48,686,715	3,549,151
Total noncurrent assets	30,552,435	35,705,600	66,258,035	3,549,151
Total Assets	41,340,863	45,728,622	87,069,485	6,233,939
Deferred Outflows of Resources				
Related to pension	331,644	337,087	668,731	-
Related to OPEB	73,821	78,906	152,727	-
Other	-	5,908	5,908	-
Total Deferred Outflows of Resources	405,465	421,901	827,366	-
Liabilities				
Current:				
Accounts payable	635,027	1,022,842	1,657,869	281,326
Accrued liabilities	23,081	17,574	40,655	14,777
Due to other funds	-	1,554,665	1,554,665	-
Customer deposits	64,840	-	64,840	-
Other current liabilities	49,587	28,003	77,590	-
Current portion of long-term liabilities:				
Bonds payable	322,200	466,487	788,687	-
Compensated absences	20,135	20,622	40,757	10,724
Total/Net OPEB liability	11,475	12,266	23,741	-
Total current liabilities	1,126,345	3,122,459	4,248,804	306,827
Noncurrent:				
Bonds payable, net of current portion	3,703,627	2,631,465	6,335,092	-
Compensated absences, net of current portion	181,219	185,599	366,818	96,515
Net pension liability	2,233,322	2,269,982	4,503,304	-
Total/Net OPEB liability, net of current portion	436,852	466,944	903,796	-
Total noncurrent liabilities	6,555,020	5,553,990	12,109,010	96,515
Total Liabilities	7,681,365	8,676,449	16,357,814	403,342
Deferred Inflows of Resources				
Related to pension	119,908	121,876	241,784	-
Related to OPEB	63,149	67,499	130,648	-
Other	-	7,585	7,585	-
Total Deferred Inflows of Resources	183,057	196,960	380,017	-
Net Position				
Net investment in capital assets	28,843,776	31,856,782	60,700,558	3,549,151
Restricted	-	902,116	902,116	-
Unrestricted	5,038,130	4,518,216	9,556,346	2,281,446
Total Net Position	\$ 33,881,906	\$ 37,277,114	\$ 71,159,020	\$ 5,830,597

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, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Operating Revenues				
Charges for services	\$ 5,385,139	\$ 6,419,353	\$ 11,804,492	\$ 3,034,906
Other	-	-	-	80,569
Total Operating Revenues	5,385,139	6,419,353	11,804,492	3,115,475
Operating Expenses				
Salaries and benefits	2,179,899	1,913,781	4,093,680	983,931
Other operating expenses	1,678,079	3,257,460	4,935,539	1,250,707
Depreciation	986,776	1,348,904	2,335,680	590,361
Total Operating Expenses	4,844,754	6,520,145	11,364,899	2,824,999
Operating Income	540,385	(100,792)	439,593	290,476
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	39,243	-	39,243	-
Investment income	263,653	455,592	719,245	138,593
Loss on disposal of capital assets	-	-	-	(129,588)
Interest expense	(125,546)	(97,988)	(223,534)	-
Total Nonoperating Revenues (Expenses), Net	177,350	357,604	534,954	9,005
Income Before Contributions	717,735	256,812	974,547	299,481
Capital contributions	-	530,247	530,247	-
Change in Net Position	717,735	787,059	1,504,794	299,481
Net Position at Beginning of Year	33,164,171	36,490,055	69,654,226	5,531,116
Net Position at End of Year	\$ 33,881,906	\$ 37,277,114	\$ 71,159,020	\$ 5,830,597

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, 2025

	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	\$ 5,711,970	\$ 6,776,284	\$ 12,488,254	\$ 3,118,495
Payments to vendors	(1,307,432)	(2,513,523)	(3,820,955)	(1,185,938)
Payments to employees for salaries and benefits	(1,934,145)	(2,166,191)	(4,100,336)	(944,973)
Net Cash Provided By Operating Activities	2,470,393	2,096,570	4,566,963	987,584
Cash Flows From Noncapital Financing Activities				
Intergovernmental revenues	42,380	-	42,380	-
Proceeds from interfund loan agreements	-	224,840	224,840	-
Net Cash Provided By (Used For) Noncapital Financing Activities	42,380	224,840	267,220	-
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(937,275)	(1,254,396)	(2,191,671)	(1,018,849)
Principal payments on bonds	(305,038)	(1,123,280)	(1,428,318)	-
Interest paid	(146,575)	(103,485)	(250,060)	-
Capital contributions	-	530,247	530,247	-
Net Cash Used For Capital and Related Financing Activities	(1,388,888)	(1,950,914)	(3,339,802)	(1,018,849)
Cash Flows From Investing Activities				
Sale of investments	-	-	-	(370,979)
Purchase of investments	(291,704)	(852,558)	(1,144,262)	-
Investment income	276,264	482,062	758,326	142,361
Net Cash Provided by (Used For) Investing Activities	(15,440)	(370,496)	(385,936)	(228,618)
Net Change in Cash and Short-Term Investments	1,108,445	-	1,108,445	(259,883)
Cash and Short-Term Investments, Beginning of Year	4,127,630	-	4,127,630	1,488,113
Cash and Short-Term Investments, End of Year	\$ 5,236,075	\$ -	\$ 5,236,075	\$ 1,228,230
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 540,385	\$ (100,792)	\$ 439,593	\$ 290,476
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	986,776	1,348,904	2,335,680	590,361
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees receivable	295,326	124,193	419,519	3,022
Intergovernmental receivables	31,504	240,325	271,829	-
Inventory	(61,003)	48,083	(12,920)	(42,761)
Deferred outflows - related to pension	79,104	174,844	253,948	-
Deferred outflows - related to OPEB	(11,094)	(1,735)	(12,829)	-
Deferred outflows - other	-	5,907	5,907	-
Accounts payable	431,651	689,946	1,121,597	107,529
Accrued liabilities	106,130	109,923	216,053	38,957
Net pension liability	(55,301)	(582,423)	(637,724)	-
Total/Net OPEB liability	13,012	(57,107)	(44,095)	-
Deferred inflows - related to pension	92,961	88,290	181,251	-
Deferred inflows - related to OPEB	20,942	15,798	36,740	-
Deferred inflows - other	-	(7,586)	(7,586)	-
Net Cash Provided By Operating Activities	\$ 2,470,393	\$ 2,096,570	\$ 4,566,963	\$ 987,584

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, 2025

	Private Purpose Trust <u>Funds</u>	Custodial <u>Fund</u>
Assets		
Cash and short-term investments	\$ -	\$ 12,487,182
Investments:		
Corporate equities	<u>5,698,788</u>	<u>-</u>
Total Assets	5,698,788	12,487,182
Liabilities		
Due to other governments	-	8,245
Taxes collected in advance	<u>-</u>	<u>12,487,182</u>
Total Liabilities	<u>-</u>	<u>12,495,427</u>
Net Position		
Restricted for individuals, organizations, and other governments	\$ <u>5,698,788</u>	\$ <u>(8,245)</u>

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

CITY OF KEENE, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	Private Purpose <u>Trust Funds</u>	Custodial <u>Fund</u>
Additions		
Property taxes collected for school districts	\$ -	\$ 40,510,882
Property taxes collected for the County of Cheshire	-	8,068,221
Fees collected for State of New Hampshire	-	1,259,217
Investment income	<u>547,323</u>	<u>-</u>
Total Additions	547,323	49,838,320
Deductions		
Payments of taxes to school districts	-	40,510,882
Payment of taxes to the County of Cheshire	-	8,068,221
Payments to State of New Hampshire	-	1,267,462
Payments to beneficiaries	<u>30,626</u>	<u>-</u>
Total Deductions	<u>30,626</u>	<u>49,846,565</u>
Change in Net Position	516,697	(8,245)
Restricted Net Position		
Beginning of year	<u>5,182,091</u>	<u>-</u>
End of year	\$ <u>5,698,788</u>	\$ <u>(8,245)</u>

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

CITY OF KEENE, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Keene, New Hampshire (the City) conform to 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 2025, 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Solid Waste Fund* accounts for the activities of the transfer and recycling operations and for post-closure costs associated with the landfill. Funding is primarily from tipping fees and recycling fees.
- 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 (NHDPID), 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:

<u>Assets</u>	<u>Years</u>
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. The City implemented GASB Statement No. 101, *Compensated Absences*, for the fiscal year 2025. The effect on the restatement of beginning net position in governmental activities was not material to the City's financial statements.

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, 2025, none of the City's bank balance of \$59,699,191 was exposed to custodial credit risk as uninsured and/or uncollateralized.

Investments

The following is a summary of the City's investments as of June 30, 2025:

<u>Investment Type</u>	<u>Amount</u>
Market linked certificates of deposits	\$ 1,443,713
Corporate bonds	1,482,690
Corporate equities	7,096,218
Exchange traded funds	2,232,115
Equity mutual funds	588,552
Federal agency securities	16,287,818
Fixed income taxable funds	273,554
U.S. Treasury notes	<u>1,310,903</u>
Total investments	\$ <u>30,715,563</u>

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, 2025, none of the City's investments were exposed to custodial credit risk.

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, 2025, except for U.S. Treasury notes, which have an implied credit rating of Aaa, as rated by Moody's:

Ratings as of Year-End						
<u>Debt related securities</u>	<u>Amount</u>	<u>Aaa</u>	<u>Aa1-Aa3</u>	<u>A1</u>	<u>Baa2</u>	<u>Unrated</u>
Market linked certificates of deposits	\$ 1,443,713	\$ -	-	-	-	\$ 1,443,713
Corporate bonds	1,482,690	-	475,417	781,589	225,684	-
Federal agency securities	16,287,818	16,287,818	-	-	-	-
Fixed income taxable funds	273,554	-	-	-	-	273,554
Total investments	\$ 19,487,775	\$ 16,287,818	\$ 475,417	\$ 781,589	\$ 225,684	\$ 1,717,267

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, 2025:

		Investment Maturities (in Years)		
		Less		
<u>Investment Type</u>	<u>Amount</u>	<u>Than 1</u>	<u>1-5</u>	<u>6-10</u>
Certificates of deposits	\$ 1,443,713	\$ 744,775	698,938	-
Corporate bonds	1,482,690	122,494	1,038,353	321,843
Federal agency securities	16,287,818	3,332,504	12,955,314	-
Fixed income taxable funds	273,554	-	101,810	171,744
U.S. Treasury notes	1,310,903	-	334,415	976,488
Total	\$ 20,798,678	\$ 4,199,773	\$ 15,128,830	\$ 1,470,075

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, 2025 as all investments are denominated in U.S. dollars.

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, 2025:

		Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment Type	Amount			
Investments by fair value level:				
Market linked CDs	\$ 1,443,713	\$ -	\$ 1,443,713	\$ -
Corporate bonds	1,482,690	-	1,482,690	-
Corporate equities	7,096,218	7,096,218	-	-
Exchange traded funds	2,232,115	2,232,115	-	-
Equity mutual funds	588,552	588,552	-	-
Federal agency securities	16,287,818	-	16,287,818	-
Fixed income taxable funds	273,554	-	273,554	-
U.S. Treasury notes	1,310,903	-	1,310,903	-
Total	\$ 30,715,563	\$ 9,916,885	\$ 20,798,678	\$ -

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, 2025 consisted of the following:

	Gross Amount (fund basis)	Less Allowance	Net Receivable
Real estate taxes	\$ 116,236	\$ -	\$ 116,236
Timber yield and excavation taxes	6,190	-	6,190
Tax liens	1,700,039	-	1,700,039
Elderly liens	210,476	-	210,476
Tax deeded properties	80,146	-	80,146
Total property taxes	<u>\$ 2,113,087</u>	<u>\$ -</u>	<u>\$ 2,113,087</u>

Taxes Collected for Others

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

5. User 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, 2025 consisted of the following:

	Gross Amount	Allowance for Doubtful Accounts	Net Amount
Water	\$ 1,746,057	\$ (1,000)	\$ 1,745,057
Sewer	<u>2,133,392</u>	<u>(6,190)</u>	<u>2,127,202</u>
Total	<u>\$ 3,879,449</u>	<u>\$ (7,190)</u>	<u>\$ 3,872,259</u>

6. Accounts Receivable

This balance represents fees or services that were rendered but not yet paid by year-end. Governmental (including Internal Service Fund) receivables consist of the following, net of allowances for uncollectable accounts:

	Net Amount
Landfill tipping fees	\$ 729,438
Tipping fees allowance	(19,369)
Ambulance services	1,291,109
Ambulance allowance	(625,000)
Other receivables	259,585
Other allowance	(13,357)
Fleet services	<u>4,859</u>
Total Accounts Receivable	\$ <u>1,627,265</u>

7. Notes Receivable

The balance at June 30, 2025 of notes receivable in the proprietary funds represents \$91,829 due from Ashuelot Court property owners on the following schedule:

	<u>Amount</u>
2026	\$ 5,102
2027	5,102
2028	5,102
2029	5,102
2030	5,102
2031 - 2035	25,510
2036 - 2040	25,510
2041 - 2043	<u>15,299</u>
Total	\$ <u>91,829</u>

In addition, at June 30, 2025 the governmental activities reflect \$93,672 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 2025.

\$902,116 of the amounts in the Sewer Fund are due from the State of New Hampshire for financial assistance (approximately 20% of debt service costs) to communities for the planning, design, and construction of certain sewage disposal facilities. Future amounts of these Sewer Fund intergovernmental receivables are as follows:

	<u>Amount</u>
2026	\$ 193,917
2027	190,017
2028	186,108
2029	174,252
2030	41,309
2031 - 2034	<u>116,513</u>
Total	<u>\$ 902,116</u>

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 2025 were \$51,001.

Leases receivable consisted of the following:

<u>Purpose</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>June 30, 2025</u>
Retail space	\$ 136,445	07/31/27	1.65%	\$ 69,896
Ground lease	395,676	04/30/35	1.65%	<u>311,691</u>
Total				<u>\$ 381,587</u>

Future minimum lease payments under these leases consisted of the following at June 30, 2025:

	<u>Principal</u>	<u>Interest</u>
2026	\$ 51,843	\$ 6,296
2027	52,698	5,441
2028	53,567	4,573
2029	30,380	3,687
2030	30,881	3,186
2031 - 2035	<u>162,218</u>	<u>8,117</u>
Total	\$ <u>381,587</u>	\$ <u>31,300</u>

10. Interfund Receivables/Payables and Transfers

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

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,554,665	\$ -
Enterprise Fund:		
Sewer Fund	<u>-</u>	<u>1,554,665</u>
Total	\$ <u>1,554,665</u>	\$ <u>1,554,665</u>

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, 2025, the following balance remains outstanding:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 172,340
Nonmajor Funds:		
Special Revenue Funds:		
Solid waste	<u>172,340</u>	<u>-</u>
Total	\$ <u>172,340</u>	\$ <u>172,340</u>

The City reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is a schedule of major interfund transfers for the year ended June 30, 2025:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 474,321	\$ 5,041,886
Solid Waste Fund	-	284,321
Capital Projects Fund	6,126,976	-
Nonmajor Funds:		
Special Revenue Funds:		
Grants	7,000	1,037,204
Parking	-	236,000
Permanent Fund:		
Cemetery trusts	-	8,886
Total	\$ <u>6,608,297</u>	\$ <u>6,608,297</u>

Of the \$5,041,886 transfer out from the General Fund, \$4,983,933 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 \$1,037,204 transfer out from the Grants Fund, \$887,204 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, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	\$ 50,095,247	\$ -	\$ -	\$ 50,095,247
Vehicles and equipment	28,606,868	1,769,750	(552,728)	29,823,890
Land improvements	11,061,177	-	-	11,061,177
Infrastructure	91,768,667	-	-	91,768,667
Total capital assets, being depreciated	181,531,959	1,769,750	(552,728)	182,748,981
Less accumulated depreciation for:				
Buildings and improvements	(20,050,737)	(967,508)	-	(21,018,245)
Vehicles and equipment	(19,659,285)	(1,344,564)	349,402	(20,654,447)
Land improvements	(9,251,501)	(225,076)	-	(9,476,577)
Infrastructure	(69,562,456)	(1,601,209)	-	(71,163,665)
Total accumulated depreciation	(118,523,979)	(4,138,357)	349,402	(122,312,934)
Total capital assets, being depreciated, net	63,007,980	(2,368,607)	(203,326)	60,436,047
Capital assets, not being depreciated:				
Land	21,498,062	92,070	-	21,590,132
Construction in progress	32,941,479	7,092,221	(8,580)	40,025,120
Total capital assets, not being depreciated	54,439,541	7,184,291	(8,580)	61,615,252
Governmental activities capital assets, net	\$ 117,447,521	\$ 4,815,684	\$ (211,906)	\$ 122,051,299

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	\$ 50,095,247	\$ -	\$ -	\$ 50,095,247
Vehicles and equipment	20,242,448	882,272	(218,306)	20,906,414
Land improvements	11,061,177	-	-	11,061,177
Infrastructure	91,768,667	-	-	91,768,667
Total capital assets, being depreciated	173,167,539	882,272	(218,306)	173,831,505
Less accumulated depreciation for:				
Buildings and improvements	(20,050,737)	(967,508)	-	(21,018,245)
Vehicles and equipment	(14,545,116)	(754,203)	144,568	(15,154,751)
Land improvements	(9,251,501)	(225,076)	-	(9,476,577)
Infrastructure	(69,562,456)	(1,601,209)	-	(71,163,665)
Total accumulated depreciation	(113,409,810)	(3,547,996)	144,568	(116,813,238)
Total capital assets, being depreciated, net	59,757,729	(2,665,724)	(73,738)	57,018,267
Capital assets, not being depreciated:				
Land	21,498,062	92,070	-	21,590,132
Construction in progress	32,941,479	6,960,850	(8,580)	39,893,749
Total capital assets, not being depreciated	54,439,541	7,052,920	(8,580)	61,483,881
Governmental activities - general, solid waste, and parking capital assets, net	\$ 114,197,270	\$ 4,387,196	\$ (82,318)	\$ 118,502,148

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities - Internal Service				
Capital assets, being depreciated:				
Vehicles and equipment	\$ 8,364,420	\$ 887,478	\$ (334,422)	\$ 8,917,476
Total capital assets, being depreciated	8,364,420	887,478	(334,422)	8,917,476
Less accumulated depreciation for:				
Vehicles and equipment	(5,114,169)	(590,361)	204,834	(5,499,696)
Total accumulated depreciation	(5,114,169)	(590,361)	204,834	(5,499,696)
Total capital assets, being depreciated, net	(5,114,169)	(590,361)	204,834	(5,499,696)
Capital assets, not being depreciated:				
Construction in progress	-	131,371	-	131,371
Total capital assets, not being depreciated	-	131,371	-	131,371
Governmental activities - internal service capital assets, net	\$ 3,250,251	\$ 428,488	\$ (129,588)	\$ 3,549,151

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	(13,272,704)	(379,810)	-	(13,652,514)
Vehicles and equipment	(13,127,279)	(683,655)	-	(13,810,934)
Land improvements	(419,955)	(2,975)	-	(422,930)
Infrastructure	(34,555,795)	(1,269,240)	-	(35,825,035)
Total accumulated depreciation	(61,375,733)	(2,335,680)	-	(63,711,413)
Total capital assets, being depreciated, net	51,022,394	(2,335,680)	-	48,686,714
Capital assets, not being depreciated:				
Land	2,478,735	-	-	2,478,735
Construction in progress	12,105,989	2,191,671	-	14,297,660
Total capital assets, being depreciated, net	14,584,724	2,191,671	-	16,776,395
Business-type activities capital assets, net	\$ 65,607,118	\$ (144,009)	\$ -	\$ 65,463,109

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

Governmental Activities	
General government	\$ 389,666
Public safety	688,853
Public works	1,247,168
Library	293,129
Parks and facilities	200,102
Airport	729,078
Fleet (Internal Service Fund)	<u>590,361</u>
Total governmental activities	<u>\$ 4,138,357</u>
Business-Type Activities	
Water	\$ 986,776
Sewer	<u>1,348,904</u>
Total business-type activities	<u>\$ 2,335,680</u>

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. 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, 2025:

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
	Through		as of
<u>Governmental Activities:</u>			<u>6/30/25</u>
Municipal facilities 2013 refunded	01/2026	2.00%	\$ 305,100
Sidewalk construction 2013 refunded	01/2026	2.00%	5,000
Drainage improvements 2013 refunded	01/2026	2.00%	20,000
Ice rink 2015	11/2034	2.00 - 4.00%	650,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	270,000
City Hall boiler replacement & oil tank removal	09/2026	2.00 - 4.00%	20,000
Flood management	09/2026	2.00 - 4.00%	78,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	290,000
2017 Refunding Series B	07/2028	2.00 - 4.00%	521,948
Transfer station tip floor replacement	09/2026	2.00 - 4.00%	20,000
Airport Terminal Improvements	09/2038	3.00 - 3.50%	25,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	520,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	500,000
Flood Management	09/2038	3.00 - 3.50%	540,000
Winchester Street Bypass	09/2038	3.00 - 3.50%	360,000
Goose Pond Dam Improvements	09/2038	3.00 - 3.50%	615,000
Transfer Station Energy Source	09/2038	3.00 - 3.50%	100,000
City Hall Rear Wall	09/2027	1.63%	75,000
Winchester Street Bypass	09/2035	1.63%	629,000
Flood Management	09/2035	1.63%	374,000
Road Rehabilitation	09/2030	1.63%	764,000
Flood Management	09/2035	1.63%	537,000
Road Rehabilitation	09/2030	1.63%	537,000
Transfer Station Roof	09/2035	1.63%	125,000
Airport Fuel Tanks	09/2030	1.63%	304,000
Police Dispatch Console	09/2025	1.63%	43,000
Municipal Building Improvements	09/2025	1.63%	62,000
Fire Station Refunding Series B	10/2030	1.36%	1,460,000
Robin Dam Refunding Series B	10/2030	1.36%	175,000
Municipal Building Roofs	08/2033	5.10%	440,978
Road Rehab	08/2033	5.10%	242,905
Salt Shed Replacement	08/2033	5.10%	357,836
Flood Management	08/2038	5.10%	620,926
Pat Russel Park	08/2038	5.10%	1,070,763
Carpenter Flood	08/2038	5.10%	83,458
Pat Russel Park	08/2033	5.10%	292,103
State Bypass Winch. St	08/2033	5.10%	476,028
Road Rehab	08/2033	5.10%	751,537
Wells St Parking	08/2033	5.10%	426,306
Road Preservation and Rehab	08/2034	5.10%	475,200
Thompson Road Stabilization	08/2034	5.10%	965,950
Stormwater Resiliency Program	08/2034	5.10%	1,237,650
Total Governmental Activities			\$ 17,366,688

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
	Through		as of
<u>Business-Type Activities:</u>			<u>6/30/25</u>
Water Fund:			
Woodward pond dam	09/2035	1.63%	\$ 1,265,000
Reservoir dam repairs	09/2036	2.00 - 4.00%	490,000
3.0 MG water tank repair	08/2038	5.10%	2,030,528
Total Water Fund			3,785,528

(continued)

(continued)

Sewer Fund:			
Sewer main improvements	01/2033	2.00 - 2.75%	340,000
Advance treatment refunded	01/2026	2.00%	19,900
Sewer main improvement refunded	01/2026	2.00%	60,000
WWTP closure	11/2034	2.00 - 4.00%	400,000
2017 Refunding Series 2016 B	07/2028	2.00 - 4.00%	358,052
2018 Martel Court Headworks Replace	09/2033	3.00 - 3.50%	810,000
Colony court bloomer swamp main	09/2035	1.63%	1,110,000
Total Sewer Fund			3,097,952
Total Business-Type Activities			\$ 6,883,480

Future Debt Service

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2025 were as follows:

Governmental	Direct Borrowings			General Obligation Bonds (Public Offerings)		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,503,876	\$ 435,064	\$ 1,938,940	\$ 1,352,513	\$ 167,262	\$ 1,519,775
2027	1,393,874	388,728	1,782,602	984,774	116,884	1,101,658
2028	1,388,874	343,328	1,732,202	643,348	80,703	724,051
2029	1,363,823	298,160	1,661,983	534,413	54,107	588,520
2030	1,358,821	253,229	1,612,050	210,000	38,913	248,913
2031 - 2035	4,359,234	664,955	5,024,189	950,000	98,637	1,048,637
2036 - 2040	1,158,138	112,013	1,270,151	165,000	11,184	176,184
Total	\$ 12,526,640	\$ 2,495,477	\$ 15,022,117	\$ 4,840,048	\$ 567,690	\$ 5,407,738

The following governmental funds have been designated as the sources to repay the governmental-type general obligation bonds outstanding as of June 30, 2025:

General Fund	\$ 16,800,382
Solid Waste Fund	245,000
Parking Fund	321,306
Total	\$ 17,366,688

<u>Water Fund:</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	260,038	82,604	342,642	40,000	9,750	49,750
2031 - 2035	1,300,190	273,603	1,573,793	200,000	29,250	229,250
2036 - 2039	695,148	60,123	755,271	80,000	2,600	82,600
Total Water Fund	\$ 3,295,528	\$ 839,688	\$ 4,135,216	\$ 490,000	\$ 94,600	\$ 584,600

<u>Sewer Fund:</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 100,000	\$ 17,489	\$ 117,489	\$ 366,487	\$ 62,841	\$ 429,328
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	225,587	30,493	256,080
2030	100,000	10,889	110,889	170,000	24,063	194,063
2031 - 2035	505,000	27,059	532,059	680,000	48,592	728,592
2036 - 2039	105,000	-	105,000	-	866	866
Total Sewer Fund	\$ 1,110,000	\$ 98,005	\$ 1,208,005	\$ 1,987,952	\$ 257,323	\$ 2,245,275

Tax Increment Financing Bonds

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

- \$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:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/25</u>
Library Campus Development	09/2036	2.00 - 4.00%	\$ 1,187,000
Courthouse Refunding Series B	10/2030	1.36%	<u>180,000</u>
Total Governmental Activities			<u>\$ 1,367,000</u>

Future Debt Service on Tax Increment Financing Bonds

The annual payments to retire all tax increment financing bonds outstanding as of June 30, 2025 were as follows:

<u>Governmental</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 30,000	\$ 2,244	\$ 32,244	\$ 101,000	\$ 38,073	\$ 139,073
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	30,000	612	30,612	100,000	23,888	123,888
2031 - 2035	30,000	204	30,204	495,000	70,769	565,769
2036 - 2039	-	-	-	190,000	6,175	196,175
Total	<u>\$ 180,000</u>	<u>\$ 7,344</u>	<u>\$ 187,344</u>	<u>\$ 1,187,000</u>	<u>\$ 230,463</u>	<u>\$ 1,417,463</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Less: Current Portion</u>	<u>Equals Long-Term Portion</u>
Governmental Activities						
Bonds payable						
General obligation bonds	\$ 6,482,705	\$ -	\$ (1,642,656)	\$ 4,840,049	\$ (1,352,513)	\$ 3,487,536
Direct borrowings	11,135,016	2,678,800	(1,287,176)	12,526,640	(1,503,876)	11,022,764
Unamortized premium	<u>1,055,982</u>	<u>272,200</u>	<u>(212,468)</u>	<u>1,115,714</u>	<u>(230,619)</u>	<u>885,095</u>
Subtotal bonds payable	18,673,703	2,951,000	(3,142,300)	18,482,403	(3,087,008)	15,395,395
Tax increment financing bonds payable						
General obligation bonds	1,363,000	-	(176,000)	1,187,000	(101,000)	1,086,000
Direct borrowings	<u>210,000</u>	<u>-</u>	<u>(30,000)</u>	<u>180,000</u>	<u>(30,000)</u>	<u>150,000</u>
Subtotal tax increment financing bonds payable	1,573,000	-	(206,000)	1,367,000	(131,000)	1,236,000
Net pension liability	33,549,943	-	(3,260,393)	30,289,550	-	30,289,550
Net OPEB liability	6,887,580	-	(1,396)	6,886,184	(176,259)	6,709,925
Other:						
Landfill closure	233,045	-	(58,260)	174,785	(58,262)	116,523
Accrued employee benefits	<u>2,798,092</u>	<u>1,565,709</u>	<u>-</u>	<u>4,363,801</u>	<u>(447,104)</u>	<u>3,916,697</u>
Subtotal - other	<u>3,031,137</u>	<u>1,565,709</u>	<u>(58,260)</u>	<u>4,538,586</u>	<u>(505,366)</u>	<u>4,033,220</u>
Totals	<u>\$ 63,715,363</u>	<u>\$ 4,516,709</u>	<u>\$ (6,668,349)</u>	<u>\$ 61,563,723</u>	<u>\$ (3,899,633)</u>	<u>\$ 57,664,090</u>
Business-Type Activities						
Bonds payable						
General obligation bonds	\$ 2,899,297	\$ -	\$ (421,344)	\$ 2,477,953	\$ (411,487)	\$ 2,066,466
Direct borrowings	5,412,500	-	(1,006,973)	4,405,527	(360,038)	4,045,489
Unamortized premium	<u>257,490</u>	<u>-</u>	<u>(17,191)</u>	<u>240,299</u>	<u>(17,162)</u>	<u>223,137</u>
Subtotal bonds payable	8,569,287	-	(1,445,508)	7,123,779	(788,687)	6,335,092
Net pension liability	5,141,028	-	(637,724)	4,503,304	-	4,503,304
Net OPEB liability	971,632	-	(44,095)	927,537	(23,741)	903,796
Other:						
Accrued employee benefits	<u>232,038</u>	<u>175,537</u>	<u>-</u>	<u>407,575</u>	<u>(40,757)</u>	<u>366,818</u>
Subtotal - other	<u>232,038</u>	<u>175,537</u>	<u>-</u>	<u>407,575</u>	<u>(40,757)</u>	<u>366,818</u>
Totals	<u>\$ 14,913,985</u>	<u>\$ 175,537</u>	<u>\$ (2,127,327)</u>	<u>\$ 12,962,195</u>	<u>\$ (853,185)</u>	<u>\$ 12,109,010</u>

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, 2025 were as follows:

<u>Purpose</u>	<u>Amount</u>
City Hall Structural Repairs	\$ 1,258,000
Lower Winchester Street	805,000
Stormwater Resiliency	3,550,000
Lower Winchester Street Infrastructure	418,000
Martell Court Bypass	3,420,000
WWTP HVAC Replacement	327,000
WWTP Service Water System Upgrade	262,000
Lower Winchester Street Infrastructure	1,004,000
Water Distribution Improvements	<u>1,307,000</u>
Total	\$ <u>12,351,000</u>

14. 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, 2025, the balance in the landfill capital reserve was \$23,138. The remaining post-closure costs are expected to be financed from the operations of the Solid Waste Fund.

The \$174,785 reported as landfill closure and postclosure care liability at June 30, 2025 represents that cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill.

15. 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 2025, 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.

16. Governmental Funds - Balances

The City's fund balances at June 30, 2025 were comprised of the following:

	General Fund	Solid Waste Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid expenditures	\$ 271,633	\$ -	\$ -	\$ -	\$ 271,633
Permanent funds	-	-	-	6,929,201	6,929,201
Total Nonspendable	271,633	-	-	6,929,201	7,200,834
Restricted					
Solid Waste	-	3,239,792	-	-	3,239,792
Capital projects	-	-	4,983,211	-	4,983,211
Grant fund	-	-	-	1,171,120	1,171,120
Other special revenue funds	-	-	-	1,295,306	1,295,306
Permanent funds	-	-	-	2,218,610	2,218,610
Total Restricted	-	3,239,792	4,983,211	4,685,036	12,908,039
Committed					
Retirement	1,088,356	-	-	-	1,088,356
Capital Reserve Funds:					
Road and sidewalks	556,929	-	-	-	556,929
Parks and facilities infrastructure	1,188,722	-	-	-	1,188,722
Bridges	1,921,127	-	-	-	1,921,127
Downtown infrastructure and facilities	1,614,511	-	-	-	1,614,511
Other capital reserve funds	3,685,404	-	-	-	3,685,404
Capital projects	-	-	5,243,983	-	5,243,983
Total Committed	10,055,049	-	5,243,983	-	15,299,032
Assigned					
General government	401,712	-	-	-	401,712
Public works	321,816	-	-	-	321,816
Other purposes	446,746	-	-	-	446,746
Total Assigned	1,170,274	-	-	-	1,170,274
Unassigned					
General fund	15,252,384	-	-	-	15,252,384
Deficits	-	-	(1,274,975)	-	(1,274,975)
Total Unassigned	15,252,384	-	(1,274,975)	-	13,977,409
Total Fund Balance	\$ 26,749,340	\$ 3,239,792	\$ 8,952,219	\$ 11,614,237	\$ 50,555,588

17. Restricted Net Position

The City's restricted net position at June 30, 2025 was comprised of the following:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
<u>Purpose</u>		
Opioid Litigation	\$ 213,599	\$ -
Library trust fund	699,588	-
Parking fund	444,568	-
Cable franchise fees	537,814	-
Federal drug forfeiture	125,867	-
Permanent funds	9,147,811	-
Sewer fund	-	902,116
Other	351,318	-
Total	\$ <u>11,520,565</u>	\$ <u>902,116</u>

18. Performance Bonds

The City holds letters of credit and performance bonds from developers until projects have been completed to City standards. These letters of credit and bonds are not included as part of the financial statements. At June 30, 2025, the City's performance deposits are reported as guaranteed deposits.

19. 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, 2023, rolled forward to June 30, 2024, using a measurement date of June 30, 2024.

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:

<u>Years of creditable service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 3 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Contributions

Plan members are required to contribute a percentage of their 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 13.27% for employees, 28.68% for police, and 27.75% for fire. The City's contributions to NHRS for the year ended June 30, 2025 was \$4,180,991, 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, 2025, the City reported a liability of \$34,792,854 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. 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, 2024, the City's proportion was 0.671%, which was a decrease of 0.020 basis points from the previous year.

For the year ended June 30, 2025, the City recognized pension expense of \$3,464,861. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 774,542	\$ 6,996
Changes of assumptions	-	407,201
Net difference between projected and actual earnings on pension plan investments	-	485,691
Changes in proportion and differences between contributions and proportionate share of contributions	211,136	968,156
Contributions subsequent to the measurement date	<u>4,180,991</u>	<u>-</u>
Total	\$ <u>5,166,669</u>	\$ <u>1,868,044</u>

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, 2026. 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 (benefit) as follows:

<u>Year Ended June 30:</u>	
2025	\$ (1,215,420)
2026	1,484,259
2027	(650,463)
2028	<u>(500,742)</u>
Total	\$ <u>(882,366)</u>

Actuarial Assumptions and Other Inputs

The collective total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Price inflation	2.25%
Wage inflation	3.00%
Salary increases	6.00% 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-2021.

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

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.

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Average Long- Term Expected Real Rate of Return</u>
Broad US equity	24.00 %	5.40%
Global Ex-US equity	<u>16.00</u>	5.65%
Total public equity	40.00	
Real estate equity	10.00	4.00%
Private equity	<u>10.00</u>	6.65%
Total private market equity	20.00	
Private debt	10.00	5.05%
Core US fixed income	<u>25.00</u>	2.15%
Infrastructure	<u>5.00</u>	4.35%
Total	<u>100.00 %</u>	

Discount Rate

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

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

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

<u>1%</u>	<u>Current</u>	<u>1%</u>
<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>Rate</u>	
\$ 48,644,355	\$ 34,792,854	\$ 23,254,127

Pension Plan Fiduciary Net Position

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

20. 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, 2025.

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, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	30
Active employees	<u>262</u>
Total	<u>292</u>

Funding Policy

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

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	5.20%
Healthcare cost trend rates	8.0% for 2025, decreasing 0.5% per year to 6.0%, then grading down to an ultimate trend rate of 4.0%
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-2021.

Post-retirement mortality rates for healthy retirees were based on 102% of the Pub-2010 headcount-weighted Retiree General Mortality Tables for males and 107% of the Pub-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2021. 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-2021. 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-2021.

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 5.20%, 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, 2025.

Total OPEB Liability

The City's total OPEB liability of \$5,529,007 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2025.

Changes in the Total OPEB Liability

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

	<u>Total OPEB Liability</u>
Balance, beginning of year	\$ 5,426,303
Changes for the year:	
Service cost	221,130
Interest	217,906
Differences between expected and actual experience	520,175
Changes of assumptions or other inputs	(651,011)
Benefit payments	(205,496)
Net Changes	<u>102,704</u>
Balance, end of year	\$ <u>5,529,007</u>

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 5.20%, 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
\$ 6,068,990	\$ 5,529,007	\$ 5,048,915

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 were 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
\$ 4,974,419	\$ 5,529,007	\$ 6,178,689

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

For the year ended June 30, 2025, the City recognized an OPEB expense of \$480,643. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 844,763	\$ -
Changes of assumptions	<u>173,682</u>	<u>1,100,067</u>
Total	<u>\$ 1,018,445</u>	<u>\$ 1,100,067</u>

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

Year Ended June 30:

2026	\$	72,709
2027		(10,260)
2028		(57,139)
2029		(41,036)
2030		4,020
Thereafter		<u>(49,916)</u>
Total	\$	<u>(81,622)</u>

New Hampshire Retirement System Medical Subsidy Plan Description

The following OPEB disclosures for the New Hampshire Retirement Medical Subsidy Plan are based on an actuarial valuation performed as of June 30, 2023, rolled forward to June 30, 2024, using a measurement date of June 30, 2024.

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 0.26% of earnable compensation for Group I employees and 2.60% 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 19.

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

The City's proportionate share of the total NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2024 was \$2,284,714, representing 0.735%.

For the year ended June 30, 2025, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$116,049. At June 30, 2025, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 541
Contributions subsequent to the measurement date	<u>268,155</u>	<u>-</u>
Total	\$ <u>268,155</u>	\$ <u>541</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a change in OPEB expense (benefit) as follows:

Fiscal Year Ended June 30:

2025	\$	(4,828)
2026		7,144
2027		(1,842)
2028		<u>(1,015)</u>
Total	\$	<u><u>(541)</u></u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability using the discount rate of 6.75%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage-point higher than the current discount rate:

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
\$ 2,499,440	\$ 2,284,714	\$ 2,136,359

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, 2025. Details related to these items are presented separately for each plan on the previous pages.

	<u>Total</u> <u>OPEB</u> <u>Liability</u>	<u>Total</u> <u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Total</u> <u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>Total</u> <u>OPEB Expense</u> <u>(Income)</u>
City OPEB Plan	\$ 5,529,007	\$ 1,018,445	\$ 1,100,067	\$ 480,643
Proportionate share of NHRS Medical Subsidy Plan	<u>2,284,714</u>	<u>268,155</u>	<u>541</u>	<u>116,049</u>
Total	\$ <u>7,813,721</u>	\$ <u>1,286,600</u>	\$ <u>1,100,608</u>	\$ <u>596,692</u>

21. 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 \$1,170,274 in encumbrances that will be honored in the next fiscal year.

22. Subsequent Events

Management has evaluated subsequent events through July 17, 2026, which is the date the financial statements were available to be issued.

23. New Pronouncements

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

- 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.
- The GASB issued Statement No. 105, *Subsequent Events*, which is required to be implemented in fiscal year 2027.

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, 2025

(UNAUDITED)

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (<u>Negative</u>)
Revenues				
Property taxes	\$ 32,233,843	\$ 32,233,843	\$ 31,254,722	\$ (979,121)
Charges for services	2,689,907	2,689,907	2,739,360	49,453
Intergovernmental	3,664,454	3,664,454	3,674,364	9,910
Licenses and permits	4,367,892	4,367,892	4,644,739	276,847
Other revenues	<u>1,748,450</u>	<u>1,748,450</u>	<u>2,418,837</u>	<u>670,387</u>
Total Revenues	44,704,546	44,704,546	44,732,022	27,476
Expenditures				
Elected and Appointed Officials:				
Mayor and City Council	125,747	125,747	113,551	12,196
Outside agencies	375,553	375,553	375,053	500
Community funded events	95,091	95,091	73,629	21,462
Boards and commissions	28,919	28,919	27,972	947
City manager	851,880	851,880	802,826	49,054
City attorney	484,320	484,320	341,824	142,496
City clerk	789,401	789,401	765,265	24,136
Administrative Services:				
Assessment	446,216	446,216	441,145	5,071
Finance (including human services)	3,570,385	3,570,385	3,333,358	237,027
Human resources	777,280	777,280	736,412	40,868
Information technology	1,816,620	1,816,620	1,731,070	85,550
Community Services:				
Fire	9,487,995	9,487,995	9,459,330	28,665
Library	1,801,126	1,801,126	1,775,058	26,068
Parks, rec and facilities (including youth services)	4,317,775	4,317,775	3,997,315	320,460
Police	8,658,260	8,658,260	8,384,915	273,345
Municipal Development Services:				
Airport	741,202	741,202	775,555	(34,353)
Community development	1,658,498	1,658,498	1,484,593	173,905
Public works	5,593,446	5,593,446	5,156,941	436,505
Debt Service	<u>3,823,035</u>	<u>3,823,035</u>	<u>3,594,145</u>	<u>228,890</u>
Total Expenditures	45,442,749	45,442,749	43,369,957	2,072,792
Other Financing Sources (Uses)				
Transfers in	5,373,708	2,391,365	2,520,951	129,586
Transfers out	(7,580,839)	(4,598,496)	(4,598,496)	-
Use of fund balance	<u>2,945,334</u>	<u>2,945,334</u>	<u>-</u>	<u>(2,945,334)</u>
Total Other Financing Sources (Uses)	<u>738,203</u>	<u>738,203</u>	<u>(2,077,545)</u>	<u>(2,815,748)</u>
Excess of Revenues and Other Financing Sources				
Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(715,480)</u>	\$ <u>(715,480)</u>

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

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

(UNAUDITED)

	<u>Budget</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
Revenues			
Charges for services	\$ 5,473,928	\$ 6,054,118	\$ 580,190
Licenses and permits	52,000	59,182	7,182
Investment income	10,000	174,614	164,614
Miscellaneous	<u>-</u>	<u>6,470</u>	<u>6,470</u>
Total Revenues	5,535,928	6,294,384	758,456
Expenditures			
Public works	5,984,326	6,051,051	(66,725)
Debt service:			
Principal	45,000	45,000	-
Interest	<u>8,770</u>	<u>8,770</u>	<u>-</u>
Total Expenditures	6,038,096	6,104,821	(66,725)
Other Financing Sources (Uses)			
Use of fund balance	999,668	-	(999,668)
Transfers out	<u>(497,500)</u>	<u>(284,321)</u>	<u>213,179</u>
Total Other Financing Sources (Uses)	<u>502,168</u>	<u>(284,321)</u>	<u>(786,489)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>(94,758)</u>	\$ <u>(94,758)</u>

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

See Independent Auditors' Report.

**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:

<u>General Fund</u>	Revenues and <u>Transfers In</u>	Expenditures and <u>Transfers Out</u>
GAAP Basis	\$ 45,490,862	\$ 47,421,970
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,426,006)
Add end of year appropriation carryforwards to expenditures	-	413,627
To reverse retirement fund activity	-	(276,542)
To reverse capital reserve activity	(564,519)	(491,226)
To reverse City admin charges	<u>2,326,630</u>	<u>2,326,630</u>
Budgetary Basis	<u>\$ 47,252,973</u>	<u>\$ 47,968,453</u>

See Independent Auditors' Report.

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

(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2025	June 30, 2024	0.67095923%	\$34,792,854	\$ 20,932,848	166.21%	70.3%
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%

See Independent Auditors' Report.

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

(Unaudited)

New Hampshire Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2025	\$ 4,180,991	\$ 4,180,991	\$ -	\$ 21,319,557	19.61%
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%

Notes to the Schedule:

Valuation date: June 30, 2023 rolled forward to June 30, 2024

Measurement Date: June 30, 2024

Methods and assumptions used to determine contribution rates for fiscal year 2025:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Price Inflation	2.25%
Wage Inflation	3.00%
Investment Rate of Return	6.75% per year, net of investment expenses, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2019-2023 experience study
Mortality	Pub-2010 Mortality Table projected using Scale MP-2021

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						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total OPEB Liability</u>
June 30, 2025	June 30, 2024	0.73496630%	\$ 2,284,714	\$ 20,932,848	10.91%	14.01%
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						
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relative to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>	
June 30, 2025	\$ 268,155	\$ 268,155	\$ -	\$21,319,557	1.26%	
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 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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
Total OPEB Liability										
Service cost	\$ 221,130	\$ 226,475	\$ 266,104	\$ 343,847	\$ 283,578	\$ 212,290	\$ 209,926	\$ 213,897	\$ 267,444	
Interest	217,906	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	520,175	-	272,140	-	664,483	-	(1,071,997)	(588,774)	-	
Changes of assumptions or other inputs	(651,011)	(147,680)	135,133	(897,839)	23,942	746,737	543,148	(134,387)	(384,126)	
Benefit payments	<u>(205,496)</u>	<u>(199,834)</u>	<u>(235,902)</u>	<u>(248,361)</u>	<u>(262,132)</u>	<u>(227,896)</u>	<u>(240,425)</u>	<u>(207,886)</u>	<u>(209,207)</u>	
Net change in total OPEB liability	102,704	78,765	(266,095)	(662,054)	833,514	893,767	(365,700)	(518,719)	(161,801)	
Total OPEB liability - beginning	<u>5,426,303</u>	<u>5,347,538</u>	<u>5,613,633</u>	<u>6,275,687</u>	<u>5,442,173</u>	<u>4,548,406</u>	<u>4,914,106</u>	<u>5,432,825</u>	<u>5,594,626</u>	
Total OPEB liability - ending	<u><u>5,529,007</u></u>	<u><u>5,426,303</u></u>	<u><u>5,347,538</u></u>	<u><u>5,613,633</u></u>	<u><u>6,275,687</u></u>	<u><u>5,442,173</u></u>	<u><u>4,548,406</u></u>	<u><u>4,914,106</u></u>	<u><u>5,432,825</u></u>	
Covered employee payroll	\$ 21,047,658	\$ 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	26.27%	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.

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**

(This page intentionally left blank.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special revenue funds are established for the following purposes:

- Grants Fund: to account for those activities that are funded in part or in whole by contributions from other entities.
- Parking Fund: to account for the operations, maintenance, and capital outlay needs of the municipal parking areas.
- Library Fund: to account for the revenues and expenditures incurred with the operation of the Public Library.
- 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, 2025

	Special Revenue Funds					Permanent Funds			Total Nonmajor Governmental Funds
	Grants Fund	Parking Fund	Library Fund	Other Expendable Trusts	Total Special Revenue Funds	Cemetery Trusts	Other Permanent Trusts	Total Permanent Funds	
Assets									
Cash and short-term investments	\$ 1,028,706	\$ 449,833	\$ 107,135	\$ -	\$ 1,585,674	\$ -	\$ 1,137,773	\$ 1,137,773	\$ 2,723,447
Investments	-	-	592,452	57,478	649,930	7,432,384	565,954	7,998,338	8,648,268
Receivables:									
Accounts receivable, net	74,372	11,361	-	-	85,733	11,700	-	11,700	97,433
Intergovernmental	608,182	-	-	-	608,182	-	-	-	608,182
Notes receivable	-	93,672	-	-	93,672	-	-	-	93,672
Total Assets	\$ 1,711,260	\$ 554,866	\$ 699,587	\$ 57,478	\$ 3,023,191	\$ 7,444,084	\$ 1,703,727	\$ 9,147,811	\$ 12,171,002
Liabilities									
Accounts payable	\$ 534,346	\$ 3,877	\$ -	\$ -	\$ 538,223	\$ -	\$ -	\$ -	\$ 538,223
Accrued liabilities	5,794	12,748	-	-	18,542	-	-	-	18,542
Total Liabilities	540,140	16,625	-	-	556,765	-	-	-	556,765
Fund Balances									
Nonspendable	-	-	-	-	-	5,325,632	1,603,569	6,929,201	6,929,201
Restricted	1,171,120	538,241	699,587	57,478	2,466,426	2,118,452	100,158	2,218,610	4,685,036
Total Fund Balances	1,171,120	538,241	699,587	57,478	2,466,426	7,444,084	1,703,727	9,147,811	11,614,237
Total Liabilities and Fund Balances	\$ 1,711,260	\$ 554,866	\$ 699,587	\$ 57,478	\$ 3,023,191	\$ 7,444,084	\$ 1,703,727	\$ 9,147,811	\$ 12,171,002

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, 2025

	Special Revenue Funds					Permanent Funds			Total Nonmajor Governmental 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
Revenues									
Property taxes	\$ -	\$ 238,511	\$ -	\$ -	\$ -	\$ 238,511	\$ -	\$ -	\$ -
Charges for services	271,331	1,081,929	-	-	-	1,353,260	-	-	-
Intergovernmental	1,143,689	109,998	4,500	-	-	1,258,187	-	-	-
Licenses and permits	56,311	-	-	-	-	56,311	-	-	-
Investment income	63	-	73,400	-	5,260	78,723	770,846	171,969	942,815
Contributions	40,755	-	7,934	-	-	48,689	-	-	-
Miscellaneous	166,238	-	26,390	-	-	192,628	-	-	-
Total Revenues	1,678,387	1,430,438	112,224	-	5,260	3,226,309	770,846	171,969	942,815
Expenditures									
General government	936,372	-	-	-	-	936,372	-	-	-
Public safety	464,329	1,035,687	-	-	-	1,500,016	-	-	-
Public works	14,217	-	-	-	-	14,217	-	-	-
Library	11,612	-	45,328	-	-	56,940	-	-	-
Parks and facilities	117,204	-	-	-	-	117,204	-	-	-
Debt service:									
Principal	-	152,368	-	-	-	152,368	-	-	-
Interest	-	27,101	-	-	-	27,101	-	-	-
Total Expenditures	1,543,734	1,215,156	45,328	-	-	2,804,218	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	134,653	215,282	66,896	-	5,260	422,091	770,846	171,969	942,815
Other Financing Sources (Uses)									
Transfers in	7,000	-	-	-	-	7,000	-	-	-
Transfers out	(1,037,204)	(236,000)	-	-	-	(1,273,204)	(8,886)	-	(8,886)
Total Other Financing Sources (Uses)	(1,030,204)	(236,000)	-	-	-	(1,266,204)	(8,886)	-	(8,886)
Change in Fund Balance	(895,551)	(20,718)	66,896	-	5,260	(844,113)	761,960	171,969	933,929
Fund Balances at Beginning of Year, as previously reported	2,066,671	558,959	632,691	3,334,550	52,218	6,645,089	6,682,124	1,531,758	8,213,882
Adjustment - change from nonmajor to major fund	-	-	-	(3,334,550)	-	(3,334,550)	-	-	-
Fund Balances at Beginning of Year, as reclassified	2,066,671	558,959	632,691	-	52,218	3,310,539	6,682,124	1,531,758	8,213,882
Fund Balances at End of Year	\$ 1,171,120	\$ 538,241	\$ 699,587	\$ -	\$ 57,478	\$ 2,466,426	\$ 7,444,084	\$ 1,703,727	\$ 9,147,811

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
PARKING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
ANNUALLY BUDGETED NONMAJOR GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Parking		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Revenues			
Property taxes	\$ 238,511	\$ 238,511	\$ -
Charges for services	1,178,653	1,081,929	(96,724)
Intergovernmental	16,326	16,326	-
Investment income	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	1,434,490	1,336,766	(97,724)
Expenditures			
Public safety	1,016,188	1,035,687	(19,499)
Debt service:			
Principal	152,368	152,368	-
Interest	<u>27,101</u>	<u>27,101</u>	<u>-</u>
Total Expenditures	1,195,657	1,215,156	(19,499)
Other Financing Sources (Uses)			
Use (addition) of fund balance	(23,133)	-	23,133
Transfers out	<u>(215,700)</u>	<u>(236,000)</u>	<u>(20,300)</u>
Total Other Financing Sources (Uses)	<u>(238,833)</u>	<u>(236,000)</u>	<u>2,833</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>(114,390)</u>	\$ <u>(114,390)</u>

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, 2025

	<u>Fleet Fund</u>	<u>PC Replacement Fund</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 979,060	\$ 249,170	\$ 1,228,230
Investments	1,067,483	-	1,067,483
Accounts receivable	4,859	-	4,859
Inventory	<u>384,216</u>	<u>-</u>	<u>384,216</u>
Total current assets	2,435,618	249,170	2,684,788
Noncurrent:			
Capital assets:			
Capital assets, net of accumulated depreciation	<u>3,549,151</u>	<u>-</u>	<u>3,549,151</u>
Total noncurrent assets	<u>3,549,151</u>	<u>-</u>	<u>3,549,151</u>
Total Assets	5,984,769	249,170	6,233,939
Liabilities			
Current:			
Accounts payable	280,294	1,032	281,326
Accrued liabilities	14,777	-	14,777
Current portion of long-term liabilities:			
Compensated absences	<u>10,724</u>	<u>-</u>	<u>10,724</u>
Total current liabilities	305,795	1,032	306,827
Noncurrent:			
Compensated absences, net of current portion	<u>96,515</u>	<u>-</u>	<u>96,515</u>
Total noncurrent liabilities	<u>96,515</u>	<u>-</u>	<u>96,515</u>
Total Liabilities	402,310	1,032	403,342
Net Position			
Net investment in capital assets	3,549,151	-	3,549,151
Unrestricted	<u>2,033,308</u>	<u>248,138</u>	<u>2,281,446</u>
Total Net Position	\$ <u>5,582,459</u>	\$ <u>248,138</u>	\$ <u>5,830,597</u>

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, 2025

	<u>Fleet Fund</u>	<u>PC Replacement Fund</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 2,911,315	\$ 123,591	\$ 3,034,906
Other	<u>77,718</u>	<u>2,851</u>	<u>80,569</u>
Total Operating Revenues	2,989,033	126,442	3,115,475
Operating Expenses			
Salaries and benefits	983,931	-	983,931
Other operating expenses	1,126,348	124,359	1,250,707
Depreciation	<u>590,361</u>	<u>-</u>	<u>590,361</u>
Total Operating Expenses	<u>2,700,640</u>	<u>124,359</u>	<u>2,824,999</u>
Operating Income	288,393	2,083	290,476
Nonoperating Revenues (Expenses)			
Investment income	134,818	3,775	138,593
Loss on disposal of capital assets	<u>(129,588)</u>	<u>-</u>	<u>(129,588)</u>
Total Nonoperating Revenues (Expenses), net	<u>5,230</u>	<u>3,775</u>	<u>9,005</u>
Income before transfers	293,623	5,858	299,481
Transfers			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	293,623	5,858	299,481
Net Position at Beginning of Year	<u>5,288,836</u>	<u>242,280</u>	<u>5,531,116</u>
Net Position at End of Year	\$ <u>5,582,459</u>	\$ <u>248,138</u>	\$ <u>5,830,597</u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Fleet Fund</u>	<u>PC Replacement Fund</u>	<u>Total</u>
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 2,992,054	\$ 126,441	\$ 3,118,495
Payments to vendors	(1,061,409)	(124,529)	(1,185,938)
Payments to employees for salaries and benefits	(944,973)	-	(944,973)
Net Cash Provided By Operating Activities	985,672	1,912	987,584
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,018,849)	-	(1,018,849)
Net Cash (Used For) Capital and Related Financing Activities	(1,018,849)	-	(1,018,849)
Cash Flows From Investing Activities			
Purchase of investments	(370,979)	-	(370,979)
Investment income	138,586	3,775	142,361
Net Cash Provided By (Used for) Investing Activities	(232,393)	3,775	(228,618)
Net Change in Cash and Short-Term Investments	(265,570)	5,687	(259,883)
Cash and Short-Term Investments, Beginning of Year	1,244,630	243,483	1,488,113
Cash and Short-Term Investments, End of Year	\$ 979,060	\$ 249,170	\$ 1,228,230
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Operating income (loss)	\$ 288,393	\$ 2,083	\$ 290,476
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	590,361	-	590,361
Changes in assets and liabilities:			
Accounts receivable	3,022	-	3,022
Inventory	(42,761)	-	(42,761)
Accounts payable	107,700	(171)	107,529
Accrued liabilities	38,957	-	38,957
Net Cash Provided By Operating Activities	\$ 985,672	\$ 1,912	\$ 987,584

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, 2025

	Fiduciary Funds Private Purpose Trust Funds		
	Scholarship Fund	Trust Fund	Total
Assets			
Investments:			
Corporate equities	\$ 2,501,393	\$ 3,197,395	\$ 5,698,788
Total Assets	2,501,393	3,197,395	5,698,788
Net Position			
Restricted for individuals, organizations, and other governments	\$ 2,501,393	\$ 3,197,395	\$ 5,698,788

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, 2025

	Fiduciary Funds Private Purpose Trust Funds		
	Scholarship Fund	Trust Fund	Total
Additions			
Investment income	\$ 251,151	\$ 296,172	\$ 547,323
Total Additions	251,151	296,172	547,323
Deductions			
Payments to beneficiaries	7,500	23,126	30,626
Total Deductions	7,500	23,126	30,626
Change in Net Position	243,651	273,046	516,697
Restricted Net Position			
Beginning of year	2,257,742	2,924,349	5,182,091
End of year	\$ 2,501,393	\$ 3,197,395	\$ 5,698,788

See Independent Auditors' Report.

(This page intentionally left blank.)

**STATISTICAL
SECTION**

(This page intentionally left blank.)

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.

	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	105
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	109
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	114
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	117
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	119

City of Keene, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 105,533,622
Restricted	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	11,520,565
Unrestricted	(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)	849,539
Total governmental activities net position	\$ 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	\$ 117,903,726
Business-type activities										
Net investment in capital assets	\$ 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	\$ 60,700,558
Restricted	-	-	-	-	-	-	-	-	-	902,116
Unrestricted	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	9,556,346
Total business-type activities net position	\$ 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	\$ 71,159,020
Primary government										
Net investment in capital assets	\$ 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	\$ 166,234,180
Restricted	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	12,422,681
Unrestricted	(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	10,405,885
Total primary government net position	\$ 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	\$ 189,062,746

Data Source:

Audited Financial Statements

City of Keene, New Hampshire

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 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	\$ 10,693,207
Public safety	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	20,447,060
Public works	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	11,390,055
Welfare and human services ⁽¹⁾	1,594,633	1,600,241	1,757,686	801,566	747,728	587,322	-	-	-	-
Airport	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	1,578,601
Library	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	2,246,373
Community development	498,721	328,168	597,408	1,435,562	1,468,186	1,432,118	1,323,039	1,450,229	1,493,157	1,443,188
Parks and facilities	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	4,648,369
Interest	1,070,477	1,225,901	1,115,646	604,575	771,454	691,772	509,029	382,048	501,186	509,450
Total governmental activities expenses	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	52,956,303
Business-type activities:										
Water services	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	4,970,300
Sewer services	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	6,618,133
Total business-type activities expenses	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	11,588,433
Total primary government expenses	\$ 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	\$ 64,544,736
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 4,850,714
Public safety	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	3,388,971
Public works	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	6,961,714
Welfare and human services ⁽¹⁾	314,710	324,824	71,202	18,843	22,279	22,185	-	-	-	-
Airport	54,689	416,709	441,208	444,018	426,562	425,023	439,583	506,085	539,617	560,479
Library	49,824	47,585	44,792	40,298	29,480	25,456	26,927	32,920	33,323	28,701
Community development	9,329	24,224	17,311	379,938	389,114	374,944	79,905	60,433	59,611	59,822
Parks and facilities	288,647	559,805	474,694	480,233	404,505	397,734	431,453	413,530	438,835	476,627
Operating grants and contributions	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	4,397,788
Capital grants and contributions	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	1,720,507
Total governmental activities program revenues	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	22,445,323
Business-type activities:										
Charges for services:										
Water	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	5,385,139
Sewer	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	6,419,353
Operating grants and contributions	141,079	551,152	-	-	34,500	37,881	8,200	500	41,898	39,243
Capital grants and contributions	2,995,426	-	677,271	220,561	390,293	584,248	1,735,426	365,521	329,335	530,247
Total business-type activities program revenues	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	12,373,982
Total primary government program revenues	\$ 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	\$ 34,819,305
Net (Expenses)Revenue										
Governmental activities	\$ (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)	\$ (30,510,980)
Business-type activities	3,069,076	896,897	1,369,213	564,689	992,982	(1,931,042)	3,345,799	1,732,587	1,187,738	785,549
Total Primary government net expense	\$ (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)	\$ (29,725,431)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 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	\$ 34,222,080
Payment in lieu of taxes ⁽²⁾	412,492	433,772	444,471	443,461	1,107,500	1,111,350	1,114,363	1,124,908	1,126,529	1,167,383
Penalties, interest and other taxes	500,916	644,611	953,911	337,501	639,756	316,837	310,650	268,300	232,680	375,312
Investment income (loss)	243,658	663,683	787,744	1,486,136	766,490	1,776,124	(622,230)	1,860,244	3,429,484	3,026,421
Miscellaneous	825,354	311,474	312,538	346,105	592,586	281,479	549,870	583,474	589,737	881,139
Transfers, net ⁽¹⁾	21,242	-	-	-	-	-	9,361	-	-	-
Permanent fund contributions	27,933	37,024	23,550	19,750	23,200	41,911	29,716	53,650	-	-
Total governmental activities	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	39,672,335
Business-type activities:										
Property tax	147,897	145,440	136,746	-	-	-	-	-	-	-
Investment income (loss)	47,112	62,580	93,411	389,885	340,798	35,561	(220,699)	264,914	820,589	719,245
Miscellaneous	635	-	-	-	-	1,117	-	-	89,272	-
Transfers, net ⁽¹⁾	(10,000)	-	-	-	-	-	-	-	-	-
Total business-type activities	185,644	208,020	230,157	389,885	340,798	36,678	(220,699)	264,914	909,861	719,245
Total primary government	\$ 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	\$ 40,391,580
Change in Net Position										
Governmental activities	\$ 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	\$ 9,161,355
Business-type activities	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	1,504,794
Total primary government	\$ 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	\$ 10,666,149

⁽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.

City of Keene, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 362,095	\$ 699,572	\$ 640,262	\$ 94,085	\$ 98,793	\$ 91,188	\$ 145,737	\$ 228,335	\$ 265,393	\$ 271,633
Committed	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	10,055,049
Assigned	1,038,111	436,301	418,729	802,771	1,147,450	854,785	1,133,529	964,317	1,205,317	1,170,274
Unassigned	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	15,252,384
Total General Fund	<u>\$ 12,276,324</u>	<u>\$ 13,760,743</u>	<u>\$ 14,644,761</u>	<u>\$ 16,648,667</u>	<u>\$ 20,037,543</u>	<u>\$ 22,915,376</u>	<u>\$ 25,362,777</u>	<u>\$ 27,186,944</u>	<u>\$ 28,680,448</u>	<u>\$ 26,749,340</u>
Other Governmental Funds										
Nonspendable	\$ 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	\$ 6,929,201
Restricted	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	12,908,039
Committed	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	5,243,983
Unassigned	-	-	(1,611,338)	(188,045)	(322,641)	(861,872)	(628,351)	(3,210,542)	-	(1,274,975)
Total Other Governmental Funds	<u>\$ 11,664,396</u>	<u>\$ 18,218,068</u>	<u>\$ 12,750,978</u>	<u>\$ 16,429,856</u>	<u>\$ 14,214,568</u>	<u>\$ 19,781,771</u>	<u>\$ 16,579,392</u>	<u>\$ 12,980,217</u>	<u>\$ 20,725,191</u>	<u>\$ 23,806,248</u>

Data Source

Audited Financial Statements

City of Keene, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes	\$ 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	\$ 31,493,233
Charges for services	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	10,916,326
Intergovernmental	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	6,169,791
Licenses and permits	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	4,760,232
Investment income (loss)	237,109	657,924	775,538	1,447,812	732,077	1,771,746	(473,283)	1,786,070	3,253,968	2,887,829
Contributions	839,470	1,922,518	2,285,116	959,008	391,847	130,771	275,738	209,768	185,502	58,503
Miscellaneous	819,207	301,616	284,496	327,043	585,178	265,538	517,168	556,022	498,300	800,571
Total revenues	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	57,086,485
Expenditures by Function										
General government	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	10,644,072
Public safety	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	19,360,313
Public works	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	9,114,503
Welfare and human services*	1,671,546	1,665,998	1,742,081	801,363	747,620	720,163	-	-	-	-
Airport	573,307	614,617	625,712	638,408	650,399	723,501	664,605	590,242	662,699	771,034
Library	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	1,906,280
Community development	477,780	696,896	563,731	1,425,470	1,422,219	1,427,697	1,397,936	1,447,702	1,481,833	1,452,202
Parks and facilities	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	4,213,335
Debt service:										
Principal	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	3,135,831
Interest	1,070,867	1,025,032	979,711	965,706	965,498	802,118	703,612	570,131	592,920	691,553
Capital outlay	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	7,598,413
Total expenditures	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	58,887,536
Excess of revenues										
Over(under) expenditures	(4,688,902)	(56,242)	(4,523,072)	(690,159)	1,140,588	(385,507)	(764,339)	(1,775,008)	3,431,894	(1,801,051)
Other Financing Sources (Uses)										
Issuance of general obligation bonds	-	5,676,000	-	5,705,000	-	5,651,000	-	-	5,210,016	2,678,800
Issuance of refunding bonds	-	2,151,304	-	-	-	3,188,000	-	-	-	-
Bond premiums on general obligation bonds	-	821,082	-	667,943	-	-	-	-	573,984	272,200
Bond premiums on refunding bonds	-	253,002	-	-	-	-	-	-	-	-
Payment to escrow agent	-	(807,071)	-	-	-	-	-	-	-	-
Gain on refunding	-	-	-	-	-	-	-	-	-	-
Transfers in	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	6,608,297
Transfers out	(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)	(6,608,297)
Total other financing sources (uses)	51,242	8,094,317	(60,000)	6,372,943	33,000	8,830,543	9,361	-	5,806,584	2,951,000
Net Change in fund balances	\$ (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	\$ 1,149,949
Debt Service as a percentage of non-capital outlay expenditures	13.25%	15.91%	13.11%	11.79%	12.34%	17.20%	10.94%	7.80%	7.08%	7.50%

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

Data Source

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
2025	\$ 29,346,047	\$ 22,064	\$ 20,372	\$ 5,700	\$ 3,797,378	\$ 1,167,383	\$ 34,358,943
2024	27,902,203	5,146	5,498	6,150	3,629,952	1,126,529	32,675,477
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

Data Source

Unaudited Financial Statements

City of Keene, New Hampshire

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

Fiscal Year	Local Assessed Value ⁽¹⁾				Less Exemptions to Assessed Value ⁽¹⁾	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value ⁽²⁾	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities	Total Assessed Value					
2025	\$ 1,400,645,130	\$ 785,962,801	\$ 118,452,100	\$ 2,305,060,031	\$ 9,771,592	\$ 2,295,288,439	\$ 33.07	\$ 3,450,277,222	66.8%
2024	1,385,374,190	782,445,267	114,330,400	2,282,149,857	9,067,992	2,273,081,865	31.89	3,108,805,033	73.4%
2023	1,376,404,300	774,098,800	119,139,600	2,269,642,700	9,356,700	2,260,286,000	31.03	2,791,281,392	81.3%
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	7,453,116	1,885,704,064	37.28	2,146,356,567	88.2%
2020	1,086,718,570	702,042,900	74,173,700	1,862,935,170	5,807,916	1,857,127,254	37.60	1,960,962,645	95.0%
2019	1,068,637,240	720,838,019	88,119,300	1,877,594,559	4,512,516	1,873,082,043	37.12	1,906,401,769	98.5%
2018	1,065,706,600	656,357,900	78,914,000	1,800,978,500	4,942,200	1,796,036,300	37.22	1,840,121,797	97.9%
2017	1,064,310,740	693,757,400	73,554,600	1,831,622,740	4,598,925	1,827,023,815	36.39	1,792,296,603	102.2%
2016	1,143,309,000	694,824,000	49,788,300	1,887,921,300	4,974,025	1,882,947,275	34.41	1,809,296,438	104.3%

Data Sources:

⁽¹⁾ State MS-1 Report of Assessed Values

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

City of Keene, New Hampshire

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

Fiscal Year	City Direct Rates					Overlapping Rate	
	City	Local School	State School	Total School	Total Direct	County	Total
2025	\$ 13.31	\$ 15.16	\$ 1.53	\$ 16.69	\$ 30.00	\$ 3.07	\$ 33.07
2024	12.55	14.69	1.57	16.26	28.81	3.08	31.89
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

Data Source

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

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

Taxpayer	Type of Business	Tax Year 2025 Net Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Tax Year 2017 Net Taxable Assessed Value	Rank	Percentage of Net Assessed Value
Eversource (formerly PSNH)	Utility	101,621,100	1	4.45 %	\$73,670,700	1	4.12 %
Keene MZL LLC (formerly MB Keene Monadnock LLC)	Retail/Commercial Space	31,268,700	2	1.37	28,777,800	2	1.61
Riverside Improvements LLC	Retail/Commercial Space	19,960,200	3	0.87	20,885,500	3	1.17
Realties Inc/Ellis Robertson	Retail/Commercial Space	19,596,800	4	0.86	19,353,960	4	1.08
Washington Park of Keene LLC	Apartments/Mixed Use	16,017,200	5	0.70	10,991,100	9	0.61
Target Corporation	Retail/Commercial Space	14,713,000	6	0.64	14,329,300	6	0.80
480 West Street LLC	Retail/Commercial Space	14,499,600	7	0.64	14,584,000	5	0.82
AH Keene LLC	Elderly Housing	13,226,200	8	0.58	11,207,300	8	0.63
Tanglewood Park Cooperative, Inc.	Manufactured Home Park	13,215,000	9	0.58	11,291,200	7	0.63
Brady Sullivan Keene Properties LLC	Apartments/Mixed Use	12,743,000	10	0.56	10,557,600	10	0.59
Total Principal Taxpayers		256,860,800		11.25 %	215,648,460		12.06 %
Total Net Assessed Taxable Value		<u>2,282,820,368</u>			<u>\$ 1,788,633,815</u>		

Data Source
City of Keene Tax Warrant

City of Keene, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

Tax Year ⁽¹⁾	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
2024	75,343,478	73,614,870	97.71%	150,555	1,578,053	73,765,425	97.91%
2023	71,921,127	70,748,222	98.37%	803,864	369,041	71,552,086	99.49%
2022	69,992,519	67,973,505	97.12%	-	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%

⁽¹⁾ Fiscal year 2025 is the City's tax year 2024.

Data Source:

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

Notes:

The data presented above represents information for taxes collected for City services.

It includes taxes raised for School District and the County.

Once a lien is executed a taxpayer has 2 years and 1 day to redeem the taxes before a Deed is executed.

City of Keene, New Hampshire

Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Percentage of Estimated Actual Taxable							Median	Actual Taxable								
	General		Tax Increment		General		Tax Increment		Total	Per Capita	Percentage of Personal Income	Value of Property	Population	Taxes Raised	Per Household Per Capita Inc	Value of Property							
	Obligation Bonds	Financing Bonds	Capital Leases	Obligation Bonds	Financing Bonds	Primary Government																	
2025	\$	18,482,403	\$	1,367,000	\$	-	\$	7,123,779	\$	-	\$	26,973,182	\$	1,169	1.49%	1.18%	23,072	\$	75,343,478	\$	78,445	\$	2,295,288,439
2024		18,673,703		1,573,000		-		8,569,287		-		28,815,990		1,246	1.59%	1.27%	23,119		71,921,127		78,183		2,273,081,865
2023		15,643,390		1,780,000		-		7,672,455		-		25,095,845		1,092	1.57%	1.11%	22,979		69,992,519		69,381		2,260,286,000
2022		18,968,327		1,987,000		-		9,398,107		-		30,353,434		1,326	2.31%	1.35%	22,890		69,683,746		57,393		2,244,301,020
2021		22,855,014		2,557,000		-		11,213,188		-		36,625,202		1,612	2.83%	1.94%	22,723		69,829,870		56,971		1,885,704,064
2020		20,711,701		3,120,000		-		9,570,609		-		33,402,310		1,449	2.54%	1.80%	23,049		69,371,848		56,971		1,857,127,254
2019		24,713,978		4,465,000		-		11,178,824		-		40,357,802		1,750	3.16%	2.15%	23,056		69,267,152		55,398		1,873,082,043
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%	2.46%	23,406		66,236,957		52,636		1,827,023,815
2016		25,638,281		3,998,438		255,752		13,917,817		271,562		44,081,850		1,893	3.62%	2.34%	23,281		64,484,906		52,327		1,882,947,275

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	2025
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	\$ 19,849,403
Percentage Applicable to Government	100%	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	\$ 19,849,403
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	\$ 19,849,403
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	\$ 28,820,536
Percentage Applicable to Government*	26.44%	26.11%	26.18%	25.40%	25.42%	24.83%	25.17%	25.16%	23.87%	23.88%	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	\$ 6,882,200
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	\$ 12,576,949
Percentage Applicable to Government	100%	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	\$ 12,576,949
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	\$ 19,459,149
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	\$ 39,308,552

* 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Base Value for Debt Limits ⁽¹⁾	\$ 1,809,296,438	\$ 1,792,296,603	\$ 1,840,121,797	\$ 1,906,401,769	\$ 1,960,962,645	\$ 2,146,356,567	\$ 2,391,688,798	\$ 2,791,281,392	\$ 3,108,805,033	\$ 3,450,277,222
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on ⁽²⁾	\$ 54,278,893	\$ 53,768,898	\$ 55,203,654	\$ 57,192,053	\$ 58,828,879	\$ 64,390,697	\$ 71,750,664	\$ 83,738,442	\$ 93,264,151	\$ 103,508,317
Parking - 0.5%	9,046,482	8,961,483	9,200,609	9,532,009	9,804,813	10,731,783	11,958,444	13,956,407	15,544,025	17,251,386
Water - 10% ⁽²⁾	180,929,644	179,229,660	184,012,180	190,640,177	196,096,265	214,635,657	239,168,880	279,128,139	310,880,503	345,027,722
	\$ 244,255,019	\$ 241,960,041	\$ 248,416,443	\$ 257,364,239	\$ 264,729,957	\$ 289,758,137	\$ 322,877,988	\$ 376,822,988	\$ 419,688,679	\$ 465,787,425
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 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	\$ 26,973,182
Less Water Fund	(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)	(4,025,827)
Less Sewer Fund ⁽³⁾	(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)	(3,097,952)
Less TIF, Parking, Landfill ⁽³⁾	(5,115,740)	(6,113,675)	(5,274,000)	(4,865,500)	(3,462,000)	(3,522,000)	(2,482,000)	(2,115,000)	(2,336,674)	(2,038,306)
	24,792,443	24,718,881	20,997,294	22,960,469	19,910,896	20,885,409	17,642,924	16,853,033	18,814,453	17,811,097
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	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	12,351,000
Less Water Fund	-	-	-	-	-	-	(2,433,000)	(2,433,000)	(2,433,000)	(2,311,000)
Less Sewer Fund ⁽³⁾	(6,045,000)	-	(1,350,000)	(1,727,000)	(1,727,000)	-	-	-	-	(4,427,000)
Less TIF, Parking, Landfill ⁽³⁾	(105,000)	-	(250,000)	(168,000)	(1,681,000)	-	-	-	-	-
Total Debt Subject to general limit	\$ 31,348,443	\$ 24,853,881	\$ 26,655,794	\$ 25,764,469	\$ 25,393,896	\$ 23,834,409	\$ 23,426,924	\$ 22,637,033	\$ 24,598,453	\$ 23,424,097
Legal Debt Margin										
General	\$ 22,930,450	\$ 28,915,017	\$ 28,547,860	\$ 31,427,584	\$ 33,434,983	\$ 40,556,288	\$ 48,323,740	\$ 61,101,409	\$ 68,665,698	\$ 80,084,220
Water Fund	\$ 179,942,522	\$ 177,460,294	\$ 182,552,596	\$ 189,366,608	\$ 195,011,279	\$ 212,014,869	\$ 234,425,951	\$ 274,620,139	\$ 304,356,937	\$ 338,690,895
% of Legal Debt Limits Used										
General	57.8%	46.2%	48.3%	45.0%	43.2%	37.0%	32.7%	27.0%	26.4%	22.6%
Water Fund	0.5%	1.0%	0.8%	0.7%	0.6%	1.2%	2.0%	1.6%	2.1%	1.8%

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
2025	23,072 *	\$ 945,767	\$ 40,992 **	3.00%
2024	23,119	947,694	40,992	2.50%
2023	22,979	872,467	37,968	2.20%
2022	22,890	736,577	32,179	2.60%
2021	22,723	704,254	30,993	3.80%
2020	23,049	714,358	30,993	9.50%
2019	23,056	709,410	30,769	2.50%
2018	22,949	684,110	29,810	2.70%
2017	23,406	697,733	29,810	2.70%
2016	23,281	593,037	25,473	2.90%
2015	23,281	593,037	25,473	3.40%

* Based on U.S. Census Bureau: City and Town Population Totals 2020-2025

** Most recent data available is 2024 per United States Censure Bureau, Keene, NH QuickFacts

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

<https://www.census.gov/quickfacts/fact/table/keenecitynewhampshire/PST045219>

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

Employer	2025			2017		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Cheshire Medical Center/Dartmouth Hitchcock - Keene	1,531	1	12.38%	1,500	1	12.82%
C & S Wholesale Grocers	1,200	2	9.70%	1,200	2	10.26%
Keene School District	846	3	6.84%	1,141	3	9.75%
Keene State College	687	4	5.55%	916	4	7.83%
Markem-Imaje Corporation	400	5	3.23%	400	5	3.42%
Smith Industrial Medical Systems			0.00%	380	6	3.25%
National Grange Mutual Insurance	311	6	2.51%			0.00%
City of Keene	278	7	2.25%	347	7	2.97%
Timken Super Precision	267	9	2.16%	258	8	2.21%
VNA at HCS	276	8	2.23%			0.00%
Janos Technologies	75	10	0.61%	6,142		52.50%
Total Principal Employers	5,871		47.47%	11,699	*	
Total City Employment	12,368	*				*

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City Manager	2.00	2.00	3.00	3.00	3.00	3.00	5.00	4.00	4.5	4.5
City Attorney	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.0	3.0
City Clerk	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.89	6.5	6.5
Assessment	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.0	4.0
Finance	15.18	15.18	15.18	15.18	15.18	15.18	17.08	15.18	16.0	15.0
Human Resources	2.80	2.91	3.00	3.00	3.00	3.00	3.50	3.67	4.5	4.0
Information Technology	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	7.0	7.0
General Government	38.57	38.68	39.77	39.77	39.77	39.77	44.17	42.74	44.5	44.0
Fire	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	51.0	54.0
Police	55.75	53.75	56.75	56.75	56.75	56.75	56.75	56.75	50.0	44.0
Community Development	12.74	13.24	13.24	12.91	12.91	12.50	12.50	12.20	12.0	11.0
Parking	5.33	5.10	5.12	6.86	6.86	6.86	4.25	4.70	4.0	5.0
Public Safety	119.82	118.09	121.11	122.52	122.52	122.11	119.50	119.65	117.0	114.0
Public Works	26.21	26.33	27.43	28.73	28.73	28.73	28.73	33.00	29.5	33.5
Solid Waste	7.77	10.17	10.27	10.27	10.27	10.27	10.27	10.60	10.0	10.5
Fleet Services	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.00	7.0	6.0
Public Works	40.23	42.75	43.95	45.25	45.25	45.25	45.25	49.60	46.5	50.0
Human Services	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	3.0	4.0
Youth Services	1.27	1.27	1.00	1.00	1.00	1.00	1.00	1.00	2.0	2.0
Welfare and human services	3.91	3.91	3.64	3.64	3.64	3.64	3.64	3.64	5.0	6.0
Airport	2.80	2.80	2.80	3.00	3.00	3.00	4.00	3.00	3.0	4.0
Library	9.44	10.07	10.74	11.26	11.26	11.26	11.26	11.36	14.5	18.5
Parks and facilities	15.95	15.30	16.24	19.09	19.09	19.09	21.65	20.68	24.0	23.5
Water	12.03	12.00	11.48	12.61	12.61	12.61	12.61	8.00	9.0	6.0
Sewer	15.22	13.24	14.77	15.63	15.63	15.63	15.63	12.00	14.0	13.0
Grand Totals	257.97	256.84	264.50	272.77	272.77	272.36	277.71	270.67	277.50	279.00

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Number of police calls answered	29,382	29,688	29,796	28,706	27,615	27,614	31,140	29,892	30,591	29,739
Traffic violations	5,848	5,425	6,219	5,260	7,963	5,378	3,918	3,360	3,331	4,465
Parking violations	21,776	25,686	30,461	21,791	14,542	14,536	15,038	14,878	15,792	16,643
Total Offenses Reported (prior calendar year basis)										
Group A	2,181	1,926	1,875	1,606	1,574	1,513	1,499	1,706	1,626	1,599
Group B	1,181	1,856	3,851	1,876	1,681	1,612	1,631	1,425	1,360	1,436
Fire : Calls answered										
Calls answered	4,865	4,865	4,767	4,837	4,985	4,664	5,421	5,758	6,208	6,976
False alarms	21	64	15	42	16	22	27	485	489	526
Patients treated and transported	2,456	2,480	2,413	2,403	2,327	2,164	2,548	2,733	3,135	3,615
Patients treated only	228	222	38	1	12	16	22	36	26	29
Water										
Average daily consumption (in thousands of gallons)	1,516	1,415	1,411	1,432	1,408	1,325	1,725	1,460	1,444	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)	2,370	2,290	2,780	2,953	2,190	2,192	2,222	2,250	2,903	2,903
Maximum daily capacity in gallons(avg daily flow but designed for 21MGD)	5.38MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD

Data Source:
City Department Heads

City of Keene, New Hampshire

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	4	4	3	3	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	7	7	7	7	7
Public works										
Miles of streets	126	126	126	126	126	123	123	127	127	127
Number of traffic lights (in sets)	*	13	13	13	13	12	12	12	12	12
Number of street lights	1,515	1,515	1,155	1,150	1,150	1,140	1,200	1,150	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	9	9	9	9	9
Miles of maintained trails	*	8	8.2	8	8	8	8	8	8	8
Water										
Water main (miles)	124	124	124	124	124	102.1	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	5,400	5,400	5,400	5,400
Sewer										
Sanitary sewers (miles)	106	106	106	94.2	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	6,000	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

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 17, 2026.

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. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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, New Hampshire
July 17, 2026