

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2023



Memorial Park in the fall

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2023

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April 5, 2024

Honorable Mayor and City Council
City of Laconia
Laconia NH 03246

Dear Council Members:

The annual comprehensive financial report of the City of Laconia for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of various funds, account groups, and component units of the City of Laconia. All disclosures necessary to enable the reader to gain an understanding of the City of Laconia's activities have been included.

This report is part of management's responsibility to keep the Council and the citizens informed. It is divided into three major sections.

1. An unaudited introductory section, including this transmittal letter, organization chart and list of principal elected officials acquaints the reader with the operations of the City.
2. A financial section, including the auditor's report on the financial statements and schedules, City management's discussion and analysis, and the financial statements as required under rules and standards established by the Governmental Accounting Standards Board. This includes government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) reporting information on all the non-fiduciary activities of the City. 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. 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. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.
3. An unaudited statistical section including financial and demographic data provides users with a broader understanding of the City and the trends in its financial affairs in that it presents some non-accounting data and covers more than one fiscal year.

Overview

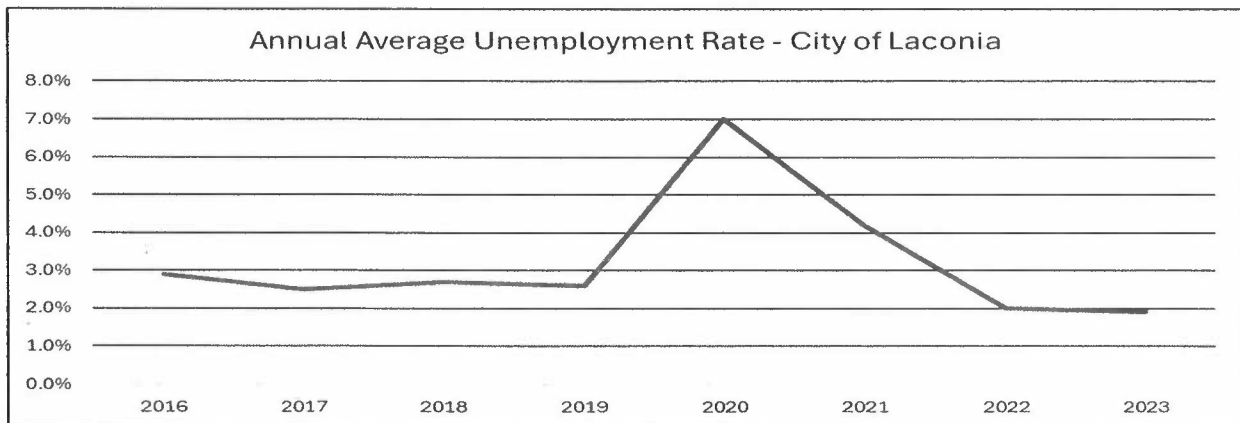
The City of Laconia has operated under the Council-Manager form of government since 1971. The City Council is comprised of six members and an elected Mayor. The City Council is responsible for enacting ordinances, resolutions and regulations concerning the City, as well as for appointing the members of various statutory and advisory boards. As chief administrative officer, the City Manager is responsible for budget preparation, enforcement of ordinances and appointing and supervising the heads of departments of the City organization.

The City provides a full range of services, including police and fire protection, emergency medical services, public works operations, planning and zoning, code enforcement, health and welfare services, parks operation and maintenance, recreation, library services, solid waste collection and disposal, schools and general administrative services.

Water and sewer services are provided under an Enterprise Fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

Economic Condition and Outlook

Laconia's unemployment rate reflected the overall labor shortage plaguing the region. The June 2023 rate fell to 1.9%, down from 2.0% in June 2022. This represents the lowest unemployment rate in recent history and points toward the current labor shortage impacting our region and is expected to continue.



Source: NHES 2023 NH Local Area Unemployment Statistics

Data from 2022 (the most current year for which data is available) shows a increase in number of employers, bringing the number to pre-pandemic levels. The average annual employment increases by 143 positions while the average weekly wage increased by \$61/week

Laconia Employment Outlook					
	2018	2019	2020	2021	2022
# of Employers	570	575	571	575	573
Avg. Annual Employment	9224	9270	8597	8472	8615
Average Weekly Wage	\$ 961.30	\$ 955.00	\$ 1,030.00	\$ 1,052.00	\$ 1,113.00

Source: NH Employment Security, covered employment & wages

FINANCIAL INFORMATION-GENERAL GOVERNMENTAL FUNCTIONS

Internal Control

Management is responsible for establishing and maintaining an internal control structure designed to make certain that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits require estimates. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

Budget Controls

Formal budgets are adopted for each department and are an integral part of the accounting system, providing management control over expenditures. Commitments which would result in over-expenditure for the City are not released until additional appropriations are made available. The head of any department, with the approval of the city manager, may transfer any unencumbered balance or any portion thereof from one agency within his department to another agency within his department; the manager, with the approval of the Council, may transfer unencumbered appropriation balances or any portion thereof from one department to another or from one fund to another. Council approval is required before total actual expenditures may exceed the total appropriation for the year.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Revenues

General Fund revenues totaled \$70.3 million in fiscal year 2023; this represented an increase of 8.2% over fiscal year 2022. Major contributing factors are:

- Increased property tax revenues
- One time contributions from the state for road and bridge programs
- Increased motor vehicle registration fees of \$113,000
- Increased interest earnings on general fund deposits
- Sale of land
- Increased Transfer Station revenues tied to increased usage.

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2023, and the amount of increase or decrease in relation to prior year revenues.

Revenues	FY23	FY22	Change	% Change
Property Tax	\$47,455,806	\$44,998,236	\$2,457,570	5.46%
Penalty, Interest and Other Taxes	\$632,987	\$576,845	\$56,142	9.73%
Charges for Services	\$3,980,537	\$3,041,942	\$938,595	30.86%
Intergovernmental	\$12,358,975	\$11,083,073	\$1,275,902	11.51%
Licenses & Permits	\$4,298,761	\$4,110,190	\$188,571	4.59%
Fines & Forfeitures	\$34,959	\$24,636	\$10,323	41.90%
Investment Income	\$479,448	\$70,681	\$408,767	578.33%
Miscellaneous	\$1,092,183	\$652,773	\$439,410	67.31%
Total Revenues	\$70,333,656	\$64,558,376	\$5,775,280	8.21%

Expenditures

Expenditures for the General Fund functions totaled \$69.9 million in fiscal year 2023, an increase of 8.8% from prior year expenditures.

Contributing factors include increased education expenses, increases in salaries and benefits, insurance, trash and recycling collection and disposal and termination pay.

Expenses	FY23	FY22	Change	% Change
General Government	\$5,669,062	\$4,521,674	\$1,147,388	25.38%
Fire	\$5,559,744	\$5,010,131	\$549,613	10.97%
Police	\$7,458,224	\$7,184,868	\$273,356	3.80%
Education	\$38,714,138	\$36,223,201	\$2,490,937	6.88%
Highways & Streets	\$2,922,460	\$2,734,489	\$187,971	6.87%
Solid Waste	\$3,231,451	\$2,459,878	\$771,573	31.37%
Health & Welfare	\$92,259	\$41,845	\$50,414	120.48%
parks & recreation	\$973,985	\$874,277	\$99,708	11.40%
Library	\$879,909	\$870,726	\$9,183	1.05%
Conservation	\$2,876	\$2,315	\$561	24.23%
Capital Outlay	\$2,299,633	\$1,654,733	\$644,900	38.97%
Debt Service	\$2,049,126	\$2,157,888	-\$108,762	-5.04%
Total Expenses	\$69,852,867	\$63,736,025	\$6,116,842	8.76%

Fund Balance

Total fund balance for the general fund increased by \$1,758,922, primarily due to changes in assigned and unassigned fund balances, as detailed below:

Fund Balance	FY23	FY22	Change	% Change
Nonspendable	\$224,369	\$187,354	\$37,015	19.8%
Restricted	\$0	\$0	\$0	-
Committed	\$5,688,151	\$5,501,899	\$186,252	3.4%
Assigned	\$1,851,148	\$798,924	\$1,052,224	131.7%
Unassigned	\$3,686,675	\$3,203,244	\$483,431	15.1%
Total	\$11,450,343	\$9,691,421	\$1,758,922	18.1%

Proprietary Funds

The City's proprietary funds include two separate activities: Sanitary Sewer and Water Works. The Sanitary Sewer Fund and the Water Works continue replacing various infrastructure throughout the City in conjunction with the City's road capital improvement projects.

Sanitary Sewer Fund	FY23	FY22	Change	%Change
Revenues	\$5,081,552	\$4,877,795	\$203,757	4.2%
Expenses	\$4,235,224	\$4,654,383	-\$419,159	-9.0%
Operating Income (Loss)	\$846,328	\$223,412	\$622,916	278.8%

Water Fund	FY23	FY22	Change	%Change
Revenues	\$3,298,388	\$2,995,007	\$303,381	10.1%
Expenses	\$2,996,960	\$2,757,502	\$239,458	8.7%
Operating Income (Loss)	\$301,428	\$237,505	\$63,923	26.9%

Fiduciary Operations

Fiduciary Fund's net assets continued to improve this year due to favorable increases in market conditions.

Assessed Valuation

Total assessment valuations before exemptions increased from \$3.480 billion to \$4.008 billion, an increase of \$528 million, or 15%. This is largely driven by two factors; significant new construction and market-driven increases in the value of residential properties. There were no significant changes in the categories of the property within the City.

Cash Management

The City of Laconia has incorporated financial policies for conducting the financial management of the City. The long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition, strive to retain the best possible rating on bonds, provide future generations with the ability to borrow capital without severe financial burden for construction of facilities and give recognition to the community's needs and ability to pay.

The City strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure efficient and profitable use of the City's cash resources. The City Council reviews and adopts an investment policy annually. Cash temporarily idle during the year is invested in commercial banks and saving banks certificates of deposits, and in U. S. Treasuries. During fiscal year the majority of the deposits were either insured by federal depository insurance, collateralized at the Federal Reserve or covered by Federal Home Loan Bank lines of credit. The City also participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24.

Debt Administration

The position of the general obligation bonds and notes as of the end of FY23 are as follows:

		Outstanding Balance June 30, 2023
Government Activities		
City	2003 Library	\$110,000
	2010 09E Weirs Bwalk	\$245,000
	2011 Endicott Water/Weirs BW	\$226,000
	2010 SRF-Anthony Dr	\$87,061
	2014 Smith Track/Weirs Comm Park	\$85,000
	2015 Frank Bean/Fire Sta /Main St Bridge	\$3,903,139
	2017 Lakeside Ave Base/Messer St/Endicott Rock	\$1,120,000
	2018 2017-18 Road Improvement	\$1,250,000
	2018 Gen. Sidewalk/Drainage	\$1,527,580
	2018 PD/Fire Radios, Tower, Disp.	\$481,188
	2020 Court St. 2/Fire Engine/PW Truck	\$1,417,500
	2020 Court St. Bridge, Endicott Water, Lakeport/Elm Sewer	\$636,861
	2020 Colonial Theatre Resortation	\$5,895,394
	2021 Purchase of Church St. Parking Lot	\$546,400
	2021 2021 Road Improvement Bond	\$1,180,000
	2023 Tote Bond	\$759,380
School	2007 2007 MMSchool	\$6,940,240
	2011 2011 QZAB BOND	\$885,300
	2012 2012 QZAB BOND	\$2,785,000
	2012 2012 Huot Bond	\$550,000
	2014 2014 QZAB ISSUE 7/31/2014	\$1,210,000
DTIF	2020 Refunding of Frank Bean/Fire Sta /Main St Bridge	\$1,040,046
	Bond split: 21.04% DTIF 78.96% GF	
WTIF	2016 General Improvements	\$1,186,503
		\$34,067,592
SSF	2019 Court St. Bridge, Endicott Water, Lakeport/Elm Sewer	\$1,275,638
	Clean Water Project 201-06	\$2,481,157
		\$3,756,795
Water	2009 09C Water Tank	\$490,000
	2020 Lakeport water line upgrade	\$1,659,204
		\$2,149,204

The Water Works' general obligation bonds bear the full faith and credit of the City, but it is the intention of the Water Works to pay principal and interest on these bonds.

The City finances the majority of its debt through the local banks and the NH Municipal Bond Bank.

OTHER INFORMATION

Independent Audit

The financial records and transactions of the City of Laconia have been audited by the independent public accounting firm of Melanson, PC as required by New Hampshire State Statute. In addition to meeting the requirements set forth in state statutes, the audit was also conducted in accordance with generally accepted auditing standards; the standards issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations and was used by the auditors in conducting the engagement. The auditor's report on the government-wide, governmental, proprietary and fiduciary fund statements and schedules are included in the financial section of this report.

Acknowledgements

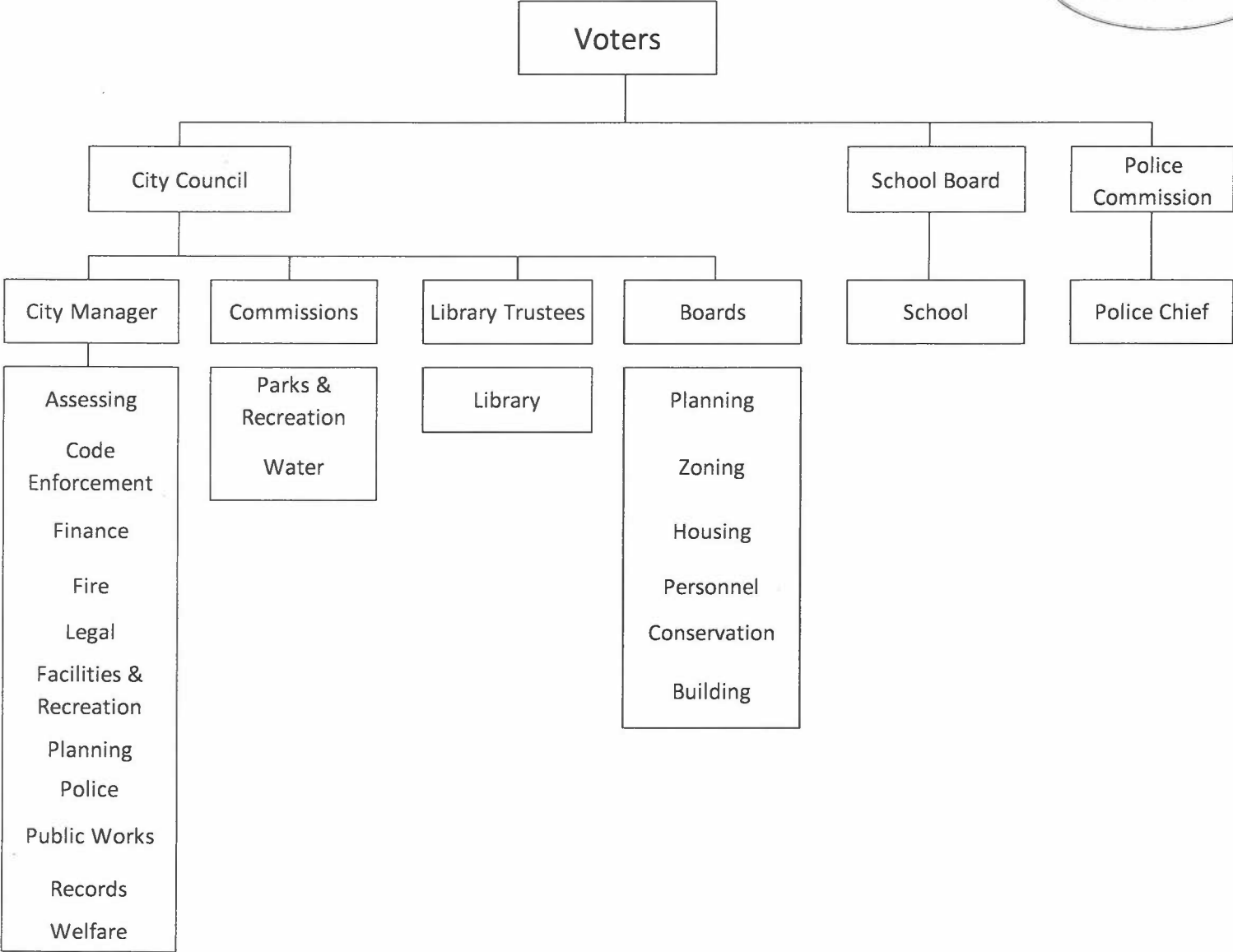
Our appreciation is extended to the elected officials, department heads and employees responsible for the sound financial position of the City of Laconia and for their help in the preparation of this report. The City of Laconia encompasses a group of individuals who appreciate and respect the principles of fiscal restraint, and support planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Glenn Smith', with a stylized flourish at the end.

Glenn Smith
Finance Director

City of Laconia



**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
LISTING OF ELECTED CITY OFFICIALS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

City Council

Elected: November 2, 2021

Term: January 11, 2022- December 31, 2023

Mayor: Andrew Hosmer

Council Members:

Ward 1	Bruce Cheney
Ward 2	Robert Soucy
Ward 3	Henry Lipman
Ward 4	Mark Haynes
Ward 5	Robert Hamel
Ward 6	Tony Felch

School Board:

Jennifer Anderson, Chair	Term 2021 - 2024
Jennifer Ulrich	Term 2021 - 2024
Laura Dunn, Vice Chair	Term 2022 - 2025
Karen Salome	Term 2022 - 2025
Dawn Johnson	Term 2020 - 2023
Nick Grenon	Term 2020 - 2023
Heather Drolet	Term 2021 - 2024

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS
FOR THE YEAR ENDING JUNE 30, 2023**

CITY MANAGER:	Kirk Beattie
ASSESSOR:	Whitney Consulting Group
CITY CLERK:	Katie Gargano
CODE ENFORCEMENT DIRECTOR	Kathy Menici (Interim)
FIRE CHIEF:	Kirk Beattie
FINANCE DIRECTOR:	Glenn Smith
LIBRARY DIRECTOR:	Deanne Hunter
PUBLIC WORKS DIRECTOR:	Wesley Anderson
PLANNER/CD DIRECTOR:	Kathy Menici (Interim)
POLICE CHIEF:	Matt Canfield
REC. & FAC. DIRECTOR:	Amy Lovisek
TAX COLLECTOR:	Katie Gargano
WELFARE DIRECTOR:	Glenn Smith
WATER WORKS:	Ben Crawford



April 4, 2024

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

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 Laconia, New Hampshire (the City) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the Uniform Guidance

As stated in our engagement letter dated October 4, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI which supplements the basic financial statements, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicated any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of internal controls.
- Recognition of revenue.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Net OPEB liability and related outflows and inflows.
- Net pension liability and related outflows and inflows.
- Useful lives of capital assets.
- Allowance for doubtful accounts.
- Fair value of investments.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures of the OPEB and pension liabilities in the notes to the financial statements are reliant upon various estimates agreed upon by the City and the actuary.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Independence

During the year ended June 30, 2023, we were engaged to prepare the government-wide financial statements by consolidating various funds into governmental activities, converting to the accrual basis of accounting, and recording all long-term assets, long-term liabilities, and net position classifications based on information from the City's accounting records. We also assisted the City in converting to the modified accrual basis based on information from the City's accounting records. In addition, we also assisted with the capital asset schedule maintenance and helped prepared the Data Collection Form (DCF). We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance. The scope of the nonaudit services does not constitute an audit under *Government Auditing Standards*.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate to each opinion unit's financial statements taken as a whole. There were, however, reclassification adjustments that were made in connection with converting to the modified accrual and accrual basis of accounting. These reclassification adjustments are also included in the attached schedule.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 4, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City of Laconia, New Hampshire and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Marcum LLP". The script is cursive and fluid, with the letters "M", "L", and "P" being particularly prominent.

Marcum LLP
Andover, MA

City of Laconia, New Hampshire
April 4, 2024
Page 6

Proposed Journal Entries				
Proposed Journal Entries JE # 41		L-020		
To record accrued payroll for the City.				
01-404-303-0000	MISCELLANEOUS		155,372.00	
01-218-001-0000	ACCRUED PAYROLL			155,372.00
Total			155,372.00	155,372.00
Proposed Journal Entries JE # 65		Tax-041		
To record immaterial refunds				
01-111-025-2023	A/R RE TAXES 2023		141,200.00	
01-2000-RE	Refunds Payable			141,200.00
Total			141,200.00	141,200.00
Proposed Journal Entries JE # 71		TAX-070		
To record immaterial allowance				
01-310-001-0000	REAL ESTATE TAXES-CURRENT		315,368.00	
01-111-025-2023	A/R RE TAXES 2023			315,368.00
Total			315,368.00	315,368.00
Proposed Journal Entries JE # 82		A		
To adjust cash for unknown variance between the general ledger and the reconciled bank balance.				
01-101-001-0000	CASH-GENERAL FUND-CITY		515,143.00	
01-360-057-0000	MSC REVENUE			515,143.00
Total			515,143.00	515,143.00
Proposed Journal Entries JE # 83		CGF-WTB		
To reclassify letter of credit liability from receivables to accrued liabilities.				
01-211-001-0006	Letter of Credit Liability		453,636.00	
01-201-999-23100	Marcum - Letter of Credit			453,636.00
Total			453,636.00	453,636.00
Proposed Journal Entries JE # 84		AS-002		
To adjust school grant receivables for unidentified variance.				
2-0000-14000-00-0000	INTERGOVERNMENTAL RECEIVABLES		75,069.00	
32-900-40000-45700	MARCUM PAJE Grants			75,069.00
Total			75,069.00	75,069.00
Total Proposed Journal Entries			1,655,788.00	1,655,788.00
Reclassifying Journal Entries JE # 62		ARR-010		
To record deferred revenue for unspent ARPA funds.				
38-320-020-0000	Federal Allocation		452,799.00	
38-000-999-0000	Deferred Revenues - ARPA			452,799.00
Total			452,799.00	452,799.00
Reclassifying Journal Entries JE # 64		ARR-010		
To reverse PY entry to record unspent ARPA funds.				
38-273-001-0000	Fund Balance - Designated		334,360.00	
38-320-020-0000	Federal Allocation			334,360.00
38-000-999-0000	Deferred Revenues - ARPA			
Total			334,360.00	334,360.00



CITY OF LACONIA, NEW HAMPSHIRE

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023

CITY OF LACONIA, NEW HAMPSHIRE

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CITY OF LACONIA, NEW HAMPSHIRE

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Laconia, 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 Laconia, New Hampshire (the City), as of and for the year ended June 30, 2023, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire, as of June 30, 2023, 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' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2024 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.

Marcum LLP

Andover, MA
April 4, 2024

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

As management of the City of Laconia, 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, 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

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

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer enterprise funds both of which are considered to be major funds, as well as an internal service fund.

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

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 capital acquisitions of vehicles and required maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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 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.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$28,329,263, a change of \$4,061,838, and net position in business-type activities was \$30,489,331, a change of \$1,841,415.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$16,438,157, a change of \$1,760,947.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,686,675, a change of \$483,431 in comparison to the prior year.

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Government-Wide Financial Analysis

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

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$50,579,144	\$44,594,997	\$ 6,257,760	\$ 5,213,589	\$56,836,904	\$49,808,586
Capital assets	106,468,657	109,252,490	33,193,199	30,466,212	139,661,856	139,718,702
Total Assets	<u>157,047,801</u>	<u>153,847,487</u>	<u>39,450,959</u>	<u>35,679,801</u>	<u>196,498,760</u>	<u>189,527,288</u>
Deferred Outflows of Resources	<u>16,920,318</u>	<u>16,339,790</u>	<u>442,637</u>	<u>389,502</u>	<u>17,362,955</u>	<u>16,729,292</u>
Liabilities						
Current liabilities	6,129,034	4,730,278	4,000,026	1,804,345	10,129,060	6,534,623
Noncurrent liabilities	114,872,507	103,653,925	5,259,623	5,049,632	120,132,130	108,703,557
Total Liabilities	<u>121,001,541</u>	<u>108,384,203</u>	<u>9,259,649</u>	<u>6,853,977</u>	<u>130,261,190</u>	<u>115,238,180</u>
Deferred Inflows on Resources	<u>24,637,315</u>	<u>37,535,649</u>	<u>144,616</u>	<u>567,410</u>	<u>24,781,931</u>	<u>38,103,059</u>
Net Position						
Net investment in capital assets	70,262,324	66,652,538	27,114,953	25,901,245	97,377,277	92,553,783
Restricted	6,069,507	6,016,204	--	--	6,069,507	6,016,204
Unrestricted	(48,002,568)	(48,401,317)	3,374,378	2,746,671	(44,628,190)	(45,654,646)
Total Net Position	<u>\$28,329,263</u>	<u>\$24,267,425</u>	<u>\$30,489,331</u>	<u>\$28,647,916</u>	<u>\$58,818,594</u>	<u>\$52,915,341</u>

The largest portion of net position \$97,377,277 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 \$6,069,507 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(44,628,190) primarily resulting from the City's unfunded net pension and OPEB liabilities.

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

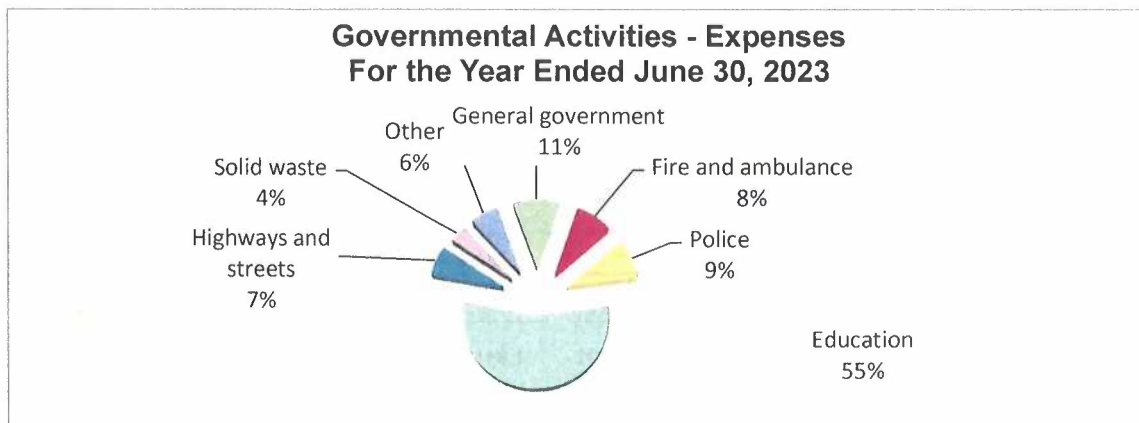
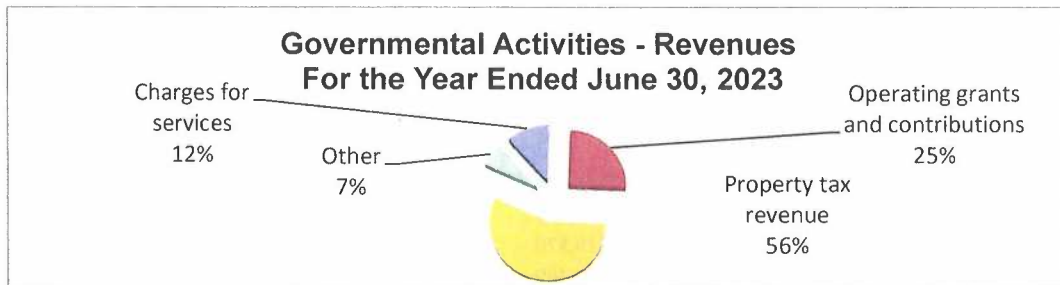
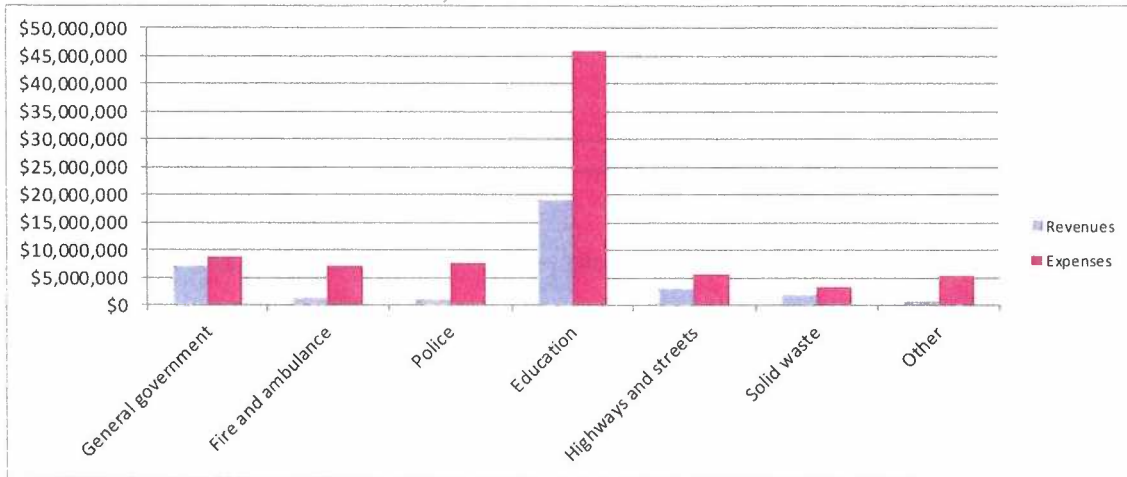
As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At the close of the most recent fiscal year, total net position was \$58,818,594 a change of \$5,903,253 in comparison to the prior year.

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$10,608,328	\$ 9,222,340	\$ 8,379,940	\$ 7,872,802	\$18,988,268	\$17,095,142
Operating grants and contributions	20,477,790	16,962,488	81,904	73,980	20,559,694	17,036,468
Capital grants and contributions	3,303,605	744,042	491,090	280,899	3,794,695	1,024,941
General revenues						
Property taxes	48,319,149	47,074,574	--	--	48,319,149	47,074,574
Penalties and interest on taxes	632,987	576,845	--	--	632,987	576,845
Grants and contributions not restricted to specific programs	1,501,589	1,273,180	--	--	1,501,589	1,273,180
Investment income (loss)	906,646	(387,091)	206,261	9,827	1,112,907	(377,264)
Miscellaneous	1,979,783	642,125	--	--	1,979,783	642,125
Total Revenues	<u>87,729,877</u>	<u>76,108,503</u>	<u>9,159,195</u>	<u>8,237,508</u>	<u>96,889,072</u>	<u>84,346,011</u>
Expenses						
General government	8,790,293	5,115,702	--	--	8,790,293	5,115,702
Fire and ambulance	7,087,389	6,409,940	--	--	7,087,389	6,409,940
Police	7,720,653	6,919,870	--	--	7,720,653	6,919,870
Education	45,909,696	39,908,409	--	--	45,909,696	39,908,409
Highway and streets	5,514,554	5,141,411	--	--	5,514,554	5,141,411
Solid waste	3,285,508	2,592,430	--	--	3,285,508	2,592,430
Health and welfare	967,496	843,497	--	--	967,496	843,497
Parks and recreation	1,169,984	1,363,940	--	--	1,169,984	1,363,940
Library	1,004,719	1,015,037	--	--	1,004,719	1,015,037
Conservation	2,876	2,315	--	--	2,876	2,315
Airport	799,069	773,344	--	--	799,069	773,344
Interest expense	1,415,802	1,254,836	--	--	1,415,802	1,254,836
Water	--	--	3,045,956	2,823,782	3,045,956	2,823,782
Sanitary sewer	--	--	4,271,824	4,693,081	4,271,824	4,693,081
Total Expenses	<u>83,668,039</u>	<u>71,340,731</u>	<u>7,317,780</u>	<u>7,516,863</u>	<u>90,985,819</u>	<u>78,857,594</u>
Change in Net Position	<u>4,061,838</u>	<u>4,767,772</u>	<u>1,841,415</u>	<u>720,645</u>	<u>5,903,253</u>	<u>5,488,417</u>
Net Position - Beginning of Year	<u>24,267,425</u>	<u>19,499,653</u>	<u>28,647,916</u>	<u>27,927,271</u>	<u>52,915,341</u>	<u>47,426,924</u>
Net Position - End of Year	<u>\$28,329,263</u>	<u>\$24,267,425</u>	<u>\$30,489,331</u>	<u>\$28,647,916</u>	<u>\$58,818,594</u>	<u>\$52,915,341</u>

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Governmental Activities - Revenue v. Expense Comparison
For the Year Ended June 30, 2023



CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$4,061,838. Key elements of this change are as follows:

General Fund operations	\$ 1,758,922
Unanticipated capital grant contribution	1,547,855
Decrease in pension expense	51,218
Decrease in OPEB expense	237,347
Other	<u>466,496</u>
	<u>\$ 4,061,838</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,841,415. This change primarily results from positive budgetary results and capital contributions in the sewer fund. The following is a summary of the changes in net position by fund:

Water operations	\$ 369,056
Sanitary sewer operations	<u>1,472,359</u>
	<u>\$ 1,841,415</u>

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.

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 \$3,686,675, while total fund balance was \$11,450,343. The City's unassigned fund balance increased by \$483,431 primarily from favorable budgetary results of \$1,629,584 (page 70), less \$825,662 used to reduce the tax rate in fiscal year 2023. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Refer to the table below.

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

General Fund	June 30, 2023	June 30, 2022	Change	% of Total General Fund Expenditures
Unassigned fund balance	\$ 3,686,675	\$ 3,203,244	\$ 483,431	5.3%
Total fund balance	\$ 11,450,343	\$ 9,691,421	\$ 1,758,922	16.6%

The total fund balance of the General Fund changed by \$1,758,922 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (825,662)
Excess of revenues over expenditures (budgetary basis)	1,629,584
Change in appropriation carryforwards	995,833
Other	(40,833)
	<u>\$ 1,758,922</u>

Included in the total General Fund balance are the City's capital reserve accounts with the following balances:

	June 30, 2023	June 30, 2022	Change
Capital reserves	\$ 5,688,151	\$ 5,501,899	\$ 186,252

School Grants Fund (Major Governmental Fund)

The School Grants Fund represents all federal and state grants received by the School District.

Nonmajor Governmental Funds

The fund balance of nonmajor governmental funds changed by \$98,228 primarily from timing differences between the receipt and disbursement of grants.

Proprietary Funds

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,374,378, a change of \$627,708 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.

CITY OF LACONIA, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for fiscal year 2023.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type construction in progress, activities at year end amounted to \$139,661,856 net of accumulated depreciation/amortization. This investment in capital assets includes land, construction in progress, buildings and improvements, furniture, equipment, vehicles, infrastructure, and right to use leased assets.

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

Long-Term Debt

At the end of the current fiscal year, total bonded debt and loans outstanding was \$37,779,784 all of which was backed by the full faith and credit of the City.

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

Requests for Information

This financial report is designed to provide a general overview of the City of Laconia'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:

Finance Department
City of Laconia
45 Beacon Street East
Laconia, New Hampshire 03246

CITY OF LACONIA, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and short-term investments	\$ 30,475,399	\$ 5,028,039	\$ 35,503,438
Investments	4,602,407	--	4,602,407
Receivables, net of allowance for uncollectibles:			
Property taxes	4,641,238	--	4,641,238
Departmental and other	1,900,779	--	1,900,779
User fees	--	1,594,268	1,594,268
Intergovernmental	6,773,304	173,811	6,947,115
Internal balances	1,087,449	(1,087,449)	--
Due from external parties	121,545	--	121,545
Inventories and prepaids	304,705	549,091	853,796
Total Current Assets	<u>49,906,826</u>	<u>6,257,760</u>	<u>56,164,586</u>
Noncurrent Assets			
Receivables, net of allowance for uncollectibles:			
Property taxes	672,318	--	672,318
Capital assets:			
Land and construction in progress	10,563,482	903,404	11,466,886
Right to use leased assets, net of accumulated amortization	4,638,405	--	4,638,405
Other capital assets, net of accumulated depreciation	91,266,770	32,289,795	123,556,565
Total Noncurrent Assets	<u>107,140,975</u>	<u>33,193,199</u>	<u>140,334,174</u>
Total Assets	<u>157,047,801</u>	<u>39,450,959</u>	<u>196,498,760</u>
Deferred Outflows Resources			
Related to pension	15,844,805	401,426	16,246,231
Related to OPEB	1,075,513	41,211	1,116,724
Total Deferred Outflows of Resources	<u>16,920,318</u>	<u>442,637</u>	<u>17,362,955</u>

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

CITY OF LACONIA, NEW HAMPSHIRE
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	3,758,100	729,127	4,487,227
Retainage payable	144,425	161,212	305,637
Accrued liabilities	1,709,975	94,594	1,804,569
Unearned revenues	452,799	--	452,799
Notes payable	--	2,305,436	2,305,436
Other liabilities	--	709,657	709,657
Due to external parties	63,735	--	63,735
Current portion of long-term liabilities:			
Bonds and loans payable	3,375,119	209,930	3,585,049
Compensated absences liability	107,566	5,196	112,762
Lease liability	27,965	--	27,965
Landfill liability	15,000	--	15,000
Total Current Liabilities	<u>9,654,684</u>	<u>4,215,152</u>	<u>13,869,836</u>
Noncurrent Liabilities			
Bonds and loans payable, net of current portion	31,369,449	2,825,286	34,194,735
Compensated absences liability, net of current portion	2,043,762	134,220	2,177,982
Lease liability, net of current portion	5,113,733	--	5,113,733
Landfill liability, net of current portion	99,000	--	99,000
Net pension liability	61,486,053	1,714,889	63,200,942
Net OPEB liability	11,234,860	370,102	11,604,962
Total Noncurrent Liabilities	<u>111,346,857</u>	<u>5,044,497</u>	<u>116,391,354</u>
Total Liabilities	<u>121,001,541</u>	<u>9,259,649</u>	<u>130,261,190</u>
Deferred Inflows of Resources			
Related to pension	1,231,443	51,193	1,282,636
Related to OPEB	2,156,468	93,423	2,249,891
Related to taxes	21,249,404	--	21,249,404
Total Deferred Inflows of Resources	<u>24,637,315</u>	<u>144,616</u>	<u>24,781,931</u>
Net Position			
Net investment in capital assets	70,262,324	27,114,953	97,377,277
Restricted for:			
Grants	3,515,167	--	3,515,167
Permanent funds:			
Nonexpendable	873,608	--	873,608
Expendable	1,680,732	--	1,680,732
Unrestricted	(48,002,568)	3,374,378	(44,628,190)
Total Net Position	<u>\$ 28,329,263</u>	<u>\$ 30,489,331</u>	<u>\$ 58,818,594</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Governmental Activities					
General government	\$ 8,790,293	\$ 4,459,210	\$ 2,676,228	\$ --	\$ (1,654,855)
Fire and ambulance	7,087,389	1,166,484	98,252	--	(5,822,653)
Police	7,720,653	441,926	674,075	--	(6,604,652)
Education	45,909,696	2,055,677	16,925,570	--	(26,928,449)
Highways and streets	5,514,554	31,007	--	3,024,643	(2,458,904)
Solid waste	3,285,508	1,885,057	102,665	--	(1,297,786)
Health and welfare	967,496	1,647	--	--	(965,849)
Parks and recreation	1,169,984	120,201	1,000	--	(1,048,783)
Library	1,004,719	10,353	--	--	(994,366)
Conservation	2,876	--	--	19,803	16,927
Airport	799,069	436,766	--	259,159	(103,144)
Interest on long-term debt	1,415,802	--	--	--	(1,415,802)
Total Governmental Activities	<u>83,668,039</u>	<u>10,608,328</u>	<u>20,477,790</u>	<u>3,303,605</u>	<u>(49,278,316)</u>
Business-Type Activities					
Water services	3,045,956	3,298,388	81,904	--	334,336
Sanitary sewer services	4,271,824	5,081,552	--	491,090	1,300,818
Total Business-Type Activities	<u>7,317,780</u>	<u>8,379,940</u>	<u>81,904</u>	<u>491,090</u>	<u>1,635,154</u>
	<u>\$ 90,985,819</u>	<u>\$ 18,988,268</u>	<u>\$ 20,559,694</u>	<u>\$ 3,876,599</u>	<u>(47,643,162)</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Net (Expenses) Revenues From Previous Page	<u>(49,278,316)</u>	<u>1,635,154</u>	<u>(47,643,162)</u>
General Revenues			
Property taxes	48,319,149	--	48,319,149
Penalties, interest, and other taxes	632,987	--	632,987
Grants and contributions not restricted to specific programs	1,501,589	--	1,501,589
Investment income	906,646	206,261	1,112,907
Miscellaneous	<u>1,979,783</u>	<u>--</u>	<u>1,979,783</u>
Total General Revenues	<u>53,340,154</u>	<u>206,261</u>	<u>53,546,415</u>
Change in Net Position	4,061,838	1,841,415	5,903,253
Net Position			
Beginning of Year	<u>24,267,425</u>	<u>28,647,916</u>	<u>52,915,341</u>
End of Year	<u><u>\$ 28,329,263</u></u>	<u><u>\$ 30,489,331</u></u>	<u><u>\$ 58,818,594</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2023

	General	School Grants	Nonmajor	Total
	Fund	Fund	Governmental	Governmental
			Funds	Funds
Assets				
Cash and short-term investments	\$ 29,949,820	--	\$ 525,579	\$ 30,475,399
Investments	2,003,079	--	2,599,328	4,602,407
Receivables:				
Property taxes	5,313,556	--	--	5,313,556
Departmental and other	501,675	--	1,399,104	1,900,779
Intergovernmental	195,121	4,551,632	2,026,551	6,773,304
Due from other funds	9,236,038	--	3,837,659	13,073,697
Inventories and prepaids	224,369	10,408	37,196	271,973
Total Assets	<u>\$ 47,423,658</u>	<u>\$ 4,562,040</u>	<u>\$ 10,425,417</u>	<u>\$ 62,411,115</u>
Liabilities				
Accounts payable	\$ 3,356,196	172,664	\$ 141,966	\$ 3,670,826
Retainage payable	56,677	--	87,748	144,425
Accrued liabilities	1,709,498	--	355	1,709,853
Unearned revenues	--	--	452,799	452,799
Due to other funds	3,987,122	4,479,321	3,116,935	11,583,378
Total Liabilities	<u>9,109,493</u>	<u>4,651,985</u>	<u>3,799,803</u>	<u>17,561,281</u>
Deferred Inflows of Resources				
Unavailable revenues	5,614,418	--	1,547,855	7,162,273
Taxes collected in advance	21,249,404	--	--	21,249,404
Total Deferred Inflows of Resources	<u>26,863,822</u>	<u>--</u>	<u>1,547,855</u>	<u>28,411,677</u>
Fund Balances				
Nonspendable	224,369	10,408	873,608	1,108,385
Restricted	--	--	5,548,424	5,548,424
Committed	5,688,151	--	--	5,688,151
Assigned	1,851,148	--	--	1,851,148
Unassigned	3,686,675	(100,353)	(1,344,273)	2,242,049
Total Fund Balances	<u>11,450,343</u>	<u>(89,945)</u>	<u>5,077,759</u>	<u>16,438,157</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 47,423,658</u>	<u>\$ 4,562,040</u>	<u>\$ 10,425,417</u>	<u>\$ 62,411,115</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

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

JUNE 30, 2023

<i>Total Governmental Fund Balances</i>	\$ 16,438,157
Capital assets (exclusive of the internal service fund) used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	98,150,319
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	4,638,405
Revenues are reported on the accrual basis of accounting and are not deferred until collected.	7,162,273
The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	3,144,397
Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	15,844,805
Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.	1,075,513
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Bonds and loans payable	(34,744,568)
Net pension liability	(61,486,053)
Net OPEB liability	(11,234,860)
Other (compensated absences, landfill, and leases)	(7,407,026)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(1,231,443)
Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.	(2,156,468)
Other reconciling items.	135,812
<i>Net Position of Governmental Activities</i>	<u>\$ 28,329,263</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	School Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 47,455,806	\$ --	\$ 436,649	\$ 47,892,455
Penalties, interest, and other taxes	632,987	--	--	632,987
Charges for services	3,980,537	--	2,294,071	6,274,608
Intergovernmental	12,498,975	6,662,795	4,573,359	23,735,129
Licenses and permits	4,298,761	--	--	4,298,761
Fines and forfeitures	34,959	--	--	34,959
Investment income	658,802	--	247,844	906,646
Miscellaneous	1,092,181	--	1,044,400	2,136,581
Total Revenues	<u>70,653,008</u>	<u>6,662,795</u>	<u>8,596,323</u>	<u>85,912,126</u>
Expenditures				
Current:				
General government	5,452,522	--	2,663,200	8,115,722
Fire and ambulance	5,563,644	--	1,337,299	6,900,943
Police	7,454,524	--	635,543	8,090,067
Education	35,207,573	6,758,998	1,330,101	43,296,672
Highways and streets	2,962,460	--	55,685	3,018,145
Solid waste	3,196,351	--	--	3,196,351
Health and welfare	92,259	--	--	92,259
Parks and recreation	930,310	--	30,179	960,489
Library	879,909	--	--	879,909
Conservation	2,876	--	--	2,876
Airport	--	--	799,069	799,069
Capital outlay	2,687,362	--	1,918,141	4,605,503
Debt service:				
Principal	3,424,208	--	213,345	3,637,553
Interest	1,136,088	--	269,533	1,405,621
Total Expenditures	<u>68,990,086</u>	<u>6,758,998</u>	<u>9,252,095</u>	<u>85,001,179</u>
Excess (Deficiency) of Revenues	<u>1,662,922</u>	<u>(96,203)</u>	<u>(655,772)</u>	<u>910,947</u>
Over Expenditures				
Other Financing Sources (Uses)				
Issuance of bonds and bond premium	--	--	850,000	850,000
Transfers in	96,000	--	--	96,000
Transfers out	--	--	(96,000)	(96,000)
Total Other Financing Sources (Uses)	<u>96,000</u>	<u>--</u>	<u>754,000</u>	<u>850,000</u>
Change in Fund Balance	<u>1,758,922</u>	<u>(96,203)</u>	<u>98,228</u>	<u>1,760,947</u>
Fund Balance, at Beginning of Year, as Reclassified	<u>9,691,421</u>	<u>6,258</u>	<u>4,979,531</u>	<u>14,677,210</u>
Fund Balance, at End of Year	<u>\$ 11,450,343</u>	<u>\$ (89,945)</u>	<u>\$ 5,077,759</u>	<u>\$ 16,438,157</u>

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

CITY OF LACONIA, 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, 2023

<i>Net Changes in Fund Balances - Total Governmental Funds</i>	\$ 1,760,947
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 over their estimated useful lives and reported as depreciation expense:	
Capital outlay	5,482,031
Net effect from disposals of assets	(454,249)
Depreciation/amortization	(7,811,615)
The issuance of long-term debt 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:	
Issuance of general obligation bonds and premium	(850,000)
Repayments of general obligation bonds and loans	3,682,567
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 (i.e., property tax, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.	
	2,106,485
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.	
Change in net pension liability and related deferred outflows and inflows	51,218
Change in net OPEB liability and related deferred outflows and inflows	237,347
Bond premium amortization	48,900
An internal service fund is used by management to account for vehicle management services and related activities. The net activity of the internal service fund is reported with governmental activities.	
	(191,793)
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 4,061,838</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Assets				
Current Assets				
Cash and short-term investments	\$ 2,550,503	\$ 2,477,536	\$ 5,028,039	\$ --
User fees, net of allowance for uncollectibles	640,176	954,092	1,594,268	--
Intergovernmental receivables	173,811	--	173,811	--
Due from other funds	--	56,274	56,274	--
Inventory	549,091	--	549,091	32,606
Total Current Assets	3,913,581	3,487,902	7,401,483	32,606
Noncurrent Assets				
Capital assets:				
Land and construction in progress	38,503	864,901	903,404	--
Other capital assets, net of accumulated depreciation	15,659,786	16,630,009	32,289,795	3,679,933
Total Noncurrent Assets	15,698,289	17,494,910	33,193,199	3,679,933
Total Assets	19,611,870	20,982,812	40,594,682	3,712,539
Deferred Outflows of Resources				
Related to pension	363,129	38,297	401,426	--
Related to OPEB	13,540	27,671	41,211	--
Total Deferred Outflows of Resources	376,669	65,968	442,637	--
Liabilities				
Current Liabilities				
Accounts payable	121,677	607,450	729,127	87,275
Retainage payable	--	161,212	161,212	--
Accrued liabilities	22,275	72,319	94,594	--
Notes payable	--	2,305,436	2,305,436	--
Other liabilities	709,657	--	709,657	--
Due to other funds	--	1,143,723	1,143,723	345,057
Current portion of long-term liabilities:				
Bonds and loans payable	134,892	75,038	209,930	56,953
Compensated absences liability	--	5,196	5,196	--
Total Current Liabilities	988,501	4,370,374	5,358,875	489,285
Noncurrent Liabilities				
Bonds and loans payable, net of current portion	1,624,686	1,200,600	2,825,286	78,857
Compensated absences Liability, net of current position	134,220	--	134,220	--
Net pension liability	1,446,547	268,342	1,714,889	--
Net OPEB liability	122,702	247,400	370,102	--
Total Noncurrent Liabilities	3,328,155	1,716,342	5,044,497	78,857
Total Liabilities	4,316,656	6,086,716	10,403,372	568,142
Deferred Inflows of Resources				
Related to pension	40,108	11,085	51,193	--
Related to OPEB	58,200	35,223	93,423	--
Total Deferred Inflows of Resources	98,308	46,308	144,616	--
Net Position				
Net investment in capital assets	13,938,711	13,176,242	27,114,953	--
Unrestricted	1,634,864	1,739,514	3,374,378	3,144,397
Total Net Position	\$ 15,573,575	\$ 14,915,756	\$ 30,489,331	\$ 3,144,397

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 2,904,093	\$ 5,077,614	\$ 7,981,707	\$ 1,576,308
Other	394,295	3,938	398,233	--
Total Operating Revenues	<u>3,298,388</u>	<u>5,081,552</u>	<u>8,379,940</u>	<u>1,576,308</u>
Operating Expenses				
Personnel costs	1,537,115	540,700	2,077,815	361,088
Non-personnel costs	613,229	3,260,213	3,873,442	778,689
Depreciation	846,616	434,312	1,280,928	622,094
Total Operating Expenses	<u>2,996,960</u>	<u>4,235,224</u>	<u>7,232,184</u>	<u>1,761,871</u>
Operating Income (Loss)	<u>301,428</u>	<u>846,328</u>	<u>1,147,756</u>	<u>(185,563)</u>
Nonoperating Revenues (Expenses)				
Investment income (loss)	34,720	171,541	206,261	(6,230)
Other income	81,904	--	81,904	--
Interest expense	(48,996)	(36,600)	(85,596)	--
Total Nonoperating Revenues (Expenses), Net	<u>67,628</u>	<u>134,941</u>	<u>202,569</u>	<u>(6,230)</u>
Income Before Capital Contributions	<u>369,056</u>	<u>981,269</u>	<u>1,350,325</u>	<u>(191,793)</u>
Capital Contributions	<u>--</u>	<u>491,090</u>	<u>491,090</u>	<u>--</u>
Change in Net Position	<u>369,056</u>	<u>1,472,359</u>	<u>1,841,415</u>	<u>(191,793)</u>
Net Position, at Beginning of Year	<u>15,204,519</u>	<u>13,443,397</u>	<u>28,647,916</u>	<u>3,336,190</u>
Net Position, at End of Year	<u>\$ 15,573,575</u>	<u>\$ 14,915,756</u>	<u>\$ 30,489,331</u>	<u>\$ 3,144,397</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water	Sanitary Sewer	Total	Internal
	Fund	Fund		Service Fund
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 3,212,685	\$ 5,011,021	\$ 8,223,706	\$ 1,575,508
Payments to employees and vendors	(2,116,949)	(3,260,223)	(5,377,172)	(1,102,021)
Net Cash Provided by Operating Activities	<u>1,095,736</u>	<u>1,750,798</u>	<u>2,846,534</u>	<u>473,487</u>
Cash Flows From Non Capital Financing Activities				
Interfund borrowing	--	(405,548)	(405,548)	(10,983)
Net Cash Used for Non Capital Financing Activities	<u>--</u>	<u>(405,548)</u>	<u>(405,548)</u>	<u>(10,983)</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds of bonds and loans	--	985,411	985,411	--
Acquisition and construction of capital assets, net of disposals	(542,702)	(2,971,657)	(3,514,359)	(401,080)
Principal payments on bonds and loans	(134,689)	(75,037)	(209,726)	(55,194)
Interest expense	(48,996)	(36,600)	(85,596)	--
Other nonoperating income	81,904	--	81,904	--
Net Cash Used for Capital and Related Financing Activities	<u>(644,483)</u>	<u>(2,097,883)</u>	<u>(2,742,366)</u>	<u>(456,274)</u>
Cash Flows from Investing Activities				
Investment income (loss)	34,720	171,541	206,261	(6,230)
Proceeds from sale of investments	--	1,019,638	1,019,638	--
Net Cash Provided by Investing Activities	<u>34,720</u>	<u>1,191,179</u>	<u>1,225,899</u>	<u>(6,230)</u>
Net Change in Cash and Short-Term Investments	<u>485,973</u>	<u>438,546</u>	<u>924,519</u>	<u>--</u>
Cash and Short-Term Investments - Beginning of Year	<u>2,064,530</u>	<u>2,038,990</u>	<u>4,103,520</u>	<u>--</u>
Cash and Short-Term Investments - End of Year	<u>\$ 2,550,503</u>	<u>\$ 2,477,536</u>	<u>\$ 5,028,039</u>	<u>\$ --</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash				
Provided by Operating Activities				
Operating income (loss)	\$ 301,428	\$ 846,328	\$ 1,147,756	\$ (185,563)
Adjustments to reconcile operating activities income (loss) to net cash provided by operating activities:				
Depreciation	846,616	434,312	1,280,928	622,094
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees receivable	(85,704)	(66,593)	(152,297)	--
Inventory	(106,457)	--	(106,457)	--
Other assets	--	--	--	(801)
Accrued liabilities	(18,910)	--	(18,910)	--
Accounts payable	(19,157)	531,998	512,841	37,757
Retainage payable	--	63,573	63,573	--
Net pension liability and related deferrals	32,859	(2,846)	30,013	--
Net OPEB liability and related deferrals	(59,261)	(45,186)	(104,447)	--
Other liabilities	204,322	(10,788)	193,534	--
Net Cash Provided by Operating Activities	<u>\$ 1,095,736</u>	<u>\$ 1,750,798</u>	<u>\$ 2,846,534</u>	<u>\$ 473,487</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and short-term investments	\$ 413,172	\$ 169,360
Investments:		
Corporate bonds	1,272,449	--
Corporate equities	2,032,839	--
Equity mutual funds	459,036	--
Federal agency securities	23,165	--
Fixed income mutual funds	608,998	--
U.S Treasury notes	571,833	--
	<u>4,968,320</u>	<u>--</u>
Total Investments	4,968,320	--
Due from external parties	<u>--</u>	<u>63,735</u>
Total Assets	<u>5,381,492</u>	<u>233,095</u>
Liabilities		
Accounts payable	--	275
Due to external parties	<u>121,198</u>	<u>347</u>
Total Liabilities	<u>121,198</u>	<u>622</u>
Net Position		
Restricted for individuals, organizations, and other governments	<u>5,260,294</u>	<u>232,473</u>
Total Net Position	<u>\$ 5,260,294</u>	<u>\$ 232,473</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

	Private Purpose Trust Funds	Custodial Funds
Additions		
Taxes collected for County of Belknap	\$ --	\$ 2,913,637
Taxes collected for State of New Hampshire	--	1,141,611
Fees collected for students	--	294,700
Increase in fair value of investments	<u>431,430</u>	<u>--</u>
Total Additions	<u>431,430</u>	<u>4,349,948</u>
Deductions		
Payment of taxes to County of Belknap	--	2,913,637
Payment of taxes to State of New Hampshire	--	1,141,611
Payments on behalf of students	--	234,987
Other	<u>--</u>	<u>22,547</u>
Total Deductions	<u>--</u>	<u>4,312,782</u>
Change in Net Position	431,430	37,166
Restricted in Net Position		
Beginning of Year	<u>4,828,864</u>	<u>195,307</u>
End of Year	<u>\$ 5,260,294</u>	<u>\$ 232,473</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Laconia, New Hampshire (the City) conform to Generally Accepted Accounting Principles (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 more significant policies:

REPORTING ENTITY

The City is a municipal corporation governed by an elected mayor and six-member council. 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 2023, 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 non-fiduciary 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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgements, 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 School Grants Fund is the City's fund that accounts for all grants the School District receives.

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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Fund Financial Statements (Continued)

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 non-operating revenues and expenses.

The City reports the following major proprietary (enterprise) funds:

- The Water Fund accounts for the operation of a water treatment plant, water lines, and pumping stations.
- The Sanitary Sewer Fund accounts for the operation of pumping stations, and sewer lines.

The City reports an internal service fund that accounts for vehicle management services provided to other departments of the City on a cost reimbursement basis.

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:

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

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments are carried at fair value, except certificate of deposits which are reported at cost.

PROPERTY TAX LIMITATIONS

In November 2005, the voters approved a Charter Amendment (Tax Cap) to limit the increases in proposed budgets going forward. This Tax Cap limits increases in net spending for the City, School District, and Belknap County budgets as follows:

- Increases limited to changes in the Federal National Consumer Price Index (urban).
- New building permits (between April 1 and March 31) less total dollar value of demolition permits issued times the prior year's tax rate.

This Charter Amendment can be overridden by a 2/3 vote of the City Council.

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 either "due from/to other funds" (i.e., the current portion of interfund loans).

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVENTORIES AND PREPAIDS

Inventories are valued at cost using the first-in/first-out (FIFO) method. Prepaids represent items that will be expensed when consumed.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure, and right to use leased assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	10 - 20
Buildings and improvements	15 - 40
Furniture, equipment, and vehicles	4 - 25
Infrastructure:	
Sewer system	50
Water system	5 - 40
Roads	15 - 30
Bridges	50

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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES (CONTINUED)

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.

LEASES

The City recognizes a lease liability and a right to use leased asset in the government-wide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be received during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments. The right to use leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date plus certain initial direct costs. Subsequently, the right to use leased asset is amortized 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 payments included in the measurement of the lease liability are comprised of fixed payments to the lessor.

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

LONG-TERM OBLIGATIONS

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

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 has 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 inventory and 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 includes various special revenue funds, capital project funds, and the income portion of permanent trust funds.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority. This fund balance classification includes capital reserve funds.
- *Assigned* represents amounts that are constrained by the City’s intent to use these resources for 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, and surplus set aside to be used in the subsequent year’s budget.
- *Unassigned* represents amounts that are available to be spent in future periods and includes the General Fund and deficit funds.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND EQUITY (CONTINUED)

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 investment in capital assets, consists of capital assets, net of accumulated depreciation/amortization, 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. The remaining 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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City observes the following procedures in establishing the budgetary data reflected in the financial statements:

At such time as may be requested by the City Manager or specified by the administrative code, each director of a department submits an itemized estimate of the expenditures for the next fiscal year for the departments or activities under their control. The City Manager submits the proposed budget to the City Council at least one month before the start of the fiscal year, which begins July 1.

A public hearing on the budget is held before its final adoption by the City Council. Notice of the public hearing, together with a summary of the budget as submitted, is published at least one week in advance by the City Clerk.

The budget must be legally adopted no later than July 27. Should the Council take no final action on or prior to that date, the budget as submitted, is deemed to have been finally adopted by the City Council.

No appropriation is made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the City Council after a public hearing held to discuss the appropriation. The Council may by resolution, designate the source of any money so appropriated.

At the beginning of each quarterly period during the fiscal year, and more often if required by the City Council, the City Manager submits data to the City Council showing a comparison of the estimated and actual revenues and expenditures to date. If it appears that the revenues are less than anticipated, the Council or City Manager may reduce the appropriation for any item or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the City's revenues. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds, or agencies under such rules as he may prescribe.

After the budget has been adopted, no expenditure may be incurred, except pursuant to a budget appropriation, unless there is a specific additional appropriation therefore. The head of any department, with the approval of the City Manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within the department to another fund or agency within the department; the City Manager, with the approval of the City Council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another. City Council approval is required before total actual expenditures may exceed the total appropriation for the year.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

Formal budgetary integration is employed as a management control device during the year only for the General Fund and the following Special Revenue Funds: School Lunch and Breakfast Programs and School Federal Projects.

The City legally adopts one inclusive budget for the General Fund and two special revenue funds. The budget is adopted on a basis consistent with GAAP.

Budget appropriations lapse at the end of the fiscal year except for any appropriations approved by City Council to be carried forward.

DEFICIT FUND EQUITY

Certain individual funds reflected deficit balances as of June 30, 2023. It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds.

NOTE 3 - DEPOSITS AND INVESTMENTS

State statutes (RSA 48:16 for cities and towns, or 197.23-a for school districts) place certain limitation on the nature of deposits and investments available to the City. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), in New Hampshire 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. NHDIP is under the control of the New Hampshire Banking Commission and Advisory Committee. Participation units of the NHDIP are considered short-term for financial presentation purposes due to their high liquidity and are carried at amortized cost in accordance with GASB Statement 79.

DEPOSITS

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. The City's policy related to the custodial credit risk of deposits is to require full collateralization on all demand deposit accounts, savings, now accounts, money market accounts, and non-negotiable certificates of deposit.

As of June 30, 2023, \$13,176,192, of the City's bank balance of \$45,730,080 was exposed to custodial credit risk as uninsured and uncollateralized.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

The following is a summary of the City's investments as of June 30, 2023:

Investment Type	Amount
Certificates of deposits	\$ 2,160,156
Corporate bonds	1,080,187
Corporate equities	3,945,882
Equity mutual funds	658,657
Federal agency securities	60,848
Fixed income mutual funds	1,093,164
U.S. Treasury notes	571,833
	<u>\$ 9,570,727</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 possession of another party. The City manages this risk with SIPC and excess SIPC.

As of June 30, 2023, \$5,658,750 was subject to custodial credit risk exposure because the related securities were uninsured, unregistered, and held by the City's brokerage firm, which is also the counterparty to these securities as follows:

Investment Type	Amount
Corporate bonds	\$ 1,080,187
Corporate equities	3,945,882
Federal agency securities	60,848
U.S. Treasury notes	571,833
	<u>\$ 5,658,750</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Credit Risk - Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. The City does not have formal investment policies related to credit risk.

As of June 30, 2023, the credit quality ratings, as rated by Standard and Poor's, of the City's debt securities were as follows:

Investment Type	Amount	Rating as of Year-End	
		A-AA	BB-BBB
Corporate bonds	\$ 1,080,187	\$ 939,141	\$ 141,046
Federal agency securities	<u>60,848</u>	<u>60,848</u>	<u>--</u>
	<u>\$ 1,141,035</u>	<u>\$ 999,989</u>	<u>\$ 141,046</u>

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 invested in any one issuer. The City's policy is to diversify investments to avoid over-concentration in securities from a specific issuer (excluding U.S. Treasury securities and agencies).

Investments exceeding 5% of the City's total investments were as follows at June 30, 2023:

Investment Issuer	Amount	% of Total Investments
Citizens Bank	\$ 4,968,320	52%
Bank of New Hampshire	<u>2,571,693</u>	27%
	<u>\$ 7,540,013</u>	

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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's policy related to interest rate risk is to invest in securities with varying maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations was as follows at June 30, 2023:

Investment Type	Amount	Investment Maturities (in Years)		
		Less Than 1	1-5	6-10
Corporate bonds	\$ 1,080,187	\$ 277,783	\$ 685,551	\$ 116,853
Federal agency securities	60,848	--	60,848	--
U.S. Treasury notes	571,833	263,196	308,637	--
	<u>\$ 1,712,868</u>	<u>\$ 540,979</u>	<u>\$ 1,055,036</u>	<u>\$ 116,853</u>

Foreign Currency Risk - Investments

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

None of the City's investments were subject to foreign currency risk at June 30, 2023.

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).

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Fair Value (Continued)

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or a 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 had the following fair value measurements as of June 30, 2023:

Investment Type	Amount	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Corporate bonds	\$ 1,080,187	\$ --	\$ 1,080,187	\$ --
Corporate equities	3,945,882	3,945,882	--	--
Equity mutual funds	658,657	658,657	--	--
Federal agency securities	60,848	--	60,848	--
Fixed income mutual funds	1,093,164	1,093,164	--	--
U.S. Treasury notes	571,833	571,833	--	--
	<u>\$ 7,410,571</u>	<u>\$ 6,269,536</u>	<u>\$ 1,141,035</u>	<u>\$ --</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Fair Value (Continued)

Equity 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 security's 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.

NOTE 4 - PROPERTY TAXES RECEIVABLE

The City bills property taxes semi-annually, in May and November. Property tax revenues are recognized in the fiscal year for which taxes have been levied. Property taxes are due on July 1 and December 1. Delinquent accounts are charged 8% interest. In March of the next year, a lien is recorded on delinquent property at the Registry of Deeds. The City purchases all the delinquent accounts by paying the delinquent balance, recording costs, and accrued interest. The accounts that are lienied by the City will be reclassified from property taxes receivable to unredeemed tax liens receivable. After this date, delinquent accounts will be charged interest at a rate of 14%.

Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a prepaid tax liability as they are intended to finance the subsequent year's budget.

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 annually.

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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - PROPERTY TAXES RECEIVABLE (CONTINUED)

Property taxes receivable at June 30, 2023 consisted of the following:

	Current Portion	Long-Term Portion
Real estate taxes	\$ 4,641,238	\$ --
Tax liens	--	672,318
	<u>\$ 4,641,238</u>	<u>\$ 672,318</u>

TAXES COLLECTED FOR OTHERS

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

NOTE 5 - DEPARTMENTAL AND OTHER

The City provides various services through multiple departments. At year end, the receivable balance consisted primarily of outstanding receivables related to ambulance billing.

NOTE 6 - USER FEES RECEIVABLE

The City provides public water and sewer services. Water and sewer user charges are based on the number of units in a property and the property's water connection. Bills are mailed quarterly and cover both water and sewer charges.

The rate structure is base rate per unit plus consumption in hundred cubic feet recorded by the water meter. For municipal water customers who are connected to the sewer system, the same formula is used to calculate the quarterly sewer charges.

NOTE 7 - INTERGOVERNMENTAL RECEIVABLES

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2023.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - INTERFUND ACCOUNTS

RECEIVABLES/PAYABLES

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The June 30, 2023 balances in interfund receivable and payable accounts were as follows:

Fund	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 9,236,038	\$ 3,987,122
Nonmajor Governmental Funds:		
TIF - Weirs	--	81,280
TIF - Downtown	811,355	--
TIF - Lakeport	54,018	--
School Lunch	--	230,072
2017-2018 Bonds - Roads	--	31,652
2020 Bond - Road, Fire, ISF	16,260	--
2020 Bond - Water, Bridge	--	1,344,007
2020 Bond - Colonial Theater	--	19,524
2021 Bond - CPF	83,519	--
City Grants	187,970	36,877
School Grants	--	4,479,321
ARPA - Capital Project	875,802	--
Police Radios/Sidewalk	4,112	--
Impact Fee	248,838	--
Huot Center	193,068	193,868
Drainage	308,693	--
Smith Track/Community Park	18,457	--
Central Station Improvements	--	1,700
Community Development	103,657	--
Parks	35,582	--
Weirs/EWL	--	101
Ambulance	3,662	1,045,795
Motorcycle Week	48,139	1,000
Police Drug Forfeiture	--	44,802
Airport	145	--
Current Use	250,000	--
Beach Funds	185,058	--
Municipal Transportation	315,195	--
Downtown Parking Garage	--	86,260
Trash Tote Bond	94,129	--
Total Governmental Funds	13,073,697	11,583,381
Sanitary Sewer Enterprise Fund	56,274	1,143,723
Internal Service Funds	--	345,057
Private Purpose Trust Funds	--	121,198
Custodial Funds	63,735	347
	<u>\$ 13,193,706</u>	<u>\$ 13,193,706</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 39,166,533	\$ 80,179	\$ --	\$ 39,246,712
Buildings and improvements	80,421,982	221,984	--	80,643,966
Furniture, equipment, and vehicles	19,594,043	1,764,933	(572,307)	20,786,669
Infrastructure	55,432,734	4,029,008	(206,372)	59,255,370
Total Capital Assets, Being Depreciated	194,615,292	6,096,104	(778,679)	199,932,717
Less accumulated depreciation for:				
Land improvements	(23,367,269)	(1,864,813)	--	(25,232,082)
Buildings and improvements	(41,291,636)	(2,237,979)	--	(43,529,615)
Furniture, equipment, and vehicles	(12,177,416)	(1,268,379)	323,758	(13,122,037)
Infrastructure	(24,615,288)	(2,167,597)	672	(26,782,213)
Total Accumulated Depreciation	(101,451,609)	(7,538,768)	324,430	(108,665,947)
Total Capital Assets, Being Depreciated, Net	93,163,683	(1,442,664)	(454,249)	91,266,770
Right to Use Assets, Being Amortized:				
Buildings and improvements	5,184,099	--	--	5,184,099
Total Right of Use Assets, Being Amortized				
Less accumulated amortization for:				
Buildings and improvements	(272,847)	(272,847)	--	(545,694)
Total Accumulated Amortization	(272,847)	(272,847)	--	(545,694)
Total Right of Use Assets, Being Amortized, Net	4,911,252	(272,847)	--	4,638,405
Capital assets, not being depreciated:				
Land	9,279,572	--	--	9,279,572
Construction in progress	1,897,983	1,126,103	(1,740,176)	1,283,910
Total Capital Assets, Not Being Depreciated	11,177,555	1,126,103	(1,740,176)	10,563,482
Governmental Activities Capital Assets, Net	\$ 109,252,490	\$ (589,408)	\$ (2,194,425)	\$ 106,468,657

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,598,695	\$ 68,858	\$ --	\$ 10,667,553
Furniture, equipment, and vehicles	5,264,537	75,706	(13,275)	5,326,968
Infrastructure	46,627,690	3,201,574	--	49,829,264
Total Capital Assets, Being Depreciated	<u>62,490,922</u>	<u>3,346,138</u>	<u>(13,275)</u>	<u>65,823,785</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,207,716)	(323,854)	--	(6,531,570)
Furniture, equipment, and vehicles	(3,339,826)	(108,801)	13,275	(3,435,352)
Infrastructure	(24,159,631)	(848,273)	--	(25,007,904)
Total Accumulated Depreciation	<u>(33,707,173)</u>	<u>(1,280,928)</u>	<u>13,275</u>	<u>(34,974,826)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,783,749</u>	<u>2,065,210</u>	<u>--</u>	<u>30,848,959</u>
Capital assets, not being depreciated:				
Land	38,503	--	--	38,503
Construction in progress	2,135,050	173,237	(2,550)	2,305,737
Total Capital Assets, Not Being Depreciated	<u>2,173,553</u>	<u>173,237</u>	<u>(2,550)</u>	<u>2,344,240</u>
Business-Type Activities Capital Assets, Net	<u>\$ 30,957,302</u>	<u>\$ 2,238,447</u>	<u>\$ (2,550)</u>	<u>\$ 33,193,199</u>

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

Governmental Activities	
General government	\$ 319,067
Fire and ambulance	438,915
Police	422,725
Education	2,182,242
Highway and streets	2,855,012
Solid waste	101,411
Parks and recreation	492,196
Library	124,810
Airport	875,237
Total Governmental Activities	<u>\$ 7,811,615</u>
Business-Type Activities	
Water	\$ 846,616
Sanitary sewer	434,312
Total Business-Type Activities	<u>\$ 1,280,928</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - 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.

NOTE 11 - ACCRUED LIABILITIES

Accrued liabilities represent fiscal year 2023 expenditures paid in fiscal year 2024.

NOTE 12 – OTHER LIABILITIES

The Water Fund receives deposits from contractors as a guarantee for the performance of certain project obligations. These deposits are held in lieu of issuing letters of credit.

NOTE 13 - NOTES PAYABLE

The City had the following note outstanding at June 30, 2023:

Purpose	Original Amount	Issue Date	Interest Rate	Beginning Balance	New Issues	Reductions	Ending Balance
Water Pollution Control	\$ 2,400,000	2/3/2021	2.00%	\$ 1,320,025	\$ 985,411	\$ --	\$ 2,305,436

This note will be permanently funded upon completion of the project.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14 - LEASE LIABILITY

The City is the lessee of the Colonial Theater through 2040. As of June 30, 2023, the value of the lease liability was \$5,141,698 based on an incremental borrowing rate of 3.38%. The future principal and interest lease payments were as follows:

Year	Principal	Interest	Total
2024	\$ 27,965	\$ 173,789	\$ 201,754
2025	32,945	172,844	205,789
2026	38,174	171,731	209,905
2027	156,994	170,440	327,434
2028	279,964	165,134	445,098
2029-2033	1,619,096	684,057	2,303,153
2034-2038	2,036,926	373,201	2,410,127
2039-2040	949,634	48,495	998,129
	<u>\$ 5,141,698</u>	<u>\$ 1,959,691</u>	<u>\$ 7,101,389</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - LONG-TERM DEBT

GENERAL OBLIGATION BONDS AND LOANS

The City issues general obligation bonds, including direct placements and direct borrowings, to provide funds for the acquisition and construction of major capital facilities and acquisitions. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds and direct borrowings outstanding were as follows at June 30, 2023:

Governmental Activities	Original	Serial	Interest	Amount
	Issue	Maturities	Rate(s) %	Outstanding
General Obligation Bonds		Through		as of
				6/30/23
Public Offerings:				
Trash Tote	\$ 759,380	02/15/33	2.71%	\$ 759,380
Library Bond	2,244,000	01/15/24	4.08%	110,000
School - Memorial Middle Bond	22,644,000	08/15/36	4.76%	6,940,240
Weirs Boardwalk	760,000	01/15/30	3.56%	245,000
Road Improvement	1,312,400	08/15/31	0.96%	1,180,000
Huot Center - Qzab Bond	1,828,000	07/15/35	0.00%	1,210,000
Total Public Offerings				<u>10,444,620</u>
Direct Placements:				
Weirs Boardwalk engineering/const & Endicott water line	565,000	09/28/30	3.63%	226,000
Huot Center - Qzab Bond	2,103,000	12/15/30	0.00%	885,300
ARRA - Anthony Drive Stormwater Improvements Project	217,649	11/01/30	2.86%	87,061
Huot Center - Qzab Bond	4,397,000	11/06/35	0.00%	2,785,000
Hout Career Center	1,000,000	07/11/33	3.04%	550,000
Weirs Community Park/ Smith Track	850,000	10/01/23	2.44%	85,000
Bond A	1,600,000	12/15/36	3.23%	1,120,000
Bond B	1,600,000	12/15/36	3.23%	1,186,503
Road Bond	2,500,000	02/02/28	2.30%	1,250,000
2020 GOB - Series A	2,025,000	10/10/29	2.05%	1,417,500
2020 GOB - Series B	2,250,000	10/10/39	2.75%	636,861
2021 Refunding	8,707,093	10/16/39	2.35%	6,966,694
Church street property	683,000	05/26/31	2.15%	546,400
Colonial theater	6,700,000	12/05/44	3.75%	5,895,394
Total Direct Placements				<u>23,637,713</u>
Loans Payable:				
Multihod compact tractor	191,868	06/01/25	2.85%	77,779
International chassis	104,338	04/05/26	3.89%	58,031
Total Loans Payable				<u>135,810</u>
Total Governmental Activities				<u>\$34,218,143</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS AND LOANS (CONTINUED)

Business-Type Activities				Amount Outstanding as of 6/30/23
	Original Issue	Serial Maturities Through	Interest Rate(s) %	
General Obligation Bonds				
Public Offerings:				
Water Treatment Plant	\$ 1,457,450	08/15/29	3.97%	\$ 490,000
Lakeport project	1,800,000	11/30/40	2.55%	<u>1,260,931</u>
Total Public Offerings				<u>1,750,931</u>
Direct Placements:				
2020 GOB - Series B	2,250,000	10/10/39	2.75%	<u>1,275,637</u>
Total Direct Placements				<u>1,275,637</u>
Total Business-Type Activities				<u><u>\$ 3,026,568</u></u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - LONG-TERM DEBT (CONTINUED)

FUTURE DEBT SERVICE

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2023 are as follows:

Governmental	Bonds and Loans - Public Offerings		Bonds and Loans - Direct Placement	
	Principal	Interest	Principal	Interest
2024	\$ 1,108,084	\$ 927,522	\$ 2,209,556	\$ 800,396
2025	968,757	945,836	2,143,995	724,987
2026	933,085	961,557	2,128,252	649,806
2027	907,197	980,724	2,126,531	575,694
2028	879,944	994,236	2,145,258	501,428
2029-2033	3,819,190	5,172,693	7,245,378	1,632,041
2034-2038	1,828,363	4,425,262	3,827,273	628,582
2039-2043	--	--	1,415,926	232,493
2044-2047	--	--	531,354	20,217
Total	<u>\$ 10,444,620</u>	<u>\$ 14,407,830</u>	<u>\$ 23,773,523</u>	<u>\$ 5,765,644</u>

Business-Type	Bonds - Public Offerings		Bonds - Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 132,764	\$ 48,704	\$ 75,038	\$ 17,282
2025	133,564	43,589	75,038	32,432
2026	134,375	38,804	75,038	30,340
2027	135,196	34,305	75,038	28,247
2028	136,027	29,695	75,038	26,224
2029-2033	482,979	105,241	375,190	99,439
2034-2038	365,409	57,594	375,190	47,112
2039-2043	230,617	11,811	150,067	4,190
	<u>\$ 1,750,931</u>	<u>\$ 369,743</u>	<u>\$ 1,275,637</u>	<u>\$ 285,266</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 15 - LONG-TERM DEBT (CONTINUED)

CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds and loans payable						
Public offerings	\$ 11,072,022	\$ 759,380	\$ (1,386,782)	\$ 10,444,620	\$ (1,108,084)	\$ 9,336,536
Direct placements and loans	26,069,308	--	(2,295,785)	23,773,523	(2,209,556)	21,563,967
Unamortized premiums	484,705	90,620	(48,900)	526,425	(57,479)	468,946
Total Bonds and Loans Payable	37,626,035	850,000	(3,731,467)	34,744,568	(3,375,119)	31,369,449
Net pension liability	47,459,266	14,026,787	--	61,486,053	--	61,486,053
Net OPEB liability	11,195,597	39,263	--	11,234,860	--	11,234,860
Compensated absences liability	2,079,105	72,223	--	2,151,328	(107,566)	2,043,762
Lease liability	5,164,922	--	(23,224)	5,141,698	(27,965)	5,113,733
Landfill liability	129,000	--	(15,000)	114,000	(15,000)	99,000
	<u>\$ 103,653,925</u>	<u>\$ 14,988,273</u>	<u>\$ (3,769,691)</u>	<u>\$ 114,872,507</u>	<u>\$ (3,525,650)</u>	<u>\$ 111,346,857</u>
Business-Type Activities						
Bonds and loans payable						
Public offerings	\$ 1,882,905	\$ --	\$ (131,974)	\$ 1,750,931	\$ (132,764)	\$ 1,618,167
Direct placements	1,350,675	--	(75,038)	1,275,637	(75,038)	1,200,599
Unamortized premiums	11,362	--	(2,714)	8,648	(2,128)	6,520
Total Bonds and Loans Payable	3,244,942	--	(209,726)	3,035,216	(209,930)	2,825,286
Net pension liability	1,287,549	427,340	--	1,714,889	--	1,714,889
Net OPEB liability	395,947	--	(25,845)	370,102	--	370,102
Compensated absences liability	121,194	18,222	--	139,416	(5,196)	134,220
	<u>\$ 5,049,632</u>	<u>\$ 445,562</u>	<u>\$ (235,571)</u>	<u>\$ 5,259,623</u>	<u>\$ (215,126)</u>	<u>\$ 5,044,497</u>

LONG-TERM DEBT SUPPORTING GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

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 and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the General Fund and enterprise funds.

NOTE 16 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 16 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

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 the City used as of each Balance Sheet date.

Closure of the Endicott Street East landfill was completed in 1990. The City has been completing post-closure monitoring of the landfill since closure. The actual life of the landfill may be longer due to increased recycling efforts. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 17 - 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, in accordance with GASB Statements No. 69 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. 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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 18 - GOVERNMENTAL FUNDS – FUND BALANCES

The City's fund balances at June 30, 2023 were comprised of the following:

	General Fund	School Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories and prepaids	\$ 224,369	\$ --	\$ --	\$ 224,369
Permanent funds	--	10,408	873,608	884,016
Total Nonspendable	<u>224,369</u>	<u>10,408</u>	<u>873,608</u>	<u>1,108,385</u>
Restricted				
Special revenue funds				
TIF	--	--	810,238	810,238
City grants	--	--	309,040	309,040
Airport	--	--	546,755	546,755
Ambulance	--	--	302,581	302,581
Municipal Transportation	--	--	315,195	315,195
Community development	--	--	103,657	103,657
Others	--	--	1,099,620	1,099,620
FY21 road bonds	--	--	71,913	71,913
Drainage	--	--	308,693	308,693
Permanent funds	--	--	1,680,732	1,680,732
Total Restricted	<u>--</u>	<u>--</u>	<u>5,548,424</u>	<u>5,548,424</u>
Committed				
Capital reserve funds				
School Education Stabilization	1,170,336	--	--	1,170,336
School Renovations	1,049,414	--	--	1,049,414
Special Education	52,059	--	--	52,059
LSD Health Insurance Stabilization	621,581	--	--	621,581
Winter maintenance renovation	1,729,656	--	--	1,729,656
Other	1,065,105	--	--	1,065,105
Total Committed	<u>5,688,151</u>	<u>--</u>	<u>--</u>	<u>5,688,151</u>
Assigned				
Operating budget	<u>1,851,148</u>	<u>--</u>	<u>--</u>	<u>1,851,148</u>
Total Assigned	<u>1,851,148</u>	<u>--</u>	<u>--</u>	<u>1,851,148</u>
Unassigned				
General Fund	3,686,675	--	--	3,686,675
Deficit funds	--	(100,353)	(1,344,273)	(1,444,626)
Total Unassigned	<u>3,686,675</u>	<u>(100,353)</u>	<u>(1,344,273)</u>	<u>2,242,049</u>
Total Fund Balance	<u>\$ 11,450,343</u>	<u>\$ (89,945)</u>	<u>\$ 5,077,759</u>	<u>\$ 16,438,157</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 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).

PLAN DESCRIPTION

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. NHRS provides service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the 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 the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

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.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 19 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

BENEFITS PROVIDED (CONTINUED)

For Group II members not vested by January 1, 2012, the benefit is calculated the same way, but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

Years of creditable service as of January 1, 2012	Minimum Service	Minimum Age	Benefit Multiplier
At least 8 but less than 10 years	21	46	2.4%
At least 6 but less than 8 years	22	47	2.3%
At least 4 but less than 6 years	23	48	2.2%
Less than 4 years	24	49	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 annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 14.06% to 33.88% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2023 was \$6,645,907, 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' 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 values.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED FLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2023, the City reported a liability of \$63,200,942 for its proportionate share of the net pension liability.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 19 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED FLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, utilizing procedures incorporating the actuarial valuation. 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, the City's proportion was 1.10180000% which was an increase of 0.00680000% from its previous year proportion.

For the year ended June 30, 2023, the City recognized pension expense of \$6,779,385. The City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,186,169	\$ 242,618
Changes of assumptions	3,361,785	--
Differences between projected and actual earnings on pension plan investments	2,395,234	--
Changes in proportion and differences between contributions and proportionate share of contributions	2,657,134	1,040,018
Contributions subsequent to the measurement date	<u>6,645,909</u>	<u>--</u>
	<u>\$ 16,246,231</u>	<u>\$ 1,282,636</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase in pension expense in fiscal year 2024.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 19 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED FLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

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

Year Ended June 30	Amount
2024	\$ 3,037,674
2025	2,644,298
2026	(723,178)
2027	3,358,892
	<u>\$ 8,317,686</u>

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.00%, previously 2.50%
Wage inflation	2.75% per year (2.25% for Teachers)
Salary increases	5.40% average, including inflation
Investment rate of return	6.75%, net of investment expenses, including inflation, previously 7.25%

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 - June 30, 2019.

TARGET ALLOCATION

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 19 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

TARGET ALLOCATION (CONTINUED)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation Percentage	Weighted Average Average Long- Term Expected Real Rate of Return
Broad US Equity	30.00 %	7.60%
Global Ex-US Equity	20.00	7.90%
Total domestic equities	50.00	
Real Estate Equity	10.00	6.60%
Private Equity	10.00	8.85%
Total international equities	20.00	
Private Debt	5.00	7.25%
Private Debt	5.00	
Core U.S Fixed Income	25.00	3.60%
Fixed Income	25.00	
Inflation	-	2.25%
Total	100.00 %	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 19 - NEW HAMPSHIRE RETIREMENT SYSTEM (CONTINUED)

DISCOUNT RATE (CONTINUED)

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 were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease	Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$ 84,799,731	\$ 63,200,942	\$ 45,243,550

PENSION PLAN FIDUCIARY NET POSITION

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

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of 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 OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN

All the following OPEB disclosures for the City OPEB Plan are based on a measurement date of June 30, 2023. The City contracts with an outside actuary to complete the GASB 75 actuarial valuation and schedule of changes in Net OPEB liability. Detailed information can be found in separately issued reports through request of the City Finance Department.

Plan Description

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.

The City's OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	166
Active employees	450
	<hr/>
	616
	<hr/>

Funding Policy

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

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75%, average, including inflation
Discount rate	4.13%, previously 4.09%
Healthcare cost trend rates	7.00% for 2023, decreasing 0.5% per year to an ultimate rate of 4.50% as of 2029 and later years
Retirees' share of benefit-related costs	100%

The discount rate was based on the long-term municipal bond rate at June 30, 2023.

The mortality rate is based on the following:

- General: Pub-2020 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Public Safety: Pub-2020 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Surviving Spouses: SOA Pub-2020 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The City's total OPEB liability of \$7,364,983, was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balances, Beginning of Year	\$ 7,278,445
Changes for the year:	
Service cost	251,571
Interest	300,027
Differences between expected and actual experience	(45,879)
Changes in assumptions	(26,461)
Benefit payments	(392,720)
Net Changes	86,538
Balances, End of Year	\$ 7,364,983

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2023 to 4.09% in 2022. All other assumptions were the same as those used in the previous measurement.

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

The following presents the total OPEB liability, 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
3.13%	4.13%	5.13%
\$ 8,063,827	\$ 7,364,983	\$ 6,741,363

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

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

The following presents the total OPEB liability, 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
6.00%	7.00%	8.00%
\$ 6,574,807	\$ 7,364,983	\$ 8,288,993

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

For the year ended June 30, 2023, the City recognized an OPEB expense of \$281,072. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 98,828	\$ 1,377,887
Change in assumptions	506,317	872,004
	<u>\$ 605,145</u>	<u>\$ 2,249,891</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

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

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

<u>Fiscal Year Ended June 30</u>	<u>Amount</u>
2024	\$ (200,540)
2025	(323,296)
2026	(315,599)
2027	(319,786)
2028	(235,068)
Thereafter	<u>(250,457)</u>
	<u>\$ (1,644,746)</u>

NEW HAMPSHIRE RETIREMENT SYSTEM MEDICAL SUBSIDY PLAN DESCRIPTION

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, NH 03301-8507 or from their website at <http://www.nhrs.org>.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

Benefits Provided

The NHRS Medical Subsidy 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. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. 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 contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of earnable compensation. The City contributed 0.31% of gross payroll for Group I employees and, 1.54% of gross payroll for Group I teachers, and 3.21% of gross payroll for Group II fire and police department members, respectively. 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 are the same in the New Hampshire Retirement System footnote.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

Net OPEB Liability, Expense, and Deferred Outflows and Inflows

The City's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2022 was \$4,239,979, representing 1.89602140%.

For the year ended June 30, 2023, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$369,895. At June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Earnings on OPEB investments	\$ 11,588
Contributions subsequent to the measurement date	<u>499,994</u>
	<u>\$ 511,582</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, 2024.

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

Fiscal Year Ended June 30	Amount
2024	\$ 1,925
2025	500
2026	(4,559)
2027	<u>13,722</u>
	<u>\$ 11,588</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 20 - OTHER POST-EMPLOYMENT BENEFITS (GASB 75) (CONTINUED)

CITY OPEB PLAN (CONTINUED)

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

The following presents the net OPEB liability, 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
\$ 4,603,218	\$ 4,239,979	\$ 3,923,624

Healthcare Cost Trend Rate

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

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

The following consolidates the City's total OPEB liability and related deferred outflows/inflows, and the City's proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at June 30, 2023:

	Total/Net OPEB Liability	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Total OPEB Expense
City OPEB Plan	\$ 7,364,983	\$ 605,145	\$ 2,249,891	\$ 281,072
Proportionate share of NHRS Medical Subsidy Plan	4,239,979	511,579	--	369,895
	<u>\$ 11,604,962</u>	<u>\$ 1,116,724</u>	<u>\$ 2,249,891</u>	<u>\$ 650,967</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 21 - COMMITMENTS AND CONTINGENCIES

OUTSTANDING LEGAL ISSUES

There are several pending legal issues in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

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.

POLLUTION REMEDIATION OBLIGATION

The City received a Request for Response Actions, dated July 28, 2010, from the New Hampshire Environmental Services describing conditions on several properties in Laconia identified as the former Burn Dump and the former Morin Road Landfill alleging each may have been used in the past by the City for landfill operations and directs that additional investigation and remediation be undertaken at these sites to determine the source, nature, location and extent of waste and contamination. The liability of the City has not been established because it is not reasonably possible to estimate the actual costs of undertaking any such response action at the present time.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 22- TAX INCREMENT FINANCING DISTRICT

The following represents the Tax Increment Financing District's fiscal year 2023 financial report, which is required by NH RSA 162-K:11 and is reported as a special revenue fund of the City.

	Downtown TIF	Lakeport TIF	Weirs Beach TIF	Total TIF
Revenues				
Tax Increment	\$ 250,000	\$ 8,129	\$ 170,000	\$ 428,129
Expenditures				
General Government	11,298	--	--	11,298
Debt Service	310,455	--	172,422	482,877
Total Expenditures	321,753	--	172,422	494,175
Excess (deficiency) of revenues over expenditures	(71,753)	8,129	(2,422)	(66,046)
Fund Equity, at Beginning of Year	909,253	45,889	(78,858)	876,284
Fund Equity, at End of Year	<u>\$ 837,500</u>	<u>\$ 54,018</u>	<u>\$ (81,280)</u>	<u>\$ 810,238</u>

NOTE 23 - BEGINNING FUND BALANCE RECLASSIFICATION

The beginning (July 1, 2022) fund balance of the City has been restated as follows:

Fund Basis Financial Statements:

	School Grants Fund	Nonmajor Governmental Funds
As previously reported	\$ --	\$ 4,985,789
Change in major funds	6,258	(6,258)
As Reclassified	<u>\$ 6,258</u>	<u>\$ 4,979,531</u>

NOTE 24 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 4, 2024, which is the date the financial statements were available to be issued.

CITY OF LACONIA, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, AND EXPENDITURES, AND OTHER

FINANCING SOURCES (USES) – BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		Positive (Negative)
Revenues				
Property Taxes	\$ 47,751,505	\$ 47,751,505	\$ 47,455,806	\$ (295,699)
Penalties, interest, and other taxes	608,200	608,200	632,987	24,787
Charges for services	2,729,950	2,729,950	3,980,537	1,250,587
Intergovernmental	12,966,092	12,966,092	12,358,975	(607,117)
Licenses and permits	4,304,800	4,304,800	4,298,761	(6,039)
Fines and forfeitures	32,350	32,350	34,959	2,609
Investment income	150,000	150,000	479,448	329,448
Miscellaneous	906,196	906,196	1,092,183	185,987
Total Revenues	<u>69,449,093</u>	<u>69,449,093</u>	<u>70,333,656</u>	<u>884,563</u>
Expenditures				
General government	5,668,953	5,668,953	5,669,062	(109)
Fire and ambulance	5,301,311	5,301,311	5,559,744	(258,433)
Police	7,651,110	7,651,110	7,458,224	192,886
Education	39,404,739	39,404,739	38,714,138	690,601
Highways and streets	3,014,165	3,014,165	2,922,460	91,705
Solid waste	2,789,481	2,789,481	3,231,451	(441,970)
Health and welfare	86,523	86,523	92,259	(5,736)
Parks and recreation	1,039,388	1,039,388	973,985	65,403
Library	914,126	914,126	879,909	34,217
Conservation	3,500	3,500	2,876	624
Capital outlay	2,676,850	2,676,850	2,299,633	377,217
Debt service	2,047,742	2,047,742	2,049,126	(1,384)
Total Expenditures	<u>70,597,888</u>	<u>70,597,888</u>	<u>69,852,867</u>	<u>745,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,148,795)</u>	<u>(1,148,795)</u>	<u>480,789</u>	<u>1,629,584</u>
Other Financing Sources				
Transfers in	96,000	96,000	96,000	--
Budgetary use of fund balance				--
to reduce the tax rate	825,662	825,662	825,662	--
Other sources	227,133	227,133	227,133	--
Total Other Financing Sources	<u>1,148,795</u>	<u>1,148,795</u>	<u>1,148,795</u>	<u>--</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,629,584</u>	<u>\$ 1,629,584</u>

See independent auditors' report and notes to the required supplementary information.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR GENERAL FUND BUDGET

FOR THE YEAR ENDED JUNE 30, 2023

BUDGETARY BASIS

The General Fund final appropriation appearing on the previous page represents 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 and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues	Expenditures	Other Financing Sources/(Uses)
GAAP Basis	\$ 70,653,008	\$ 68,990,086	\$ 96,000
Reverse beginning of year appropriation carryforwards to expenditures	--	(799,534)	--
Add end of year appropriation carryforwards to expenditures	--	1,795,367	--
To eliminate capital reserve activity	(319,352)	(133,052)	--
Recognize use of fund balance as funding source	--	--	825,662
Other	--	--	227,133
Budgetary Basis	<u>\$ 70,333,656</u>	<u>\$ 69,852,867</u>	<u>\$ 1,148,795</u>

CITY OF LACONIA, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (Unaudited)

New Hampshire Retirement System						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2023	June 30, 2022	1.10180000%	\$ 63,200,942	\$ 33,246,370	190%	65.12%
June 30, 2022	June 30, 2021	1.09500000%	48,746,815	29,781,772	164%	72.22%
June 30, 2021	June 30, 2020	1.05925437%	67,751,510	28,914,342	234%	58.72%
June 30, 2020	June 30, 2019	1.05355415%	50,693,387	28,072,177	181%	65.59%
June 30, 2019	June 30, 2018	1.03703517%	49,935,343	26,069,919	192%	64.73%
June 30, 2018	June 30, 2017	1.06997084%	52,621,089	27,124,802	194%	62.66%
June 30, 2017	June 30, 2016	1.11234008%	59,149,744	27,469,995	215%	58.30%
June 30, 2016	June 30, 2015	1.06213206%	42,076,650	26,290,822	160%	65.47%
June 30, 2015	June 30, 2014	1.06796808%	40,087,097	25,503,101	157%	66.32%

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

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

See independent auditors' report.

CITY OF LACONIA, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS

(Unaudited)

New Hampshire Retirement System

Fiscal Year	Measurement Date	Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Actuarially Determined Contribution			
June 30, 2023	June 30, 2022	\$ 6,645,907	\$ 6,645,907	\$ --	\$ 31,806,629	20.89%
June 30, 2022	June 30, 2021	6,380,841	6,380,841	--	30,880,222	20.66%
June 30, 2021	June 30, 2020	4,705,653	4,705,653	--	29,980,798	15.70%
June 30, 2020	June 30, 2019	4,708,220	4,708,220	--	29,107,571	16.18%
June 30, 2019	June 30, 2018	4,585,174	4,585,174	--	28,072,177	16.33%
June 30, 2018	June 30, 2017	4,385,657	4,385,657	--	26,069,919	16.82%
June 30, 2017	June 30, 2016	4,157,350	4,157,350	--	27,124,802	15.33%
June 30, 2016	June 30, 2015	4,174,617	4,174,617	--	27,469,995	15.20%
June 30, 2015	June 30, 2014	3,575,428	3,575,428	--	26,290,822	13.60%

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

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

See independent auditors' report.

CITY OF LACONIA, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS (Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy						
Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Net OPEB Liability
June 30, 2023	June 30, 2022	1.89602140%	\$ 4,239,979	\$ 30,675,226	13.82%	10.64%
June 30, 2022	June 30, 2021	1.07700000%	4,313,099	29,781,773	14.48%	11.06%
June 30, 2021	June 30, 2020	1.03881739%	4,487,507	28,914,342	15.52%	7.74%
June 30, 2020	June 30, 2019	1.03924208%	4,556,153	28,072,177	16.23%	7.75%
June 30, 2019	June 30, 2018	1.02748455%	4,704,291	26,069,919	18.04%	7.53%
June 30, 2018	June 30, 2017	1.00769896%	4,607,542	27,124,802	16.99%	7.91%
June 30, 2017	June 30, 2016	1.07379758%	5,198,310	27,469,995	18.92%	5.21%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy						
Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2023	June 30, 2022	\$ 499,994	\$ 499,994	\$ --	\$ 31,806,629	1.57%
June 30, 2022	June 30, 2021	517,575	517,575	--	30,880,222	1.68%
June 30, 2021	June 30, 2020	482,190	482,190	--	29,980,798	1.61%
June 30, 2020	June 30, 2019	482,494	482,494	--	29,107,571	1.66%
June 30, 2019	June 30, 2018	474,302	474,302	--	28,072,177	1.69%
June 30, 2018	June 30, 2017	443,829	443,829	--	26,076,439	1.70%

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

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

See independent auditors' report.

CITY OF LACONIA, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY (Unaudited)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 251,571	\$ 402,432	\$ 371,959	\$ 346,120	\$ 322,913	\$ 351,408
Interest	300,027	210,454	251,233	302,660	338,040	327,237
Differences between expected and actual experience	(45,879)	(1,138,851)	(445,798)	35,377	(548,965)	(402,770)
Changes of assumptions	(26,461)	(1,191,740)	398,548	574,466	277,901	8,747
Benefit payments, including refunds of member contributions	<u>(392,720)</u>	<u>(420,103)</u>	<u>(462,105)</u>	<u>(461,764)</u>	<u>(587,038)</u>	<u>(735,894)</u>
Net Change in Total OPEB Liability	86,538	(2,137,808)	113,837	796,859	(197,149)	(451,272)
Total OPEB Liability - Beginning	<u>7,278,445</u>	<u>9,416,253</u>	<u>9,302,416</u>	<u>8,505,557</u>	<u>8,702,706</u>	<u>9,153,978</u>
Total OPEB Liability - Ending	<u>\$ 7,364,983</u>	<u>\$ 7,278,445</u>	<u>\$ 9,416,253</u>	<u>\$ 9,302,416</u>	<u>\$ 8,505,557</u>	<u>\$ 8,702,706</u>
Covered Employee Payroll	\$ 35,717,615	\$ 26,242,481	\$ 25,163,047	\$ 24,430,143	\$ 24,577,310	\$ 23,803,689
Total OPEB Liability as a Percentage of Covered Employee Payroll	20.62%	27.74%	37.42%	38.08%	34.61%	36.56%

Does not include New Hampshire Retirement System Medical Subsidy.

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

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



**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 Laconia, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 4, 2024.

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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and as items SD2023-001 and SD2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Andover, MA
April 4, 2024

SCHEDULE OF FINDINGS AND RESPONSES

SIGNIFICANT DEFICIENCIES

SD-2023-001 LACK OF TIMELY RECONCILIATION OF CASH BALANCES

Criteria

Established internal control frameworks and “best practices” for effective internal control, requires the City to ensure that the cash balances per the bank statements are reconciled with the cash balances reported in the general ledger in a timely and accurate manner.

Condition

During the audit period, we noted instances where the cash balances per the bank did not match the cash balances per the general ledger and these variances were not identified nor resolved in a timely manner.

Cause

The deficiency in controls appears to be caused by the fact that accounts are reconciled by individuals (Treasurer, Water Works, School, Airport) without a City-wide reconciliation being prepared.

Effect or Potential Effect

These discrepancies pose a risk of a misstatement in the financial statements and could potentially lead to inaccuracies in monthly and annual financial reporting.

Recommendation

We recommend that the City take the following actions to address the finding:

1. Implement a monthly City-wide reconciliation procedure to ensure all reconciling items between the bank and general ledger are identified and investigated promptly.
2. Establish a tracking mechanism for all identified variances to monitor their resolution status and ensure that no discrepancy remains unaddressed for an extended period.
3. Consider an internal audit of the bank reconciliation process to identify the root cause of the current issues and assess the effectiveness of the revised procedures once implemented.

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD-2023-001 LACK OF TIMELY RECONCILIATION OF CASH BALANCES (CONTINUED)

Views of Responsible Official

Management agrees with the finding.

Planned Corrective Action

In the overwhelming majority of cases, cash balances were reconciled with bank statements in a timely manner and on a regular basis, as confirmed by reconciliation detail documents presented to Marcum. The standard, of course, is that all balances are reconciled.

The City currently employs reconciliation procedures that are used successfully for the majority of accounts. That said, historically, there are isolated accounts for which reconciliations are handled in a different manner. This is consistent with practices in prior audit cycles. The City has taken steps to incorporate these 'outliners' into the standard reconciliation process. Although Marcum does not identify any problems with reconciliations handled through this process, we will review the overall reconciliation process to ensure that it meets current needs.

Among the recommendations is a suggestion that the City enhance its reconciliation process through the introduction of automated reconciliation tools. The City is currently reviewing proposals for such as system, funds for acquiring the system are included in the FY25 budget proposal.

SD-2023-002 LACK OF TIMELY RECONCILIATION OF AMBULANCE REVENUE AND RECEIVABLE BALANCES

Criteria

For accurate financial reporting, ambulance revenue and receivable balances should be regularly reconciled with Quick Med (the outside service provider) reports to ensure that the general ledger reflects true and fair values.

Condition

During the audit, discrepancies were noted between the ambulance revenue and receivable balances as reported by Quick Med and the amounts recorded in the City's general ledger. This indicates that reconciliations are either not being performed consistently or are not effective in identifying and correcting discrepancies.

Cause

The variances may be due to several factors, including a lack of formal reconciliation procedures, insufficient oversight or review of the reconciliation process, inadequate training or understaffing in the Finance Department, or potential errors in the Quick Med reports.

SIGNIFICANT DEFICIENCIES (CONTINUED)

SD-2023-002 LACK OF TIMELY RECONCILIATION OF AMBULANCE REVENUE AND RECEIVABLE BALANCES (CONTINUED)

Effect or Potential Effect

The unreconciled variances in ambulance revenue and receivables can lead to misstatements in the financial statements. This could impact the City's ability to make informed financial decisions and affect budgeting and financial planning.

Recommendation

We recommend that the City take the following actions to address the finding:

1. Establish formal procedures for regular reconciliation of ambulance revenue and receivable balances per the Quick Med reports with the general ledger.
2. Introduce a mechanism for independent review and verification of the reconciliations to ensure accuracy and completeness.
3. Analyze discrepancies to determine their cause and take corrective actions to adjust the general ledger where necessary.
4. If errors are identified in the Quick Med reports, communicate with the service provider to rectify the issues and prevent recurrence.

Views of Responsible Official

Management agrees with the finding.

Planned Corrective Action

QuickMed does not directly pay the City ambulance revenues. These are channeled to the City through the lockbox system. Since the inception of the current system for funding ambulance services, the City has focused on tracking actual revenues received through the lockbox system. This has been the case in every audit cycle since 2019. It is acknowledged that there are differences monthly, which have been attributed to timing differences as payments move from QuickMed to the lockbox to the City. The City has reached out to QuickMed with the goal of implementing a more formal process of tracking these monthly variances.

CITY OF LACONIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

STATISTICAL SECTION

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- General Governmental Expenditures by Function
- General Governmental Revenues by Source
- Property Tax Levies and Collections
- Assessed Value and Estimated Full Value of Real Property
- Property Tax Rates
- Ratios of Outstanding Debt by Type
- Computation of Legal Debt Margins
- Legal Debt Margin Information
- Computation of Overlapping Debt-Belknap County
- Ratio of Annual Debt Service Expense
- Demographic and Economic Statistics
- Principal Property Taxpayers
- Full-time Equivalent School Employees by Position
- City Government Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

CITY OF LACONIA
NET POSITION BY COMPONENT UNIT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities										
Invested in capital assets, net of related debt	70262	66653	67195	69,418	68,899	68,784	68,984	68,559	67,680	67,962
Restricted for:										
Grants	3515	3683	4547	6,089	6,178	3,372	2,875	3,216	3,753	1,946
Permanent funds:										
Nonexpendable	873	802	904	904	791	755	685	273	272	259
Expendable	1681	1530	1487	1062	1,057	924	1,018	1,625	1,469	1,404
Unrestricted	<u>(48,002)</u>	<u>(48,401)</u>	<u>(57,211)</u>	<u>(55,071)</u>	<u>(51,972)</u>	<u>(49,183)</u>	<u>(36,523)</u>	<u>(34,022)</u>	<u>(35,269)</u>	<u>622</u>
Total governmental activities net assets	<u>\$28,329</u>	<u>\$24,267</u>	<u>\$16,922</u>	<u>\$22,402</u>	<u>\$24,953</u>	<u>\$24,652</u>	<u>\$37,039</u>	<u>\$39,651</u>	<u>\$37,905</u>	<u>\$72,193</u>
Business-type activities										
Invested in capital assets, net of related debt	27115	25901	23254	21,727	21,066	19,998	18,965	18,016	17,945	18,105
Restricted					0	0	-	-	-	-
Unrestricted	3374	2747	4674	5192	5247	<u>5,513</u>	<u>6,604</u>	<u>4,542</u>	<u>3,969</u>	<u>6,567</u>
Total business-type activities net assets	<u>\$30,489</u>	<u>\$28,648</u>	<u>\$27,928</u>	<u>\$26,919</u>	<u>\$26,313</u>	<u>\$25,511</u>	<u>\$25,569</u>	<u>\$22,558</u>	<u>\$21,914</u>	<u>\$24,672</u>
Primary government										
Invested in capital assets, net of related debt	\$97,377	\$92,554	\$90,449	\$91,145	\$89,965	\$88,782	\$87,949	\$86,575	\$85,625	\$86,067
Restricted for:										
Grants	3,515	3,683	4,547	6,089	6,178	3,372	2,875	3,216	3,753	1,946
Permanent funds:										
Nonexpendable	873	802	904	904	791	755	685	273	272	259
Expendable	1,681	1,530	1,487	1,062	1,057	924	1,018	1,625	1,469	1,404
Unrestricted	<u>(44,628)</u>	<u>(45,654)</u>	<u>(52,537)</u>	<u>(49,879)</u>	<u>(46,725)</u>	<u>(43,670)</u>	<u>(29,919)</u>	<u>(29,480)</u>	<u>(31,300)</u>	<u>7,189</u>
Total primary governmental net assets	<u>\$58,818</u>	<u>\$52,915</u>	<u>\$44,850</u>	<u>\$49,321</u>	<u>\$51,266</u>	<u>\$50,163</u>	<u>\$62,608</u>	<u>\$62,209</u>	<u>\$59,819</u>	<u>\$96,865</u>

CITY OF LACONIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Fiscal Year</u> <u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses										
Governmental activities:										
General government*	\$10,559	\$6,735	\$12,194	\$13,220	\$9,247	\$10,377	\$8,652	\$8,105	\$7,773	\$8,109
Public safety	14,807	13,330	14,809	14,150	13,908	11,724	11,736	11,386	10,630	10,354
Highways and streets	5,515	5,142	7,334	4,980	6,233	4,355	3,895	3,428	3,948	4,247
Solid Waste	3,286	2,592	2,113	2,321	2,060	2,027	1,735	1,752	2,080	1,959
Education	45,910	39,908	43,203	39,901	35,931	37,786	36,573	38,093	34,649	33,945
Culture and recreation	2,175	2,379	2,204	1,692	2,277	2,259	2,310	2,243	3,169	1,850
Interest on long-term debt	1,416	1,255	1,286	1,375	1,361	1,325	1,179	1,111	901	916
Total governmental activities expenses	<u>83,668</u>	<u>71,341</u>	<u>83,143</u>	<u>77,639</u>	<u>71,017</u>	<u>69,853</u>	<u>66,080</u>	<u>66,118</u>	<u>63,150</u>	<u>61,380</u>
Business-type activities:										
Water	3,046	2,824	3,048	2,829	2,687	2,917	2,651	2,474	2,495	2,455
Sewer	4,272	4,693	4,413	4,071	3,691	3,665	3,597	3,724	3,306	3,420
Total business-type activities expenses	<u>7,318</u>	<u>7,517</u>	<u>7,461</u>	<u>6,900</u>	<u>6,378</u>	<u>6,582</u>	<u>6,248</u>	<u>6,198</u>	<u>5,801</u>	<u>5,875</u>
Total primary government expenses	<u>\$90,986</u>	<u>\$78,858</u>	<u>\$90,604</u>	<u>\$84,539</u>	<u>\$77,395</u>	<u>\$76,435</u>	<u>\$72,328</u>	<u>\$72,316</u>	<u>\$68,951</u>	<u>\$67,255</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$4,459	\$4,362	\$4,678	\$3,601	\$3,977	\$3,846	\$3,711	\$3,563	\$3,353	\$3,172
Culture and recreation	\$130	\$60	\$79	\$82	\$75	77	92	172	134	160
Other activities	\$6,019	\$4,801	\$3,377	\$3,875	\$3,885	2,746	3,499	3,933	3,596	4,068
Operating grants and contributions	\$20,478	\$16,962	\$16,289	\$14,026	\$14,113	14,874	12,886	14,628	13,593	12,423
Capital grants and contributions	\$3,304	\$744	\$1,191	\$3,020	\$479	1,902	715	1,928	3,017	757
Total governmental activities program revenue	<u>\$34,390</u>	<u>\$26,929</u>	<u>\$25,614</u>	<u>\$24,604</u>	<u>\$22,529</u>	<u>23,445</u>	<u>20,903</u>	<u>24,224</u>	<u>23,693</u>	<u>20,580</u>
Business-type activities:										
Charges for services:										
Water	\$3,298	\$2,995	\$2,986	\$2,899	\$2,746	2,694	2,650	2,480	2,400	2,418
Sewer	\$5,082	\$4,878	\$4,965	\$4,591	\$4,300	4,150	4,351	4,296	3,891	3,611
Operating grants and contributions	82	74	69	-	-	-	-	-	-	-
Capital grants and contributions	491	281	438	-	-	-	428	53	-	-
Total business-type activities program revenue	<u>\$8,953</u>	<u>\$8,228</u>	<u>\$8,458</u>	<u>\$7,490</u>	<u>\$7,046</u>	<u>6,844</u>	<u>7,429</u>	<u>6,829</u>	<u>6,291</u>	<u>6,029</u>
Total primary government program revenues	<u>\$43,343</u>	<u>\$35,157</u>	<u>\$34,072</u>	<u>\$32,094</u>	<u>\$29,575</u>	<u>\$30,289</u>	<u>\$28,332</u>	<u>\$31,053</u>	<u>\$29,984</u>	<u>\$26,609</u>
Net (expense)/revenues										
Governmental activities	(\$49,278)	(\$44,412)	(\$57,529)	(\$53,035)	(\$48,489)	(\$46,408)	(\$45,177)	(\$41,894)	(\$39,457)	(\$40,800)
Business-type activities	1,635	711	997	590	778	261	1,181	631	490	154
Total primary government net expense	<u>(\$47,643)</u>	<u>(\$43,701)</u>	<u>(\$56,532)</u>	<u>(\$52,445)</u>	<u>(\$47,711)</u>	<u>(\$46,147)</u>	<u>(\$43,996)</u>	<u>(\$41,263)</u>	<u>(\$38,967)</u>	<u>(\$40,646)</u>

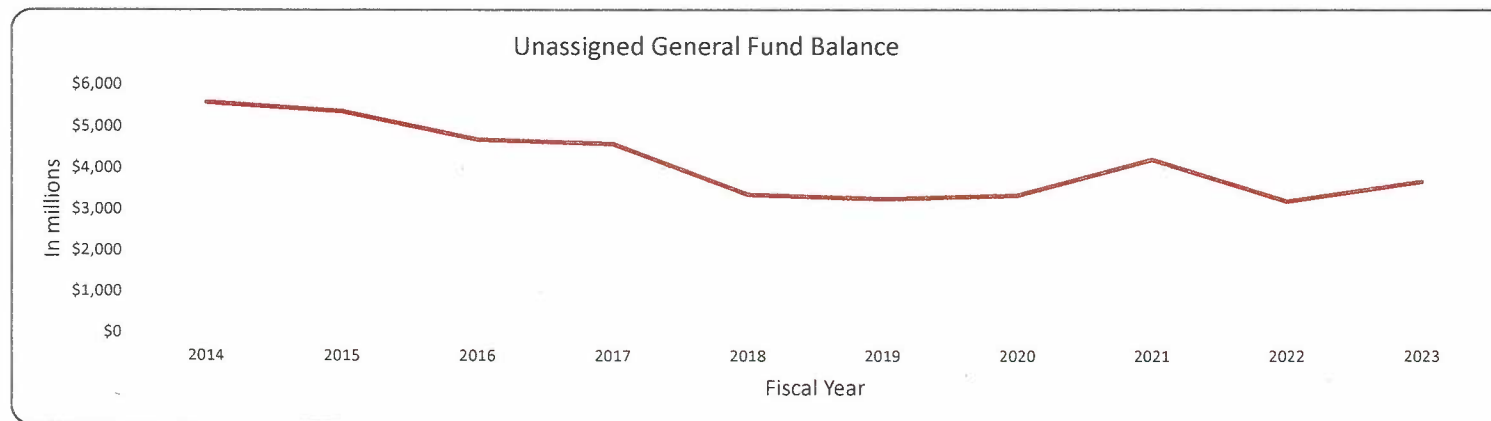
* Includes Welfare, conservation and airport expenses

	<u>Fiscal Year</u>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$48,319	\$47,074	\$48,189	\$46,283	\$45,071	\$43,103	\$42,239	\$41,167	\$39,996	\$38,973
Franchise taxes	305	315	297	305	320	323	322	309	298	285
Payment in lieu of taxes	474	409	444	557	235	524	349	339	395	387
Other taxes	159	168	190	173	250	292	243	311	213	186
Unrestricted grants and contributions	1502	1273	1719	1490	851	851	841	777	780	717
Investment earnings	907	-387	640	739	497	425	300	182	149	298
Miscellaneous	630	327	696	936	1565	1,037	86	495	1,671	366
Transfers				-	-	-	-	-	-	-
Total governmental activities	<u>52,296</u>	<u>49,179</u>	<u>52,175</u>	<u>50,483</u>	<u>48,789</u>	<u>46,555</u>	<u>44,380</u>	<u>43,580</u>	<u>43,502</u>	<u>41,212</u>
Business-type activities:										
Investment earnings	206	10	10	17	25	22	19	14	14	14
Miscellaneous	-	-	-	-	-	-	(4)	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>206</u>	<u>10</u>	<u>10</u>	<u>17</u>	<u>25</u>	<u>22</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>
Total primary government	<u>\$52,502</u>	<u>\$49,189</u>	<u>\$52,185</u>	<u>\$50,500</u>	<u>\$48,814</u>	<u>\$46,577</u>	<u>\$44,395</u>	<u>\$43,594</u>	<u>\$43,516</u>	<u>\$41,226</u>
Changes in Net Assets										
Governmental activities	\$3,018	\$4,768	(\$5,354)	(\$2,552)	\$300	\$147	(\$797)	\$1,686	\$4,045	\$412
Business-type activities	<u>1,841</u>	<u>720</u>	<u>1,007</u>	<u>607</u>	<u>803</u>	<u>283</u>	<u>1,196</u>	<u>645</u>	<u>504</u>	<u>168</u>
Total primary government	<u>\$4,859</u>	<u>\$5,488</u>	<u>(\$4,347)</u>	<u>(\$1,945)</u>	<u>\$1,103</u>	<u>\$430</u>	<u>\$399</u>	<u>\$2,331</u>	<u>\$4,549</u>	<u>\$580</u>

CITY OF LACONIA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General fund										
Nonspendable	224	187	148	1,202	199	197	\$395	\$183	\$71	\$71
Restricted					0	0	-	-	-	-
Committed	5,688	5,502	4,366	3,505	3,073	2,392	1,813	1,373	1,462	695
Assigned	1,851	799	880	970	1,889	1,907	1,223	977	1,126	623
Unassigned	<u>3687</u>	<u>3203</u>	<u>4211</u>	<u>3343</u>	<u>3,257</u>	<u>3,359</u>	<u>4,587</u>	<u>4,682</u>	<u>5,358</u>	<u>5,575</u>
Total general fund	<u>\$11,450</u>	<u>\$9,691</u>	<u>\$9,605</u>	<u>\$9,020</u>	<u>\$8,418</u>	<u>\$7,855</u>	<u>\$8,018</u>	<u>\$7,215</u>	<u>\$8,017</u>	<u>\$6,964</u>
All other governmental funds										
Nonspendable	883	803	2,391	904	791	755	\$685	\$273	\$273	\$259
Unreserved, reported in:										
Restricted	5,548	5,525	4,547	5,593	6,035	5,507	3,090	3,201	3,130	1,314
Committed	-	-	-	1,680	1,780	1,768	1,587	2,174	5,005	3,115
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>(1,444)</u>	<u>(1,342)</u>	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>(42)</u>	<u>(524)</u>	<u>(206)</u>	<u>(1,093)</u>	<u>(1,590)</u>
Total all other governmental fun	<u>\$4,987</u>	<u>\$4,986</u>	<u>\$6,938</u>	<u>\$8,151</u>	<u>\$8,606</u>	<u>\$7,988</u>	<u>\$4,838</u>	<u>\$5,442</u>	<u>\$7,315</u>	<u>\$3,098</u>

* City implemented GASB 54 in FY11



CITY OF LACONIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

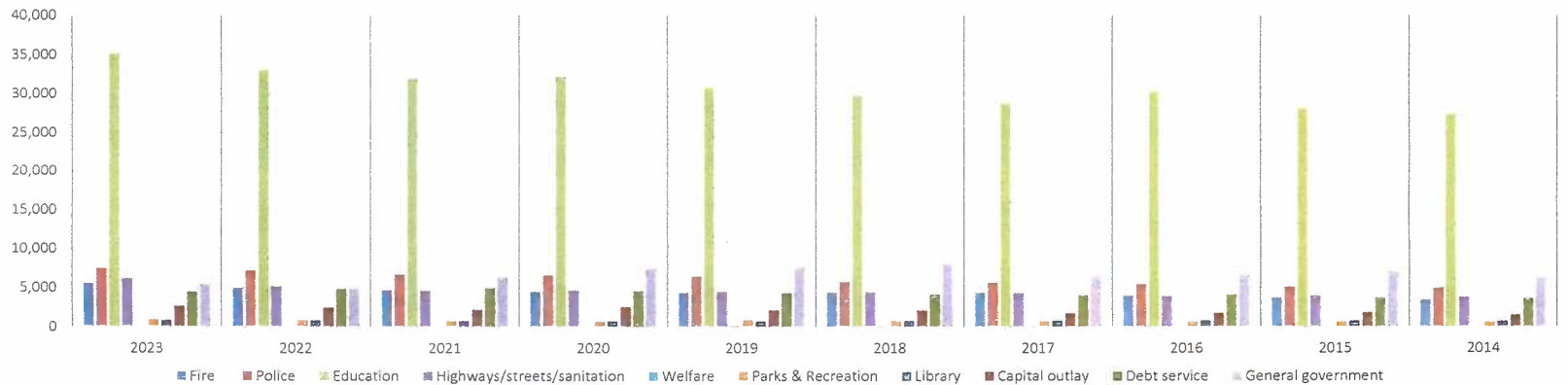
	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	48089	45575	44691	\$46,692	\$45,128	\$43,740	\$42,788	\$41,818	\$40,604	\$39,470
Licenses and permits	4299	4110	3907	3,630	3,477	3,345	3,187	3,053	2,876	2,717
Intergovernmental	12499	11214	12076	10,971	9,955	10,063	9,534	10,271	9,582	9,006
Charges for services	3981	3042	2478	2,139	1,987	2,149	2,051	1,815	1,638	1,920
Fines	35	25	33	28	25	30	25	33	38	35
Investment earnings	658	78	106	656	372	212	109	95	43	49
Miscellaneous	1092	652	1010	891	1,835	1,023	242	404	1,639	610
Total revenues	<u>70,653</u>	<u>64,696</u>	<u>64,301</u>	<u>65,007</u>	<u>62,779</u>	<u>60,562</u>	<u>57,936</u>	<u>57,489</u>	<u>56,420</u>	<u>53,807</u>
Expenditures										
General government	5,547	4,939	6,351	7,558	7,761	8,207	6,648	6,739	7,168	6,409
Public safety	13,019	12,177	11,409	11,160	10,862	10,227	10,118	9,513	8,921	8,456
Education	35,208	33,153	32,008	32,226	30,827	29,793	28,765	30,280	28,212	27,513
Highways and streets	2,963	2,695	2,566	2,601	2,592	2,525	2,699	2,391	2,416	2,321
Solid Waste	3,196	2,503	2,033	2,129	1,970	1,937	1,644	1,610	1,618	1,534
Library	880	886	799	790	862	851	853	840	804	777
Parks & Recreation	930	874	760	694	832	753	743	688	686	668
Capital outlay	2,687	2,457	2,214	2,570	2,147	2,125	1,722	1,792	1,811	1,542
Debt service										
Principal	3,424	3,790	3,887	3,396	3,173	3,076	2,975	3,122	2,842	2,758
Interest	1,136	1,136	1,113	1,223	1,209	1,126	1,121	1,043	901	895
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>68,990</u>	<u>64,610</u>	<u>63,140</u>	<u>64,347</u>	<u>62,235</u>	<u>60,620</u>	<u>57,288</u>	<u>58,018</u>	<u>55,379</u>	<u>52,873</u>
Excess of revenues over (under) expenditures	1,663	86	1,161	660	544	(58)	648	(529)	1,041	934
Other financing sources (uses)										
Transfers in	96	-	96	3	19	21	155	63	12	7
Transfers out	-	-	(1,228)	(62)	-	(126)	-	(336)	-	(88)
Capital leases	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	683.00	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>96</u>	<u>0</u>	<u>(449)</u>	<u>(59)</u>	<u>19</u>	<u>(105)</u>	<u>155</u>	<u>(273)</u>	<u>12</u>	<u>(81)</u>
Net change in fund balances	<u>\$1,759</u>	<u>\$86</u>	<u>\$712</u>	<u>\$601</u>	<u>\$563</u>	<u>(\$163)</u>	<u>\$803</u>	<u>(\$802)</u>	<u>\$1,053</u>	<u>\$853</u>

CITY OF LACONIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION-GENERAL FUND
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	Fiscal Year									
Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	\$5,455	\$4,897	\$6,289	\$7,445	\$7,612	\$8,064	\$6,506	\$6,611	\$7,055	\$6,285
Fire	5,564	4,992	4,752	4,569	4,450	4,479	4,446	4,039	3,784	3,491
Police	7,455	7,185	6,657	6,591	6,411	5,747	5,670	5,474	5,137	4,965
Education	35,208	33,153	32,008	32,226	30,827	29,793	28,765	30,280	28,211	27,513
Highways/streets/sanitation	6,159	5,198	4,599	4,730	4,562	4,462	4,343	4,001	4,034	3,856
Welfare	92	42	62	113	149	143	144	128	112	123
Parks & Recreation	930	874	760	694	862	753	743	688	686	668
Library	880	886	799	790	832	852	853	840	804	778
Capital outlay	2,687	2,457	2,214	2,570	2,147	2,125	1,722	1,792	1,811	1,541
Debt service	4,560	4,926	5,000	4,619	4,383	4,202	4,096	4,165	3,743	3,653
TOTALS	68,990	64,610	63,140	64,347	62,235	60,620	57,288	58,018	55,377	52,873

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Percent of Total										
General government	8.4%	7.6%	10.0%	11.6%	12.2%	13.3%	11.2%	11.4%	12.7%	11.9%
Fire	8.6%	7.7%	7.5%	7.1%	7.2%	7.4%	7.8%	7.0%	6.8%	6.6%
Police	11.5%	11.1%	10.5%	10.2%	10.3%	9.5%	9.8%	9.4%	8.9%	8.6%
Education	54.5%	51.3%	50.7%	50.1%	49.5%	49.1%	49.6%	52.2%	50.9%	52.0%
Highways/streets/sanitation	9.5%	8.0%	7.3%	7.4%	7.3%	7.4%	7.5%	6.9%	7.3%	7.3%
Welfare	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Parks & Recreation	1.4%	1.4%	1.2%	1.1%	1.4%	1.2%	1.3%	1.2%	1.2%	1.3%
Library	1.4%	1.4%	1.3%	1.2%	1.3%	1.4%	1.5%	1.4%	1.5%	1.5%
Capital outlay	4.2%	3.8%	3.5%	4.0%	3.4%	3.5%	3.0%	3.1%	3.3%	2.9%
Debt service	7.1%	7.6%	7.9%	7.2%	7.0%	6.9%	7.1%	7.2%	6.8%	6.9%

GENERAL GOV. EXPENDITURES BY FUNCTION - GENERAL FUND



City of Laconia
General Revenues by Source-General Fund
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues										
Taxes	\$48,089	\$45,575	\$44,691	\$46,692	\$45,128	\$43,741	\$42,788	\$41,817	\$40,604	\$39,470
Licenses and permits	4,299	4,110	3,907	3,630	3,477	3,345	3,187	3,053	2,876	2,717
Intergovernmental	12,499	11,214	12,076	10,971	9,955	10,063	9,534	10,271	9,582	9,006
Charges for services	3,981	3,042	2,478	2,139	1,987	2,178	2,051	1,815	1,638	1,920
Interest and Dividends	659	78	106	656	372	212	109	95	43	49
Other	<u>1,127</u>	<u>678</u>	<u>1,043</u>	<u>919</u>	<u>1,860</u>	<u>1,024</u>	<u>267</u>	<u>438</u>	<u>1,677</u>	<u>645</u>
Total revenues	\$70,654	\$64,697	\$64,301	\$65,007	\$62,779	\$60,563	\$57,936	\$57,489	\$56,420	\$53,807

Percent of Total Revenue

Taxes	68.1%	70.4%	69.5%	71.8%	71.9%	72.2%	73.9%	72.7%	72.0%	73.4%
Licenses and permits	6.1%	6.4%	6.1%	5.6%	5.5%	5.5%	5.5%	5.3%	5.1%	5.0%
Intergovernmental	17.7%	17.3%	18.8%	16.9%	15.9%	16.6%	16.5%	17.9%	17.0%	16.7%
Charges for services	5.6%	4.7%	3.9%	3.3%	3.2%	3.6%	3.5%	3.2%	2.9%	3.6%
Interest and Dividends	0.9%	0.1%	0.2%	1.0%	0.6%	0.4%	0.2%	0.2%	0.1%	0.1%
Other	1.6%	1.0%	1.6%	1.4%	3.0%	1.7%	0.5%	0.8%	3.0%	1.2%

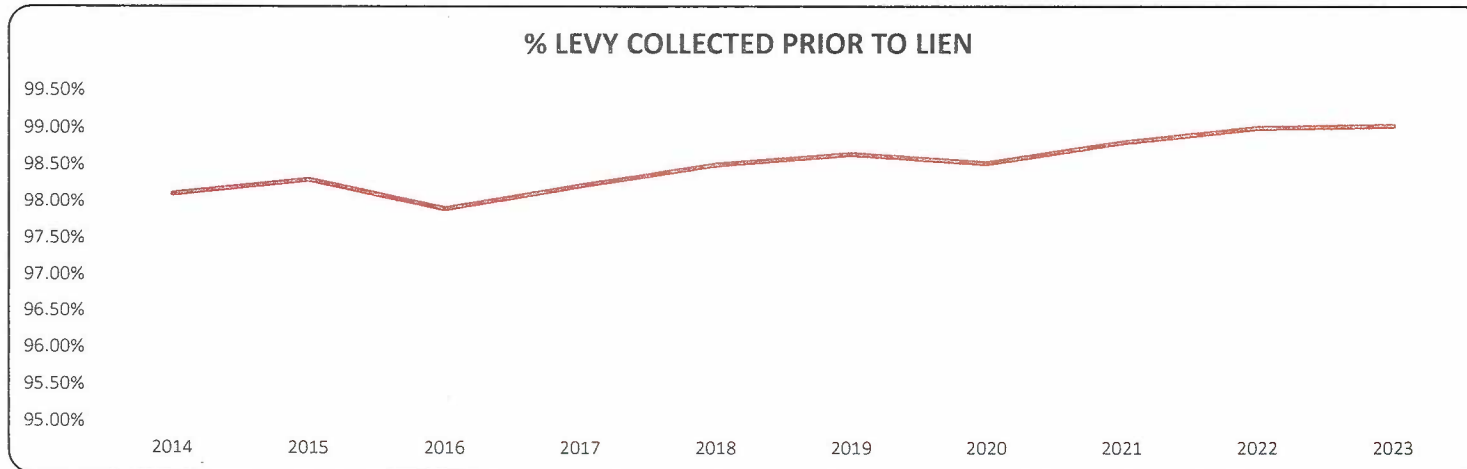
General Fund Revenue by Source



**CITY OF LACONIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)**

Fiscal Year Ended 30-Jun	Total Property Tax Levy	Current Fiscal Year Collections Adjustments	Percent of Levy Collected Prior to Tax Lien	Property Taxes Liened(1)	Current Fiscal Liened Collections	Total Tax Collections For Current Fiscal Year	Collections as Percent of Total Tax Levy	Outstanding Liened Taxes For Current at Fiscal Year End	Outstanding Liened Taxes as Percent of Tax Levy
2013	39,406	38,612	98.0%	794	240	38,852	98.6%	-	0.0%
2014	40,367	39,618	98.1%	749	209	39,827	98.7%	536	1.3%
2011	38,113	37,139	97.4%	974	221	37,360	98.0%	753	2.0%
2016	42,415	41,544	97.9%	871	247	41,791	98.5%	623	1.5%
2017	42,703	41,940	98.2%	762	175	42,115	98.6%	587	1.4%
2018	43,922	43,269	98.5%	652	182	43,451	98.9%	466	1.1%
2019	46,671	46,034	98.6%	636	128	46,162	98.9%	506	1.1%
2020	47,585	46,883	98.5%	702	224	47,107	99.0%	473	1.0%
2021	47,408	46,840	98.8%	568	192	47,032	99.2%	368	0.8%
2022	49,871	49,371	99.0%	500	122	49,493	99.2%	378	0.8%
2023	53,158	52,641	99.0%	517	164	52,805	99.3%	351	0.7%

(1) Annually, the City places a lien on properties for which taxes are unpaid.



CITY OF LACONIA
ASSESSED VALUE AND ESTIMATED FULL VALUE OF REAL PROPERTY
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year End	<u>Local Assessed Value (1)</u>			Total Assessed Value*	Less: Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (per \$1,000)	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value	COD	PDR
	Residential Property	Commercial Property	Utilities								
2014	1,504,976	287,230	29,300	\$1,821,506	5,860	\$1,815,646	\$22.08	1,843,806	98.8%	14.6	1.03
2015	1,568,526	291,464	29,168	\$1,889,158	5,110	\$1,884,048	\$22.40	1,932,169	97.8%	13.2	1.02
2016	1,605,415	282,976	31,837	\$1,920,228	5,350	\$1,914,878	\$22.20	1,989,355	96.5%	13.6	1.00
2017	1,745,845	290,578	35,838	\$2,072,261	5,320	\$2,066,941	\$21.03	2,086,317	99.3%	12.8	1.04
2018	1,875,439	286,547	33,697	\$2,195,683	5,130	\$2,190,553	\$20.85	2,209,429	99.4%	12.2	1.01
2019	1,954,533	292,273	39,202	\$2,286,008	4,931	\$2,281,077	\$20.59	2,356,623	97.0%	12.5	1.01
2020	2,025,791	295,013	51,991	\$2,372,795	4,900	\$2,367,895	\$19.72	2,555,417	92.9%	13.0	1.02
2021	2,202,878	298,767	58,318	\$2,559,963	3,820	\$2,556,143	\$18.86	2,732,379	93.7%	13.4	1.02
2022	3,054,462	315,423	63,365	\$3,433,250	4,600	\$3,428,650	\$14.85	3,316,221	103.5%	16.6	1.05
2023	3,533,144	343,990	67,983	\$3,945,117	4,300	\$3,940,817	\$13.91	4,152,773	95.0%	19.0	1.03

COD is Coefficient of Dispersion - The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median.

PDR is Price-related Differential - The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below .98 tend to indicate assessment progressivity.

<u>Percentages</u>			
	Residential	Commercial	Utilities
** 2014	82.6%	15.8%	1.6%
** 2015	83.0%	15.4%	1.5%
** 2016	83.6%	14.7%	1.7%
** 2017	84.2%	14.0%	1.7%
2018	85.4%	13.1%	1.5%
2019	85.5%	12.8%	1.7%
2020	85.4%	12.4%	2.2%
2021	86.1%	11.7%	2.3%
2022	89.0%	9.2%	1.8%
2023	89.6%	8.7%	1.7%

Source: (1) MS 1 reports on Assessed Value

(2) NH Department of Revenue Administration's Equalization Survey
Comparison of Full Tax Rates

**Corrected before publication January, 2019

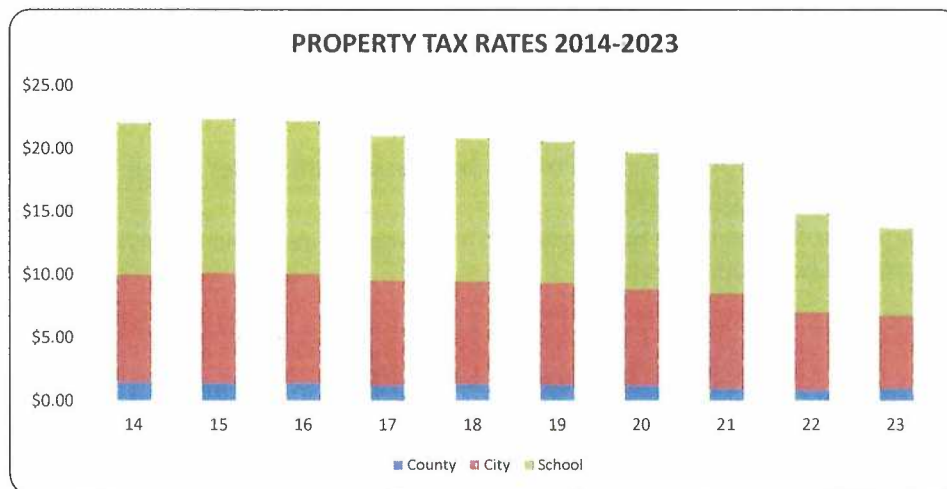


**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

City Direct Rates

Fiscal Year	City	School	State Education	Total School	Total Direct	Overlapping Rate County	Total Direct & Overlapping Rates
2014	\$8.55	\$9.40	\$2.66	\$12.06	\$20.61	\$1.47	\$22.08
2015	\$8.73	\$9.67	\$2.58	\$12.25	\$20.98	\$1.42	\$22.40
2016	\$8.65	\$9.76	\$2.37	\$12.13	\$20.78	\$1.42	\$22.20
2017	\$8.30	\$9.33	\$2.18	\$11.51	\$19.81	\$1.22	\$21.03
2018	\$8.11	\$9.29	\$2.10	\$11.39	\$19.50	\$1.35	\$20.85
2019	\$8.10	\$9.20	\$2.03	\$11.23	\$19.33	\$1.26	\$20.59
2020	\$7.65	\$8.94	\$1.92	\$10.86	\$18.51	\$1.21	\$19.72
2021	\$7.51	\$8.53	\$1.83	\$10.36	\$17.87	\$0.99	\$18.86
2022	\$6.17	\$6.86	\$0.97	\$7.83	\$14.00	\$0.85	\$14.85
2023	\$5.79	\$5.94	\$1.20	\$7.14	\$12.93	\$0.98	\$13.91

Source:
NH State Department of Revenue Administration

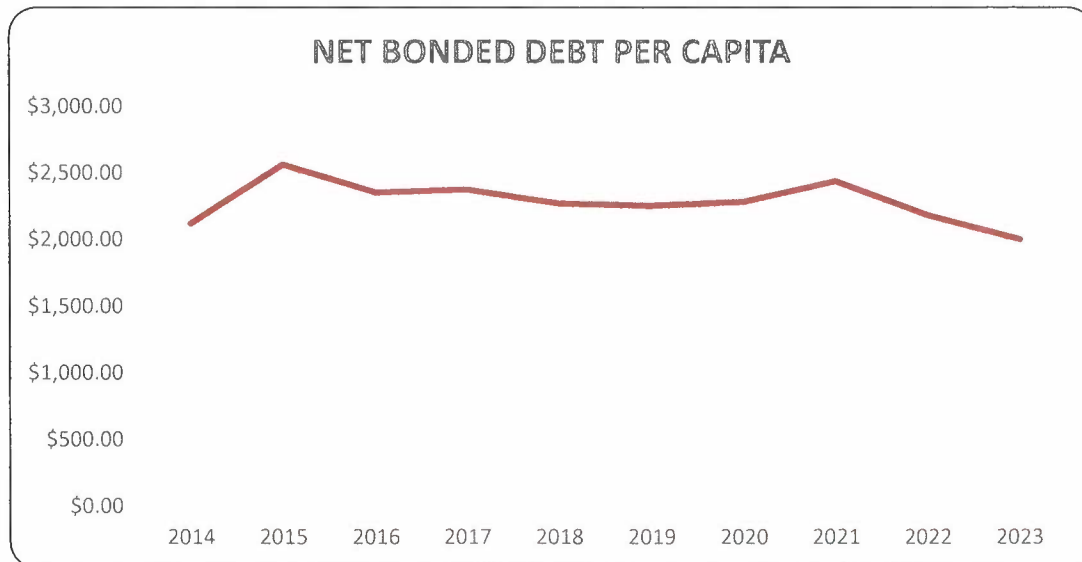


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds</u>	<u>Business Activities General Obligation Bonds</u>	<u>Total Primary Government</u>	<u>Per Capita*</u>
2014	\$34,037	\$1,160	\$35,197	\$2,120.02
2015	\$41,071	\$1,085	\$42,156	\$2,565.33
2016	\$37,805	\$1,010	\$38,815	\$2,352.96
2017	\$38,156	\$935	\$39,091	\$2,374.81
2018	\$37,378	\$860	\$38,238	\$2,270.29
2019	\$37,173	\$785	\$37,958	\$2,254.00
2020	\$37,847	\$710	\$38,557	\$2,282.83
2021	\$41,127	\$2,435	\$43,562	\$2,437.73
2022	\$37,141	\$3,234	\$40,375	\$2,181.56
2023	\$34,218	\$3,027	\$37,245	\$2,002.69

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements excludes TIF and ISF debt

*General Obligation bonds only based on demographic information included in this report. Population numbers have been revised.



**CITY OF LACONIA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2023**

Base Valuation for Debt Limit (1)		<u>\$ 4,117,817,877</u>
Bonded Debt Limit - 3.00% of Base		<u>\$ 123,535</u>
Gross Bonded Debt, June 30, 2023	\$ 37,245	
Less: Water Bonds	\$ (1,276)	
School Bonds	\$ (12,371)	
Net Bonded Debt, June 30, 2022		<u>\$23,598</u>
Debt Margin		<u>\$99,936</u>

(1) Source, DRA Equalization Report. The equalization of all taxable property in the State of New Hampshire is conducted annually by the New Hampshire Department of Revenue Administration under the provisions of RSA 21-J:3 (XIII):

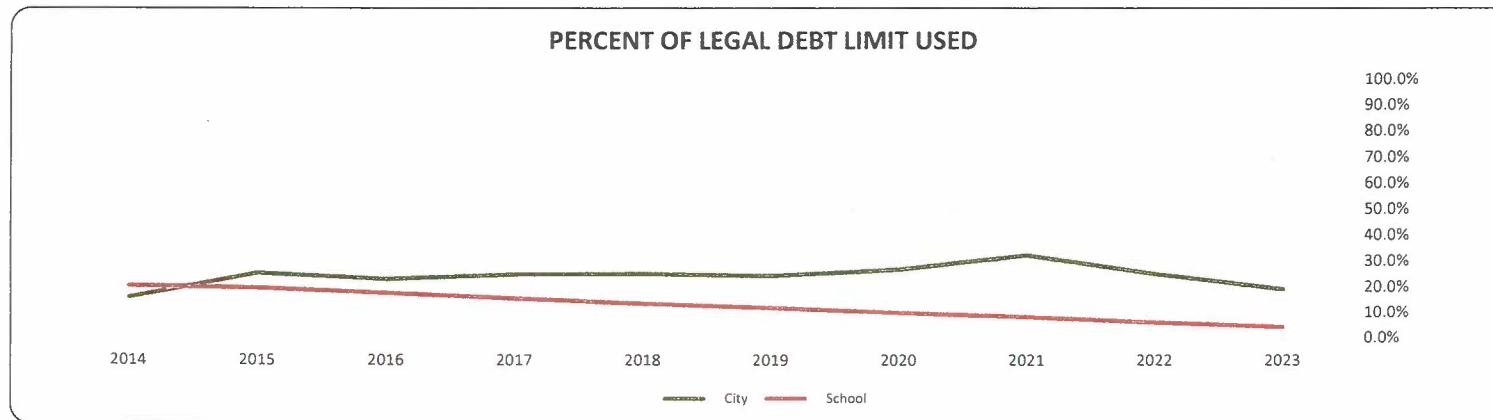
"Equalize annually the valuation of the property in the several towns, cities and unincorporated places in the state by adding or deducting from the aggregate valuation of the property as assessed in towns, cities and unincorporated places such sums as will bring such valuations to the true and market value of the property, including the equalized value of property formerly taxed pursuant to the provisions of RSA 72:7; 72:15, I, V, VII, VIII, IX, X and XI: 72:16; 72:17; 73:26; 73:27; and 73:11 through 16 inclusive, which were relieved from taxation by the laws of 1970, 5:3; 5:8; 57:12; and 57:15, the equalized valuation of which is to be determined by the amount of revenue returned in such year in accordance with RSA 31-A, and by making such adjustments in the value of other property from which the towns, cities, and unincorporated places receive taxes as may be equitable and just, so that any public taxes that may be apportioned among them shall be equal and just."

(2) Net Local Assessed Valuation *	\$3,479,601,113
Department of Revenue Administration Inventory Adjustment	\$638,216,764
Equalized Assessed Valuation	\$4,117,817,877
Adjustment: RSA 31-A	\$0
Base Valuation for Debt Limit	<u>\$4,117,817,877</u>

**CITY OF LACONIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Legal Debt Limits										
City 3%	\$ 123,535	\$ 98,573	\$ 81,271	\$ 76,040	\$ 70,123	\$ 66,283	\$62,589	\$57,990	\$57,965	\$55,314
School 7%	\$ 288,247	\$ 230,004	\$189,633	\$177,426	\$ 163,621	\$ 154,660	\$146,042	\$139,255	\$135,252	\$129,066
Debt Against Legal Debt Limits										
City	\$23,598	\$24,749	\$26,301	\$20,428	\$17,093	\$16,622	\$15,575	\$13,361	\$14,712	\$8,788
School	<u>\$12,371</u>	<u>\$13,746</u>	<u>\$15,461</u>	<u>\$17,419</u>	<u>\$19,295</u>	<u>\$20,756</u>	<u>\$22,580</u>	<u>\$24,444</u>	<u>\$26,358</u>	<u>\$26,410</u>
Total City & School Debt June 30	\$35,969	\$38,495	\$41,762	\$37,847	\$36,388	\$37,378	\$38,155	\$37,805	\$41,070	\$35,198
Unused Capacity of Legal Debt Limits										
City	\$99,937	\$73,824	\$54,970	\$55,612	\$53,030	\$49,661	\$47,014	44,629	\$43,253	\$46,526
School	\$275,876	\$216,258	\$174,172	\$160,007	\$144,326	\$133,904	\$123,462	\$114,811	\$108,894	\$102,656
% of Legal Debt Limits Used										
City	19.1%	25.1%	32.4%	26.9%	24.4%	25.1%	24.9%	23.0%	25.4%	15.9%
School	4.3%	6.0%	8.2%	9.8%	11.8%	13.4%	15.5%	17.6%	19.5%	20.5%

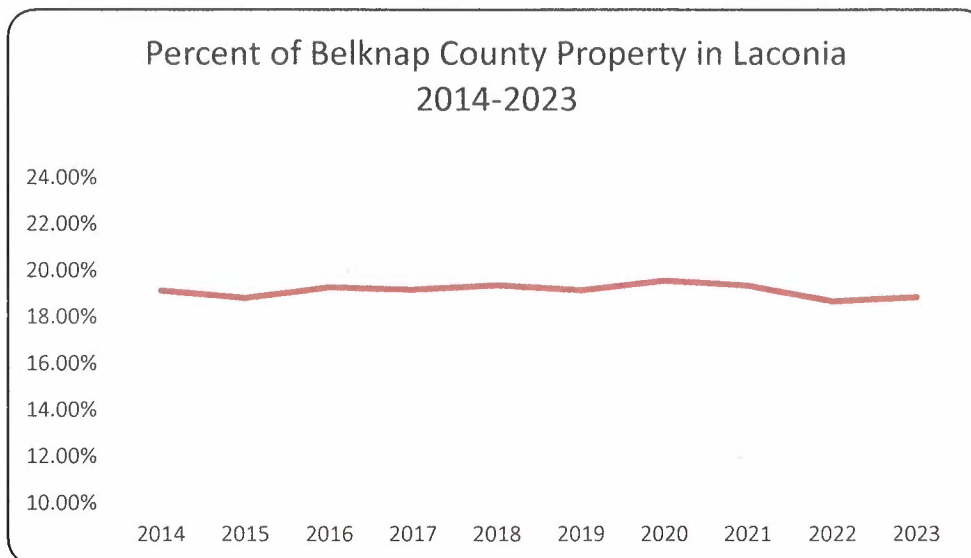
Data Source
Annual Financial Statements



**Computation of Overlapping Debt
Belknap County
Last Ten Years**

End of Year	Total Bonded Long Term Debt Outstanding*	Percentage Applicable to Laconia	Amount Applicable to Laconia
2014	\$2,510,000	19.13%	\$ 480,163
2015	\$1,930,000	18.82%	\$ 363,226
2016	\$1,360,000	19.28%	\$ 262,208
2017	\$800,000	19.18%	\$ 153,440
2018	\$245,000	19.37%	\$ 47,457
2019	\$7,800,000	19.15%	\$ 1,493,700
2020	\$7,668,176	19.57%	\$ 1,500,662
2021	\$7,478,252	19.36%	\$ 1,447,790
2022	\$7,278,328	18.69%	\$ 1,360,320
2023	\$7,068,404	18.85%	\$ 1,332,394

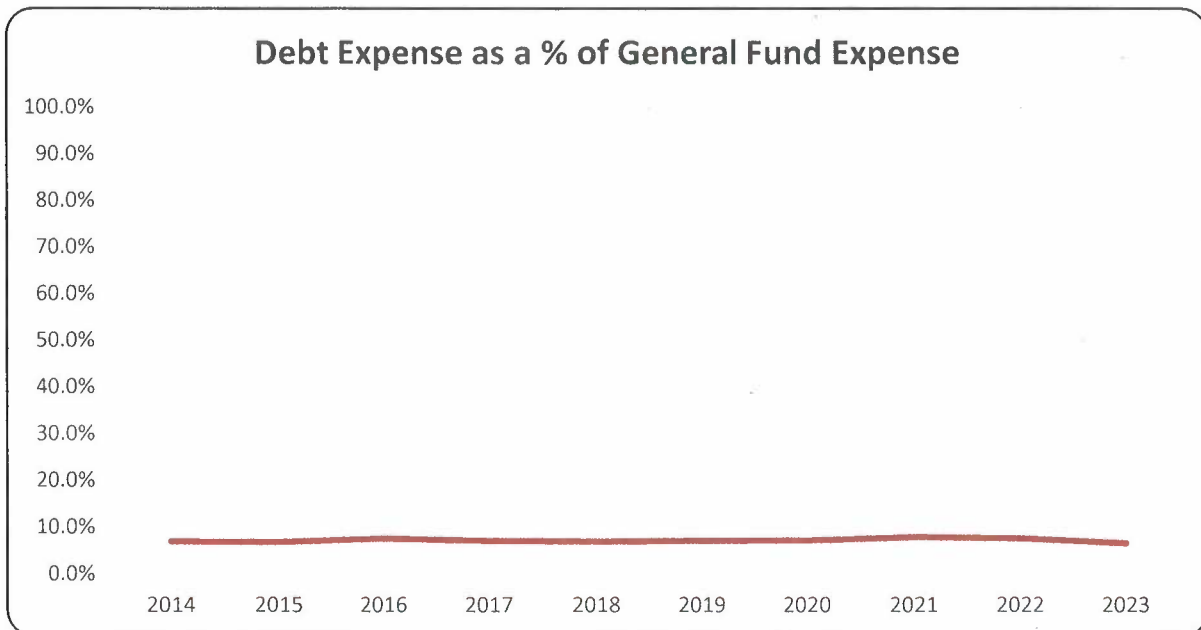
*** Source: Belknap County Audit Reports**



CITY OF LACONIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Principal and Interest Payments	Total General Fund Expenditures	%
2014	\$2,758,364	\$894,620	\$3,652,984	\$52,970,545	6.9%
2015	\$2,842,008	\$901,448	\$3,743,456	\$55,378,890	6.8%
2016	\$3,122,206	\$1,043,298	\$4,165,504	\$55,378,890	7.5%
2017	\$2,975,228	\$1,121,180	\$4,096,408	\$57,288,619	7.2%
2018	\$3,075,909	\$1,126,419	\$4,202,328	\$ 60,619,820	6.9%
2019	\$3,256,915	\$1,187,926	\$4,444,841	\$ 62,234,764	7.1%
2020	\$3,396,397	\$1,223,118	\$4,619,515	\$ 64,347,429	7.2%
2021	\$3,886,453	\$1,112,869	\$4,999,322	\$ 63,139,577	7.9%
2022	\$3,789,683	\$1,136,311	\$4,925,994	\$ 64,610,237	7.6%
2023	\$3,424,208	\$1,136,088	\$4,560,296	\$ 68,990,086	6.6%

*Ratio of General Fund Principal and Interest Payments to General Fund Expenditures.



CITY OF LACONIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

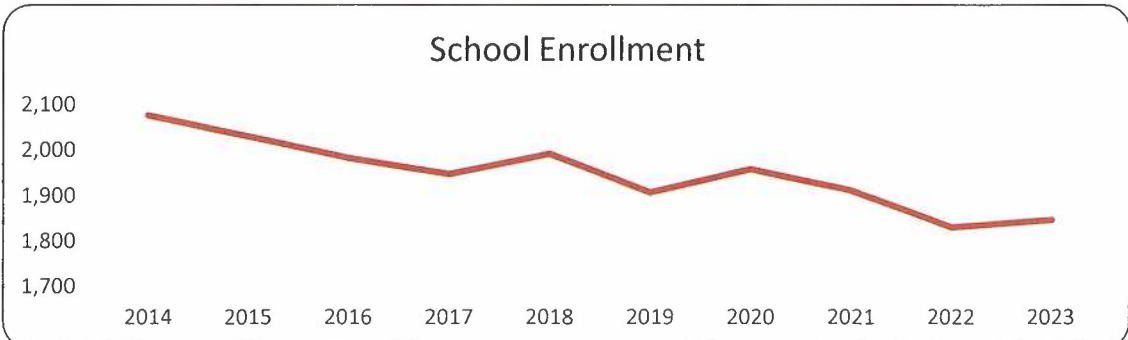
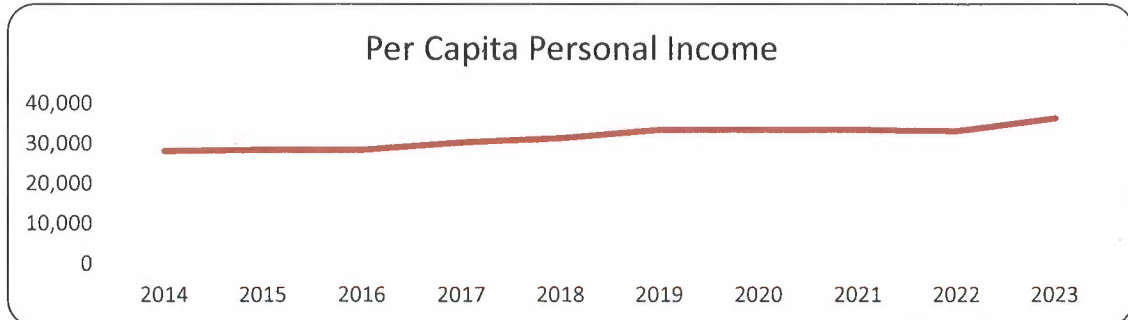
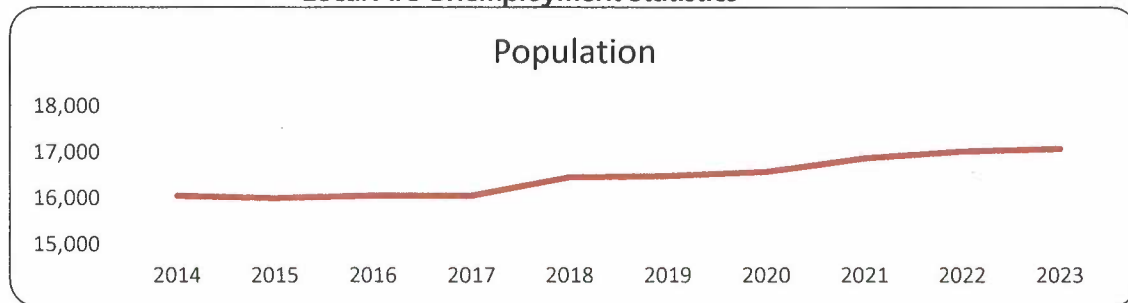
Fiscal Year	Population*	Median Household Income*	Per Capita Personal Income*	Median Age*	School Enrollment**	Unemploy. Rate***
2014	16,055	46,605	28,165	43.0	2,078	3.9%
2015	16,010	47,180	28,418	46.7	2,031	3.0%
2016	16,067	47,180	28,418	46.7	1,984	2.6%
2017	16,067	50,643	30,293	46.3	1,949	2.4%
2018	16,464	52,702	31,317	46.3	1,993	2.4%
2019	16,492	57,046	33,443	47.0	1,908	2.3%
2020	16,581	57,960	33,387	47.4	1,959	4.6%
2021	16,871	57,960	33,387	46.4	1,912	3.4%
2022	17,025	55,814	33,119	46.4	1,832	1.9%
2023	17,086	63,711	36,386	43.1	1,848	1.7%

Data Source

* Bureau of Census

** City annual reports, school district (excludes voc tech students)

*** Belknap County Rate as of June 30th, as reported in NHES
Local Are Unemployment Statistics



**CITY OF LACONIA
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2023
(amounts expressed in thousands)**

<u>Taxpayer</u>	2023			2013		
	Taxable Assessed		Percentage of Total Taxable Assessed	Taxable Assessed		Percentage of Total Taxable Assessed
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
Public Service of NH	\$ 44,424	1	1.11%	\$ 16,918	1	0.90%
Energy North (Keyspan)	\$ 22,412	2	0.56%	\$ 8,179	2	0.46%
Brady Sullivan Lilac Valley LLC	\$ 14,428	3	0.36%			
Lakemont Cooperative Inc	\$ 8,637	4	0.22%			
Double D Development	\$ 8,562	5	0.21%			
Village of Winnepesaukee Timeshare Assoc	\$ 7,834	6	0.20%			
First Laconia Associates	\$ 6,416	7	0.16%			
Wingate Village Lmted.	\$ 6,185	8	0.15%			
Gilford Route 11 Realty	\$ 5,952	9	0.15%	\$ 5,320	5	0.30%
Irwin James R & Sons Inc	\$ 5,896	10	0.15%	\$ 5,353	4	0.30%
Akwa Vista LLC				\$ 6,957	3	0.39%
Gilford Route 11 Realty Trust						
Remington John & Jacqueline				\$ 5,240	6	0.30%
Summit at Four Season Owners				\$ 4,871	7	0.27%
Laconia Country Club				\$ 4,175	8	0.24%
Margate Motel Inc				\$ 3,745	9	0.21%
Weirs Sports Center				\$ 3,708	10	0.21%
Totals	\$130,747		3.27%	\$ 64,466		3.58%

**CITY OF LACONIA
PROFESSIONAL
FULL-TIME EQUIVALENT SCHOOL EMPLOYEES BY POSITION
Last Ten Fiscal Years**

Position	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Administrators	22	22	22	21	20	18	18	18	18	18
Guidance Counselors	10	10	10	9	10	10	10	10	10	10
Classroom Teachers	157	151	149	136	127	126	129	130	132	132
Special Education Teachers	32	30	31	28	30	28	27	27	27	27
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	11	14	14	14	14
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<u>27</u>	<u>33</u>	<u>33</u>	<u>34</u>	<u>36</u>	<u>34</u>	<u>34</u>	34	34	34
Total	267	265	264	247	242	234	239	240	242	242

Full-Time Equivalent Employees as of June 30

Source: City Annual reports
School District

CITY OF LACONIA
CITY GOVERNMENT FULL TIME EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>#</u> <u>Change</u>	<u>%</u> <u>Change</u>
Function												
General government	27	27	27	27	28	28	27	28	28	28	0	0.00%
Public safety												
Police												
Officers	40	40	41	41	41	42	43	46	46	50	4	8.70%
Civilians	11	11	11	11	11	11	11	11	11	13	2	18.18%
Fire												
Firefighters and officers	31	35	35	35	35	35	35	35	35	39	4	11.43%
EMS Ambulance	5	5	5	5	5	5	5	5	5	5	0	0.00%
Civilians	1	1	1	1	1	1	1	1	1	1	0	0.00%
Call firefighters	0	0	0	0	0	0	0	0	0	0	0	-
Highway and streets												
Engineering	1	1	1	1	1	1	1	1	1	1	0	0.00%
Maintenance	16	16	17	18	18	18	18	18	18	18	0	0.00%
Solid Waste	1	1	1	1	1	1	1	1	1	1	0	0.00%
Library	10	10	10	10	10	10	10	10	10	10	0	0.00%
Parks & Recreation	7	7	7	7	7	7	8	8	8	10	2	25.00%
Water	16	16	17	17	17	17	18	18	18	18	0	0.00%
Sewer	8	8	8	8	8	8	7	7	7	8	1	14.29%
ISF	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	3	3	3	3	0	0.00%
Total	176	180	184	185	186	187	188	192	192	205	13	6.77%

Source: City Approved Budgets

City of Laconia, NH
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-22	2022-23
Police										
Calls for service	16,148	16,729	17,983	17,699	22,293	19,913	21,725	21,108	14,971	19,588
Criminal arrests	1,319	1,352	1,526	1,505	1,425	1,471	1,238	1,313	1,281	1,218
Parking violations	1,676	2,124	1,390	983	1,651	1,813	1,447	1,817	1,111	1,696
Traffic violations	399	329	378	309	457	342	298	497	413	310
Fire										
Number of calls answered	3,881	4,380	4,487	4,760	5,064	4,975	4,422	4,851	4,663	4,560
Inspections	2,322	2,412	3,265	1,931	1,655	1,857	1,664	1,402	1,096	1,771
Highways and streets										
Street resurfacing (miles)	1.03	5.79	3.20	0.00	3.70	3.10	3.10	2.30	2.47	2.96
Code										
Building permits issued	249	290	284	349	257	206	345	378	388	471
Estimated construction value** (in thousands)	\$27,607	\$34,654	\$32,732	\$23,136	\$17,496	\$16,956	\$19,373	\$48,627	\$60,920	\$61,699
Library										
Volumes	62,713	66,019	67,316	66,857	61,764	58,840	61,822	59,085	59,944	63,476
Circulation	120,127	117,695	111,183	104,170	104,370	101,451	87,939	71,180	91,069	101,313
Solid Waste										
Refuse collected (tons per year)	11,171	10,479	10,950	10,601	10,850	10,828	12,391	10,938	15,906	15,025
Recyclables collected (tons per year)	1,922	1,913	1,856	1,737	1,651	897	816	781	769	827
Parks & Recreation										
Field Use Requests	90	103	98	75	96	87	85	91	111	93
School Enrollment										
Laconia HS	589	585	552	526	555	539	538	561	583	594
Laconia Middle School	482	423	423	405	413	441	486	481	422	410
Woodland Heights	430	453	444	391	373	342	347	333	316	314
Pleasant Street	292	285	282	315	331	294	292	265	250	262
Elm Street	285	285	283	312	321	292	296	272	261	268
Area 8/Huot	473	421	441	394	411	409	399	432	398	440
Water										
New connections	62	50	39	50	43	24	38	69	53	75
Water main breaks	7	10	5	6	9	7	5	2	3	2
Average daily consumption-MGD	1.47	1.30	1.59	1.49	1.42	1.41	1.34	1.41	1.22	1.29

Sources: Various government departments

** 2013 permits did not include \$13.6M Huot, \$1.4M LRCC, \$500K LHS Concession/bleachers

City of Laconia, NH
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles)-paved ##	83.2	83.2	83.2	83.2	79.25	79.25	79.25	79.25	79.25	79.25
Streets (miles)-unpaved ##	2.18	2.18	2.18	2.18	0.85	0.85	0.85	0.85	0.85	0.85
Traffic intersections	7	7	7	7	8	8	8	8	8	8
Street lights	1,344	1,344	1,344	1,308	1,308	1310	1,310	1,310	1,310	1310
Culture and recreation										
Parks acreage	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5
Parks **	47	47	47	47	47	48	48	48	48	48
Tennis courts	7	7	7	8	8	8	8	8	8	8
Basketball courts	7	7	7	7	6	7	7	7	7	7
Community centers	4	4	4	4	4	5	5	5	5	5
Cemeteries	9	9	9	9	9	9	9	9	9	8
Water										
Water mains (miles)	104.35	104.35	104.35	105.43	105.43	105.76	105.76	105.76	106.49	106.49
Fire hydrants	530	542	542	547	547	547	547	547	547	560
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6
Service connections	6,568	6,617	6,656	6,685	6,728	6752	6790	6859	6912	6990
Sewer										
Sanitary sewers (miles)	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69
Service connections	10,865	10,877	10,885	10,930	10,950	10954	10,954	10,958	10,991	11035
Maximum daily capacity -MGD	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Pump Stations	17	17	17	17	18	18	18	18	18	18

Sources: various city departments

Note: No capital asset indicators are available for the general government function.

New Inventory data collected in 2013 coupled with City termination of maintenance on certain roadways has reduced this figure.

** Parks number adjusted to include Riverwalk, WOW Trail, and undeveloped parks as well as public docks