

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2024



Bank Square, Laconia circa 1940

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2024

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December 8, 2025

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, 2024 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 that 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

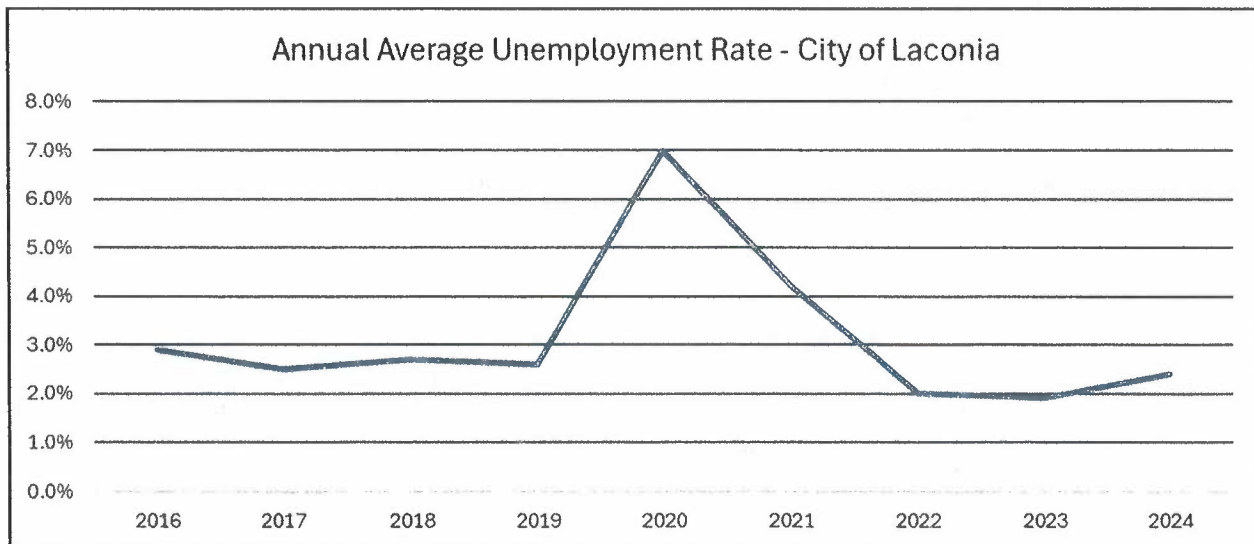
The City of Laconia has operated under the Council-Manager form of government since 1971. The City Council is comprised of six members and an elected Mayor. The City Council is responsible for enacting ordinances, resolutions and regulations concerning the City, as well as for appointing the members 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 2024 rate rose to 2.4%, up from 1.9% in June 2023. Although this is an increase from the prior year, the overall rate is still low and indicates the continuing labor shortage impacting our region and is expected to continue.



Source: NHES 2023 NH Local Area Unemployment Statistics

Data from 2023 (the most current year for which data is available) shows a steady increase in the number of employers, average annual employment and average weekly wage.

Laconia Employment Outlook						
	2018	2019	2020	2021	2022	2023
# of Employers	570	575	571	575	573	584
Avg. Annual Employment	9224	9270	8597	8472	8615	8830
Average Weekly Wage	\$ 961.30	\$ 955.00	\$ 1,030.00	\$ 1,052.00	\$ 1,113.00	\$ 1,160.00

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 \$75.4 million in fiscal year 2024; this represented an increase of 6.8% over fiscal year 2023. Major contributing factors include increases in interest earnings on general fund deposits, c&d revenue, current use revenue and state rooms and meals tax.

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	FY24	FY23	Change	% Change
Property Tax	\$51,285,437	\$47,455,806	\$3,829,631	8.07%
Penalty, Interest and Other Taxes	\$642,592	\$632,987	\$9,605	1.52%
Charges for Services	\$4,542,175	\$3,980,537	\$561,638	14.11%
Intergovernmental	\$12,876,071	\$12,358,975	\$517,096	4.18%
Licenses & Permits	\$4,252,380	\$4,298,761	-\$46,381	-1.08%
Fines & Forfeitures	\$17,849	\$34,959	-\$17,110	-48.94%
Investment Income	\$1,085,319	\$479,448	\$605,871	126.37%
Miscellaneous	\$761,623	\$1,092,183	-\$330,560	-30.27%
Total Revenues	\$75,463,446	\$70,333,656	\$5,129,790	6.80%

Expenditures

Expenditures for the General Fund functions totaled \$72.3 million in fiscal year 2024, an increase of 3.4% from prior year expenditures.

Contributing factors include increased capital, debt service and solid waste expenses.

Expenses	FY24	FY23	Change	% Change
General Government	\$5,960,124	\$5,669,062	\$291,062	5.13%
Fire	\$6,099,806	\$5,559,744	\$540,062	9.71%
Police	\$7,691,628	\$7,458,224	\$233,404	3.13%
Education	\$36,549,668	\$38,714,138	-\$2,164,470	-5.59%
Highways & Streets	\$2,909,245	\$2,922,460	-\$13,215	-0.45%
Solid Waste	\$3,422,678	\$3,231,451	\$191,227	5.92%
Health & Welfare	\$188,887	\$92,259	\$96,628	104.74%
Parks & Recreation	\$913,989	\$973,985	-\$59,996	-6.16%
Library	\$910,489	\$879,909	\$30,580	3.48%
Conservation	\$2,878	\$2,876	\$2	0.07%
Capital Outlay	\$3,515,154	\$2,299,633	\$1,215,521	52.86%
Debt Service	\$4,169,501	\$2,049,126	\$2,120,375	103.48%
Total Expenses	\$72,334,047	\$69,852,867	\$2,481,180	3.43%

Fund Balance

Total fund balance for the general fund increased by \$2,753,523, as detailed below:

Fund Balance	FY24	FY23	Change	% Change
Nonspendable	\$1,522,620	\$224,369	\$1,298,251	578.6%
Restricted	\$0	\$0	\$0	-
Committed	\$6,993,284	\$5,688,151	\$1,305,133	22.9%
Assigned	\$652,248	\$1,851,148	-\$1,198,900	-64.8%
Unassigned	\$5,035,714	\$3,686,675	\$1,349,039	36.6%
Total	\$14,203,866	\$11,450,343	\$2,753,523	24.0%

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	FY23	Change	% Change
Revenues	\$5,453,797	\$5,081,552	\$372,245	7.3%
Expenses	\$5,169,489	\$4,235,224	\$934,265	22.1%
Operating Income (Loss)	\$284,308	\$846,328	-\$562,020	-66.4%

Water Fund	FY23	FY23	Change	% Change
Revenues	\$3,477,319	\$3,298,388	\$178,931	5.4%
Expenses	\$2,792,181	\$2,996,960	-\$204,779	-6.8%
Operating Income (Loss)	\$685,138	\$301,428	\$383,710	127.3%

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 \$4.008 billion to \$4.464 billion, an increase of \$456 million, or 11%. 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 FY24 appear on the following page.

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.

	Original Debt	Interest Rate	Term	Years Remaining	Principal Balance June 30, 2024
<u>MUNICIPAL BONDS - 15 Bonds</u>					
2010 Weirs Boardwalk	\$ 800,000	3.58%	20	6	\$ 210,000
2010 Anthony Drive Drainage Improvements*	\$ 216,589	2.86%	20	7	\$ 76,179
2011 Endicott Water Line/Weirs Bdwlk Supplement	\$ 565,000	3.68%	20	7	\$ 197,750
2016 Endicott Rock/Lakeside/Messer Drainage	\$ 1,600,000	3.23%	20	13	\$ 1,040,000
2018 General Street, Sidewalk, Drainage Improvements	\$ 2,500,000	2.30%	10	4	\$ 1,000,000
2020 Court St Bridge, Endicott Water, Lkport sewer (also in SSF)	\$ 750,000	2.75%	20	16	\$ 599,398
2020 Court St 2, Fire Engine, DPW Truck	\$ 2,025,000	2.05%	10	7	\$ 1,215,000
2020 Colonial Theater Renovation (also in DTIF)	\$ 6,700,000	3.75%	25	22	\$ 5,627,192
2021 Refund PD/Fire Radio, Tower, Disp.	\$ 630,000	2.10%	8	5	\$ 405,098
2021 Refund 2018 Gen. Sidewalk/Drainage	\$ 2,000,000	2.10%	8	5	\$ 1,286,025
2021 Refund 2015 Capital Improvements (Also in DTIF)	\$ 4,798,473	2.35%	15	12	\$ 3,631,504
2021 Church Street Property Acquisition	\$ 683,000	2.15%	10	7	\$ 478,100
2021 Road Improvement Bond	\$ 1,312,400	0.96%	10	8	\$ 1,045,000
2022 Trash Collection Totes	\$ 759,380	2.71%	10	9	\$ 683,440
2024 Equipment and Improvement (also in ISF, SSF)	\$ 2,083,738	3.44%	20	19	\$ 1,897,700
TOTAL CITY	\$ 27,423,580				\$ 19,392,386
<u>SCHOOL BONDS - 5 Bonds</u>					
2008 MM School Construction	\$ 22,644,000	4.76%	29	13	\$ 6,272,065
2011 QZAB Bond - Huot Ctr Renovation 1st	\$ 2,103,000	0.00%	19	6	\$ 774,600
2012 QZAB Bond - Huot Ctr Renovation 2nd	\$ 4,397,000	0.00%	23	12	\$ 2,575,000
2014 School Huot Supplement	\$ 1,000,000	2.35%	14	9	\$ 500,000
2014 QZAB Bond - LHS Renovation	\$ 1,828,000	0.00%	21	8	\$ 1,126,000
TOTAL SCHOOLS	\$ 31,972,000				\$ 11,247,665
<u>INTERNAL SERVICE FUND BONDS - 1 Bond</u>					
2024 Equipment and Improvement (also in GF, SSF)	\$ 1,916,262	3.44%	20	19	\$ 1,729,000
TOTAL INTERNAL SERVICE FUND	\$ 1,916,262				\$ 1,729,000
<u>SEWER BONDS - 2 Bonds</u>					
2020 Court St Brdg, Endicott Water, Lkport sewer (also in GF)	\$ 1,500,000	2.75%	20	16	\$ 1,200,599
2024 Equipment and Improvement (also in GF, ISF)	\$ 3,000,000	3.44%	20	19	\$ 2,735,335
TOTAL SEWER	\$ 4,500,000				\$ 3,935,934
<u>WATER BONDS - 2 Bonds</u>					
2009 Water Tank	\$ 1,500,000	3.97%	20	6	\$ 420,000
2020 Water Line Repair and Replacement	\$ 1,800,000	2.50%	20	16	\$ 1,198,167
TOTAL WATER	\$ 3,300,000				\$ 1,618,167
<u>DOWNTOWN TIF Bonds - 1 Bond</u>					
2021 Refund 2015 Capital Improvements (also in GF)	\$ 1,278,620	2.35%	15	12	\$ 964,014
TOTAL DOWNTOWN TIF	\$ 1,278,620				\$ 964,014
<u>WEIRS TIF BONDS - 1 Bond</u>					
2015 Capital Improvements	\$ 1,600,000	3.23%	20	12.0	\$ 1,115,281
TOTAL WEIRS TIF	\$ 1,600,000				\$ 1,115,281
GRAND TOTAL	\$ 71,990,462				\$ 40,002,447

OTHER INFORMATION

Independent Audit

The financial records and transactions of the City of Laconia have been audited by the independent public accounting firm of Marcum/CBIZ 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

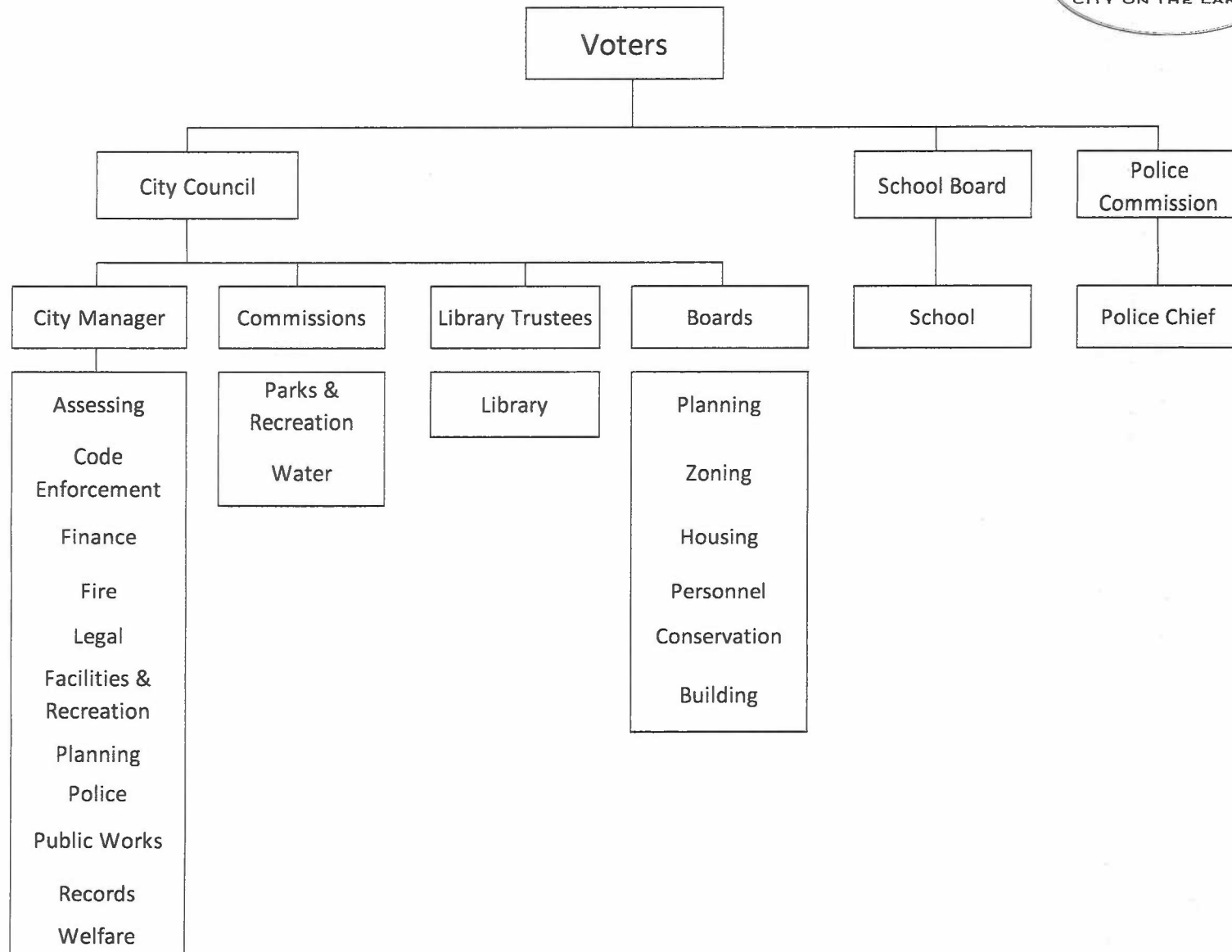
Our appreciation is extended to the elected officials, department heads and employees responsible for the sound financial position of the City of Laconia and for their help in the preparation of this report. The City of Laconia encompasses a group of individuals who appreciate and respect the principles 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 dark ink, appearing to read 'Glenn Smith', written in a cursive style.

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, 2023

Term: January 11, 2024- December 31, 2025

Mayor: Andrew Hosmer

Council Members:

Ward 1	Bruce Cheney
Ward 2	Robert Soucy
Ward 3	Eric Hoffman
Ward 4	Mark Haynes
Ward 5	Steve Bogert
Ward 6	Tony Felch

School Board:

Jennifer Anderson, Chair	Term 2024 - 2027
Jennifer Ulrich	Term 2024 - 2027
Laura Dunn, Vice Chair	Term 2025 - 2028
Karin Salome	Term 2025 - 2028
Latoya Beck-Brown	Term 2023 - 2026
Sean Sullivan	Term 2023 - 2026
Nancy Simoneau	Term 2024 - 2027

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS
FOR THE YEAR ENDING JUNE 30, 2024**

CITY MANAGER:	Kirk Beattie
ASSESSOR:	Whitney Consulting Group
CITY CLERK:	Katie Gargano
CODE ENFORCEMENT DIRECTOR	Joseph Grey
FIRE CHIEF:	Tim Joubert
FINANCE DIRECTOR:	Glenn Smith
LIBRARY DIRECTOR:	Deanne Hunter
PUBLIC WORKS DIRECTOR:	Wesley Anderson
PLANNING DIRECTOR	Rob Mora
POLICE CHIEF:	Matt Canfield
REC. & FAC. DIRECTOR:	Amy Lovisek
TAX COLLECTOR:	Katie Gargano
WELFARE DIRECTOR:	Glenn Smith
WATER WORKS:	Ben Crawford



CITY OF LACONIA, NEW HAMPSHIRE

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2024

CITY OF LACONIA, NEW HAMPSHIRE

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CITY OF LACONIA, NEW HAMPSHIRE

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CBIZ CPAs P.C.

9 Executive Park Drive
Suite 100
Merrimack, NH 03054

P: 603.882.1111

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

In our opinion, the accompanying financial statements 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, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Merrimack, NH
October 30, 2025

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

JUNE 30, 2024

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, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required 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, 2024

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, 2024

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 \$33,889,400, a change of \$5,560,135, and net position in business-type activities was \$31,715,493, a change of \$1,226,161.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$23,631,796, a change of \$7,193,635.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,035,714, a change of \$1,349,039 in comparison to the prior year.

CITY OF LACONIA, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Government-Wide Financial Analysis

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

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$58,356,203	\$50,579,144	\$ 5,103,614	\$ 6,257,760	\$63,459,817	\$56,836,904
Capital assets	110,037,007	106,468,657	34,849,979	33,193,199	144,886,986	139,661,856
Total Assets	<u>168,393,210</u>	<u>157,047,801</u>	<u>39,953,593</u>	<u>39,450,959</u>	<u>208,346,803</u>	<u>196,498,760</u>
Deferred Outflows of Resources	<u>14,114,575</u>	<u>16,920,318</u>	<u>365,237</u>	<u>442,637</u>	<u>14,479,812</u>	<u>17,362,955</u>
Liabilities						
Current liabilities	5,712,977	6,129,034	3,546,029	4,000,026	9,259,006	10,129,060
Noncurrent liabilities	118,276,497	114,872,507	4,907,649	5,259,623	123,184,146	120,132,130
Total Liabilities	<u>123,989,474</u>	<u>121,001,541</u>	<u>8,453,678</u>	<u>9,259,649</u>	<u>132,443,152</u>	<u>130,261,190</u>
Deferred Inflows on Resources	<u>24,628,911</u>	<u>24,637,315</u>	<u>149,659</u>	<u>144,616</u>	<u>24,778,570</u>	<u>24,781,931</u>
Net Position						
Net investment in capital assets	73,365,645	70,262,324	29,404,329	27,114,953	102,769,974	97,377,277
Restricted	7,735,104	6,069,507	--	--	7,735,104	6,069,507
Unrestricted	(47,211,349)	(48,002,568)	2,311,164	3,374,378	(44,900,185)	(44,628,190)
Total Net Position	<u>\$33,889,400</u>	<u>\$28,329,263</u>	<u>\$31,715,493</u>	<u>\$30,489,331</u>	<u>\$65,604,893</u>	<u>\$58,818,594</u>

The largest portion of net position \$102,769,974 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 \$7,735,104 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 \$(44,900,185) primarily resulting from the City's unfunded net pension and OPEB liabilities.

CITY OF LACONIA, NEW HAMPSHIRE

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

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 \$65,604,893 a change of \$6,786,296 in comparison to the prior year.

Change in Net Position

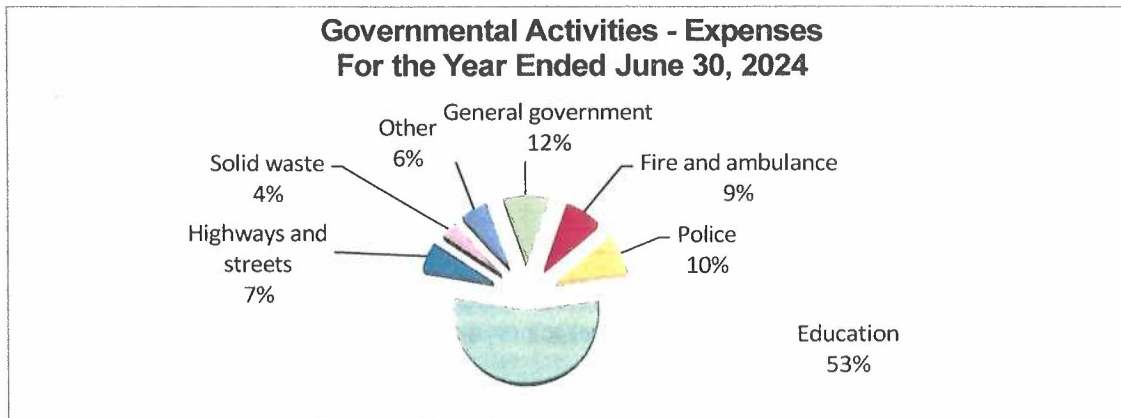
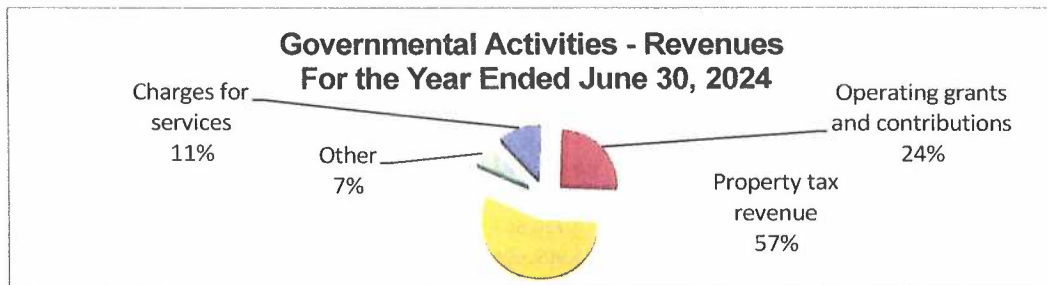
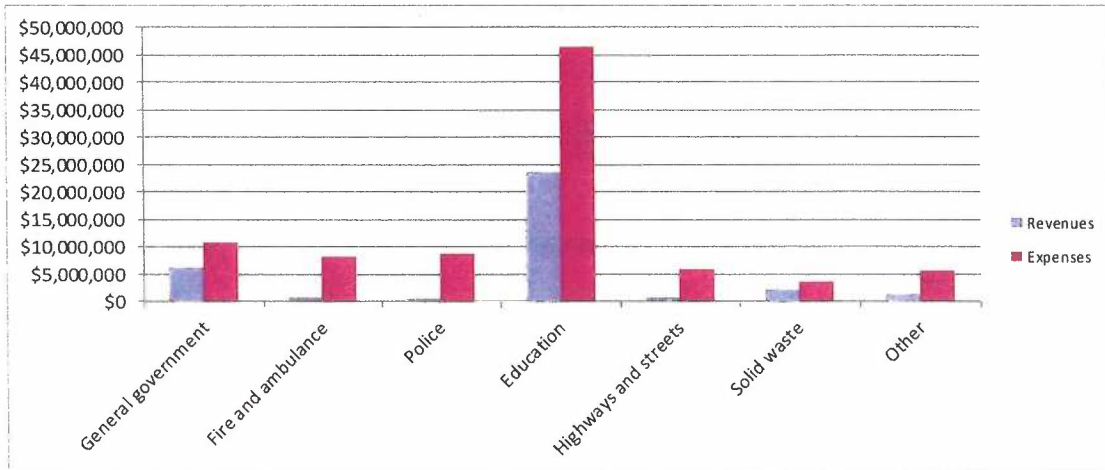
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$10,726,887	\$10,608,328	\$ 8,931,116	\$ 8,379,940	\$19,658,003	\$18,988,268
Operating grants and contributions	23,550,455	20,477,790	84,607	81,904	23,635,062	20,559,694
Capital grants and contributions	1,158,469	3,303,605	--	491,090	1,158,469	3,794,695
General revenues						
Property taxes	53,662,593	48,319,149	--	--	53,662,593	48,319,149
Penalties and interest on taxes	642,592	632,987	--	--	642,592	632,987
Grants and contributions not restricted to specific programs	1,609,684	1,501,589	--	--	1,609,684	1,501,589
Investment income	2,699,093	906,646	258,441	206,261	2,957,534	1,112,907
Miscellaneous	857,870	1,979,783	--	--	857,870	1,979,783
Total Revenues	<u>94,907,643</u>	<u>87,729,877</u>	<u>9,274,164</u>	<u>9,159,195</u>	<u>104,181,807</u>	<u>96,889,072</u>
Expenses						
General government	10,691,695	8,790,293	--	--	10,691,695	8,790,293
Fire and ambulance	8,279,745	7,087,389	--	--	8,279,745	7,087,389
Police	8,791,802	7,720,653	--	--	8,791,802	7,720,653
Education	46,601,096	45,909,696	--	--	46,601,096	45,909,696
Highway and streets	5,849,093	5,514,554	--	--	5,849,093	5,514,554
Solid waste	3,546,935	3,285,508	--	--	3,546,935	3,285,508
Health and welfare	188,887	967,496	--	--	188,887	967,496
Parks and recreation	1,287,679	1,169,984	--	--	1,287,679	1,169,984
Library	1,041,357	1,004,719	--	--	1,041,357	1,004,719
Conservation	2,878	2,876	--	--	2,878	2,876
Airport	1,662,784	799,069	--	--	1,662,784	799,069
Interest expense	1,403,557	1,415,802	--	--	1,403,557	1,415,802
Water	--	--	2,836,199	3,045,956	2,836,199	3,045,956
Sanitary sewer	--	--	5,211,804	4,271,824	5,211,804	4,271,824
Total Expenses	<u>89,347,508</u>	<u>83,668,039</u>	<u>8,048,003</u>	<u>7,317,780</u>	<u>97,395,511</u>	<u>90,985,819</u>
Change in Net Position	<u>5,560,135</u>	<u>4,061,838</u>	<u>1,226,161</u>	<u>1,841,415</u>	<u>6,786,296</u>	<u>5,903,253</u>
Net Position - Beginning of Year	<u>28,329,265</u>	<u>24,267,425</u>	<u>30,489,332</u>	<u>28,647,916</u>	<u>58,818,597</u>	<u>52,915,341</u>
Net Position - End of Year	<u>\$33,889,400</u>	<u>\$28,329,263</u>	<u>\$31,715,493</u>	<u>\$30,489,331</u>	<u>\$65,604,893</u>	<u>\$58,818,594</u>

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

JUNE 30, 2024

Governmental Activities - Revenue v. Expense Comparison

For the Year Ended June 30, 2024



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

JUNE 30, 2024

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$4,494,891. Key elements of this change are as follows:

General Fund operations	\$ 2,753,519
Net capital asset activity	3,568,350
Increase in pension expense	(1,973,995)
Other	<u>147,017</u>
	<u><u>\$ 4,494,891</u></u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,226,161. 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	\$ 818,831
Sanitary sewer operations	<u>407,330</u>
	<u><u>\$ 1,226,161</u></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 \$5,035,714, while total fund balance was \$14,203,866. The City's unassigned fund balance increased by \$1,349,039 primarily from favorable budgetary results of \$4,023,501 (page 70), less \$665,000 used to reduce the tax rate in fiscal year 2024, and less \$1,319,606 reserved for the ambulance fund. 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, 2024

General Fund	June 30, 2024	June 30, 2023	Change	% of Total General Fund Expenditures
Unassigned fund balance	\$ 5,035,714	\$ 3,686,675	\$ 1,349,039	6.8%
Total fund balance	\$ 14,203,866	\$ 11,450,347	\$ 2,753,519	19.2%

The total fund balance of the General Fund changed by \$2,753,519 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (665,000)
Excess of revenues over expenditures (budgetary basis)	4,023,501
Other	(604,982)
	<u>\$ 2,753,519</u>

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

	June 30, 2024	June 30, 2023	Change
Capital reserves	\$ 6,993,284	\$ 5,688,151	\$ 1,305,133

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 \$4,646,003 primarily from the issuance of debt for various capital projects.

Proprietary Funds

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$2,311,164, a change of \$(1,063,214) 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, 2024

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for fiscal year 2024.

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 \$144,886,986 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 \$41,194,132, 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and short-term investments	\$ 37,229,580	\$ 6,557,173	\$ 43,786,753
Investments	3,354,710	--	3,354,710
Receivables, net of allowance for uncollectibles:			
Property taxes	6,848,543	--	6,848,543
Departmental and other	1,188,758	--	1,188,758
User fees	--	1,751,883	1,751,883
Intergovernmental	5,455,911	--	5,455,911
Internal balances	3,867,843	(3,867,843)	--
Due from external parties	121,420	--	121,420
Inventories and prepaids	289,438	662,401	951,839
Total Current Assets	<u>58,356,203</u>	<u>5,103,614</u>	<u>63,459,817</u>
Noncurrent Assets			
Capital assets:			
Land and construction in progress	9,959,592	625,062	10,584,654
Right to use leased assets, net of accumulated amortization	4,365,558	--	4,365,558
Other capital assets, net of accumulated depreciation	95,711,857	34,224,917	129,936,774
Total Noncurrent Assets	<u>110,037,007</u>	<u>34,849,979</u>	<u>144,886,986</u>
Total Assets	<u>168,393,210</u>	<u>39,953,593</u>	<u>208,346,803</u>
Deferred Outflows Resources			
Related to pension	12,988,956	341,829	13,330,785
Related to OPEB	1,125,619	23,408	1,149,027
Total Deferred Outflows of Resources	<u>14,114,575</u>	<u>365,237</u>	<u>14,479,812</u>

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

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

JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	2,678,960	111,449	2,790,409
Retainage payable	169,172	218,214	387,386
Accrued liabilities	2,423,333	96,431	2,519,764
Unearned revenues	257,381	--	257,381
Notes payable	--	2,400,000	2,400,000
Contractor performance deposits	--	638,262	638,262
Other liabilities	107,149	81,673	188,822
Due to external parties	76,983	--	76,983
Current portion of long-term liabilities:			
Bonds and loans payable	3,567,146	210,716	3,777,862
Compensated absences liability	107,566	13,631	121,197
Lease liability	32,945	--	32,945
Landfill liability	15,000	--	15,000
Total Current Liabilities	9,435,634	3,770,376	13,206,010
Noncurrent Liabilities			
Bonds and loans payable, net of current portion	34,802,303	2,613,967	37,416,270
Compensated absences liability, net of current portion	2,289,134	160,242	2,449,376
Lease liability, net of current portion	5,080,788	--	5,080,788
Landfill liability, net of current portion	84,000	--	84,000
Net pension liability	60,749,432	1,722,657	62,472,089
Net OPEB liability	11,548,183	186,436	11,734,619
Total Noncurrent Liabilities	114,553,840	4,683,302	119,237,142
Total Liabilities	123,989,474	8,453,678	132,443,152
Deferred Inflows of Resources			
Related to pension	1,086,210	26,601	1,112,811
Related to OPEB	1,843,268	123,058	1,966,326
Related to taxes	21,699,433	--	21,699,433
Total Deferred Inflows of Resources	24,628,911	149,659	24,778,570
Net Position			
Net investment in capital assets	73,365,645	29,404,329	102,769,974
Restricted for:			
Grants and TIFs	4,425,960	--	4,425,960
Permanent funds:			
Nonexpendable	2,554,341	--	2,554,341
Expendable	754,803	--	754,803
Unrestricted	(47,211,349)	2,311,164	(44,900,185)
Total Net Position	\$ 33,889,400	\$ 31,715,493	\$ 65,604,893

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, 2024

		Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Governmental Activities					
General government	\$ 10,691,695	\$ 4,348,611	\$ 1,866,492	\$ --	\$ (4,476,592)
Fire and ambulance	8,279,745	887,803	--	--	(7,391,942)
Police	8,791,802	419,614	129,794	--	(8,242,394)
Education	46,601,096	2,262,034	21,178,473	100,000	(23,060,589)
Highways and streets	5,849,093	38,210	12,053	751,724	(5,047,106)
Solid waste	3,546,935	2,138,859	20,000	--	(1,388,076)
Health and welfare	188,887	1,071	--	--	(187,816)
Parks and recreation	1,287,679	123,361	10,000	--	(1,154,318)
Library	1,041,357	11,524	333,643	--	(696,190)
Conservation	2,878	--	--	16,880	14,002
Airport	1,662,784	495,800	--	289,865	(877,119)
Interest on long-term debt	1,403,557	--	--	--	(1,403,557)
Total Governmental Activities	<u>89,347,508</u>	<u>10,726,887</u>	<u>23,550,455</u>	<u>1,158,469</u>	<u>(53,911,697)</u>
Business-Type Activities					
Water services	2,836,199	3,477,319	84,607	--	725,727
Sanitary sewer services	5,211,804	5,453,797	--	--	241,993
Total Business-Type Activities	<u>8,048,003</u>	<u>8,931,116</u>	<u>84,607</u>	<u>--</u>	<u>967,720</u>
	<u>\$ 97,395,511</u>	<u>\$ 19,658,003</u>	<u>\$ 23,635,062</u>	<u>\$ 1,243,076</u>	<u>(52,943,977)</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, 2024

	Governmental Activities	Business-Type Activities	Total
Net (Expenses) Revenues From Previous Page	<u>(53,911,697)</u>	<u>967,720</u>	<u>(52,943,977)</u>
General Revenues			
Property taxes	53,662,593	--	53,662,593
Penalties, interest, and other taxes	642,592	--	642,592
Grants and contributions not restricted to specific programs	1,609,684	--	1,609,684
Investment income	2,699,093	258,441	2,957,534
Miscellaneous	<u>857,870</u>	<u>--</u>	<u>857,870</u>
Total General Revenues	<u>59,471,832</u>	<u>258,441</u>	<u>59,730,273</u>
Change in Net Position	5,560,135	1,226,161	6,786,296
Net Position			
Beginning of Year	<u>28,329,265</u>	<u>30,489,332</u>	<u>58,818,597</u>
End of Year	<u>\$ 33,889,400</u>	<u>\$ 31,715,493</u>	<u>\$ 65,604,893</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2024

	General	School Grants	Nonmajor	Total
	Fund	Fund	Governmental	Governmental
	Fund	Fund	Funds	Funds
Assets				
Cash and short-term investments	\$ 36,710,209	--	\$ 519,371	\$ 37,229,580
Investments	--	--	3,354,710	3,354,710
Receivables:				
Property taxes	6,848,543	--	--	6,848,543
Departmental and other	518,553	--	670,205	1,188,758
Intergovernmental	4,362	5,208,117	243,432	5,455,911
Due from other funds	10,795,814	--	7,633,694	18,429,508
Advance to other funds	1,319,606	--	--	1,319,606
Inventories and prepaids	203,014	10,408	36,244	249,666
Total Assets	<u>\$ 56,400,101</u>	<u>\$ 5,218,525</u>	<u>\$ 12,457,656</u>	<u>\$ 74,076,282</u>
Liabilities				
Accounts payable	\$ 2,567,448	27,691	\$ 32,698	\$ 2,627,837
Retainage payable	133,367	--	35,805	169,172
Accrued liabilities	2,530,127	--	355	2,530,482
Unearned revenues	--	--	257,381	257,381
Due to other funds	7,888,286	5,486,666	1,088,049	14,463,001
Advance from other funds	--	--	1,319,606	1,319,606
Total Liabilities	<u>13,119,228</u>	<u>5,514,357</u>	<u>2,733,894</u>	<u>21,367,479</u>
Deferred Inflows of Resources				
Unavailable revenues	7,377,574	--	--	7,377,574
Taxes collected in advance	21,699,433	--	--	21,699,433
Total Deferred Inflows of Resources	<u>29,077,007</u>	<u>--</u>	<u>--</u>	<u>29,077,007</u>
Fund Balances				
Nonspendable	1,522,620	10,408	2,554,341	4,087,369
Restricted	--	--	8,421,932	8,421,932
Committed	6,993,284	--	--	6,993,284
Assigned	652,248	--	--	652,248
Unassigned	5,035,714	(306,240)	(1,252,511)	3,476,963
Total Fund Balances	<u>14,203,866</u>	<u>(295,832)</u>	<u>9,723,762</u>	<u>23,631,796</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 56,400,101</u>	<u>\$ 5,218,525</u>	<u>\$ 12,457,656</u>	<u>\$ 74,076,282</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, 2024

<i>Total Governmental Fund Balances</i>	\$ 23,631,796
Capital assets (exclusive of the internal service fund) used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	102,318,003
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	4,365,558
Revenues are reported on the accrual basis of accounting and are not deferred until collected.	7,377,574
The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	3,209,010
Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	12,988,956
Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.	1,125,619
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Bonds and loans payable	(38,369,449)
Net pension liability	(60,749,432)
Net OPEB liability	(11,548,183)
Other (compensated absences, landfill, and leases)	(7,609,433)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(1,086,210)
Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.	(1,843,268)
Other reconciling items.	78,859
<i>Net Position of Governmental Activities</i>	<u>\$ 33,889,400</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, 2024

	General Fund	School Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 51,285,437	\$ --	\$ 614,000	\$ 51,899,437
Penalties, interest, and other taxes	642,592	--	--	642,592
Charges for services	4,542,175	--	1,914,483	6,456,658
Intergovernmental	13,225,071	9,733,818	4,907,574	27,866,463
Licenses and permits	4,252,380	--	--	4,252,380
Fines and forfeitures	17,849	--	--	17,849
Investment income	2,256,818	--	442,275	2,699,093
Miscellaneous	761,623	--	85,587	847,210
Total Revenues	<u>76,983,945</u>	<u>9,733,818</u>	<u>7,963,919</u>	<u>94,681,682</u>
Expenditures				
Current:				
General government	6,624,634	--	694,169	7,318,803
Fire and ambulance	6,104,906	--	1,902,716	8,007,622
Police	7,695,328	--	244,350	7,939,678
Education	36,549,668	9,939,705	1,333,448	47,822,821
Highways and streets	2,909,245	--	173,283	3,082,528
Solid waste	3,457,778	--	--	3,457,778
Health and welfare	188,887	--	--	188,887
Parks and recreation	957,664	--	18,380	976,044
Library	910,489	--	7,148	917,637
Conservation	2,878	--	--	2,878
Airport	--	--	787,547	787,547
Capital outlay	4,379,679	--	4,941,901	9,321,580
Debt service:				
Principal	3,002,289	--	228,803	3,231,092
Interest	1,167,212	--	265,940	1,433,152
Total Expenditures	<u>73,950,657</u>	<u>9,939,705</u>	<u>10,597,685</u>	<u>94,488,047</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,033,288</u>	<u>(205,887)</u>	<u>(2,633,766)</u>	<u>193,635</u>
Other Financing Sources (Uses)				
Issuance of bonds and bond premium	--	--	7,000,000	7,000,000
Transfers in	196,000	--	440,769	636,769
Transfers out	(475,769)	--	(161,000)	(636,769)
Total Other Financing Sources (Uses)	<u>(279,769)</u>	<u>--</u>	<u>7,279,769</u>	<u>7,000,000</u>
Change in Fund Balance	<u>2,753,519</u>	<u>(205,887)</u>	<u>4,646,003</u>	<u>7,193,635</u>
Fund Balance, at Beginning of Year	<u>11,450,347</u>	<u>(89,945)</u>	<u>5,077,759</u>	<u>16,438,161</u>
Fund Balance, at End of Year	<u>\$ 14,203,866</u>	<u>\$ (295,832)</u>	<u>\$ 9,723,762</u>	<u>\$ 23,631,796</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, 2024

Net Changes in Fund Balances - Total Governmental Funds \$ 7,193,635

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	11,526,061
Depreciation/amortization	(7,957,711)

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	(7,000,000)
Repayments of general obligation bonds and loans	3,260,687

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.

339,383

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	(1,973,995)
Change in net OPEB liability and related deferred outflows and inflows	49,983
Bond premium amortization	57,479

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.

64,613

Change in Net Position of Governmental Activities \$ 5,560,135

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS STATEMENT OF NET POSITION

JUNE 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Assets				
Current Assets				
Cash and short-term investments	\$ 2,893,539	\$ 3,663,634	\$ 6,557,173	\$ --
User fees receivable	667,588	1,084,295	1,751,883	--
Inventories and prepaids	662,401	--	662,401	39,772
Total Current Assets	4,223,528	4,747,929	8,971,457	39,772
Noncurrent Assets				
Capital assets:				
Land and construction in progress	38,503	586,559	625,062	--
Other capital assets, net of accumulated depreciation	16,045,493	18,179,424	34,224,917	3,353,446
Total Noncurrent Assets	16,083,996	18,765,983	34,849,979	3,353,446
Total Assets	20,307,524	23,513,912	43,821,436	3,393,218
Deferred Outflows of Resources				
Related to pension	308,209	33,620	341,829	--
Related to OPEB	13,542	9,866	23,408	--
Total Deferred Outflows of Resources	321,751	43,486	365,237	--
Liabilities				
Current Liabilities				
Accounts payable	59,882	51,567	111,449	51,124
Retainage payable	--	218,214	218,214	--
Accrued liabilities	24,223	72,208	96,431	--
Notes payable	--	2,400,000	2,400,000	--
Contractor performance deposits	638,262	--	638,262	--
Other liabilities	81,673	--	81,673	--
Due to other funds	--	3,867,843	3,867,843	54,227
Current portion of long-term liabilities:				
Bonds and loans payable	135,678	75,038	210,716	58,770
Compensated absences liability	8,435	5,196	13,631	--
Total Current Liabilities	948,153	6,690,066	7,638,219	164,121
Noncurrent Liabilities				
Bonds and loans payable, net of current portion	1,488,406	1,125,561	2,613,967	20,087
Compensated absences Liability, net of current position	160,242	--	160,242	--
Net pension liability	1,447,371	275,286	1,722,657	--
Net OPEB liability	107,516	78,920	186,436	--
Total Noncurrent Liabilities	3,203,535	1,479,767	4,683,302	20,087
Total Liabilities	4,151,688	8,169,833	12,321,521	184,208
Deferred Inflows of Resources				
Related to pension	20,033	6,568	26,601	--
Related to OPEB	65,147	57,911	123,058	--
Total Deferred Inflows of Resources	85,180	64,479	149,659	--
Net Position				
Net investment in capital assets	14,459,912	14,944,417	29,404,329	--
Unrestricted	1,932,495	378,669	2,311,164	3,209,010
Total Net Position	\$ 16,392,407	\$ 15,323,086	\$ 31,715,493	\$ 3,209,010

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, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 3,013,249	\$ 5,453,797	\$ 8,467,046	\$ 1,564,565
Other	464,070	--	464,070	--
Total Operating Revenues	<u>3,477,319</u>	<u>5,453,797</u>	<u>8,931,116</u>	<u>1,564,565</u>
Operating Expenses				
Personnel costs	1,747,895	396,970	2,144,865	344,366
Non-personnel costs	183,443	4,291,168	4,474,611	501,239
Depreciation and amortization	860,843	481,351	1,342,194	648,814
Total Operating Expenses	<u>2,792,181</u>	<u>5,169,489</u>	<u>7,961,670</u>	<u>1,494,419</u>
Operating Income	<u>685,138</u>	<u>284,308</u>	<u>969,446</u>	<u>70,146</u>
Nonoperating Revenues (Expenses)				
Investment income	93,104	165,337	258,441	--
Other income	84,607	--	84,607	--
Interest expense	(44,018)	(42,315)	(86,333)	(5,533)
Total Nonoperating Revenues (Expenses), Net	<u>133,693</u>	<u>123,022</u>	<u>256,715</u>	<u>(5,533)</u>
Change in Net Position	<u>818,831</u>	<u>407,330</u>	<u>1,226,161</u>	<u>64,613</u>
Net Position, at Beginning of Year	<u>15,573,576</u>	<u>14,915,756</u>	<u>30,489,332</u>	<u>3,144,397</u>
Net Position, at End of Year	<u>\$ 16,392,407</u>	<u>\$ 15,323,086</u>	<u>\$ 31,715,493</u>	<u>\$ 3,209,010</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, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 3,623,720	\$ 5,323,594	\$ 8,947,314	\$ 1,557,400
Payments to employees and vendors	(2,032,332)	(4,735,857)	(6,768,189)	(881,758)
Net Cash Provided by Operating Activities	<u>1,591,388</u>	<u>587,737</u>	<u>2,179,125</u>	<u>675,642</u>
Cash Flows From Non Capital Financing Activities				
Interfund borrowing	--	2,780,394	2,780,394	(290,830)
Net Cash Provided by Used for Non Capital Financing Activities	<u>--</u>	<u>2,780,394</u>	<u>2,780,394</u>	<u>(290,830)</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds of bonds and loans	--	94,563	94,563	--
Acquisition and construction of capital assets, net of disposals	(1,246,552)	(2,324,580)	(3,571,132)	(321,826)
Principal payments on bonds and loans	(132,764)	(75,039)	(207,803)	(56,953)
Interest paid	(46,748)	(42,316)	(89,064)	--
Other nonoperating income	84,608	--	84,608	--
Net Cash Used for Capital and Related Financing Activities	<u>(1,341,456)</u>	<u>(2,347,372)</u>	<u>(3,688,828)</u>	<u>(378,779)</u>
Cash Flows from Investing Activities				
Investment income (loss)	93,104	165,339	258,443	(6,033)
Proceeds from sale of investments	--	--	--	--
Net Cash Provided by Investing Activities	<u>93,104</u>	<u>165,339</u>	<u>258,443</u>	<u>(6,033)</u>
Net Change in Cash and Short-Term Investments	<u>343,036</u>	<u>1,186,098</u>	<u>1,529,134</u>	<u>--</u>
Cash and Short-Term Investments - Beginning of Year	<u>2,550,503</u>	<u>2,477,536</u>	<u>5,028,039</u>	<u>--</u>
Cash and Short-Term Investments - End of Year	<u>\$ 2,893,539</u>	<u>\$ 3,663,634</u>	<u>\$ 6,557,173</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, 2024

	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)	\$ 685,138	\$ 284,308	\$ 969,446	\$ 70,146
Adjustments to reconcile operating activities income (loss) to net cash provided by operating activities:				
Depreciation	860,843	481,351	1,342,194	648,814
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees receivable	(27,412)	(130,203)	(157,615)	--
Inventory	(113,310)	--	(113,310)	--
Deferred outflows - related to pension and OPEB	54,918	22,482	77,400	--
Other assets	173,811	--	173,811	(7,166)
Accrued liabilities	1,948	--	1,948	--
Accounts payable	(61,795)	16,275	(45,520)	(36,152)
Retainage payable	--	57,002	57,002	--
Net pension liability	824	6,944	7,768	--
Net OPEB liability	(15,186)	(168,480)	(183,666)	--
Deferred inflows - related to pension and OPEB	(13,128)	18,171	5,043	--
Other liabilities	44,737	(113)	44,624	--
Net Cash Provided by Operating Activities	<u>\$ 1,591,388</u>	<u>\$ 587,737</u>	<u>\$ 2,179,125</u>	<u>\$ 675,642</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, 2024

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and short-term investments	\$ 217,055	\$ 193,914
Investments:		
Corporate bonds	463,158	--
Corporate equities	2,250,379	--
Equity mutual funds	712,423	--
Federal agency securities	323,142	--
Fixed income mutual funds	1,185,501	--
U.S Treasury notes	531,249	--
Total Investments	5,465,852	--
Due from external parties	--	76,983
Total Assets	5,682,907	270,897
Liabilities		
Accounts payable	--	101
Due to external parties	121,199	221
Total Liabilities	121,199	322
Net Position		
Restricted for individuals, organizations, and other governments	5,561,708	270,575
Total Net Position	\$ 5,561,708	\$ 270,575

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, 2024

	Private Purpose Trust Funds	Custodial Funds
Additions		
Taxes collected for County of Belknap	\$ --	\$ 3,896,276
Taxes collected for State of New Hampshire	--	1,156,631
Fees collected for students	--	158,289
Increase in fair value of investments	<u>301,414</u>	<u>--</u>
Total Additions	<u>301,414</u>	<u>5,211,196</u>
Deductions		
Payment of taxes to County of Belknap	--	3,896,149
Payment of taxes to State of New Hampshire	--	1,156,631
Payments on behalf of students	--	96,372
Other	<u>--</u>	<u>23,942</u>
Total Deductions	<u>--</u>	<u>5,173,094</u>
Change in Net Position	301,414	38,102
Restricted in Net Position		
Beginning of Year	<u>5,260,294</u>	<u>232,473</u>
End of Year	<u>\$ 5,561,708</u>	<u>\$ 270,575</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, 2024

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 2024, it was determined that no entities met the component unit requirements of GASB 14 (as amended).

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the 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, 2024

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 judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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 and 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, 2024

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, 2024. 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, 2024, \$10,778,924, of the City's bank balance of \$54,024,044 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, 2024

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

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

Investment Type	Amount
Certificates of deposits	\$ 105,768
Corporate bonds	896,522
Corporate equities	5,028,114
Equity mutual funds	712,423
Federal agency securities	360,985
Fixed income mutual funds	1,185,501
U.S. Treasury notes	531,249
	<u>\$ 8,820,562</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, 2024, \$6,816,870 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	Held by Counterparty	Held by Counterparty's Trust or Agent
Corporate bonds	\$ 896,522	\$ 896,522	\$ --
Corporate equities	5,028,114	5,028,114	--
Federal agency securities	360,985	360,985	--
U.S. Treasury notes	531,249	531,249	--
	<u>\$ 6,816,870</u>	<u>\$ 6,816,870</u>	<u>\$ --</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, 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	Unrated
Corporate bonds	\$ 896,522	\$ 778,059	\$ 118,463	\$ --
Federal agency securities	360,985	360,985	--	--
Fixed income mutual funds	<u>1,185,501</u>	<u>--</u>	<u>--</u>	<u>1,185,501</u>
	<u>\$ 2,443,008</u>	<u>\$ 1,139,044</u>	<u>\$ 118,463</u>	<u>\$ 1,185,501</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).

As of June 30, 2024, the Town does not have an investment in one issuer greater than 5% of total investments.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

Investment Type	Amount	Investment Maturities (in Years)		
		Less Than 1	1-5	6-10
Corporate bonds	\$ 896,522	\$ 117,611	\$ 697,165	\$ 81,746
Federal agency securities	360,985	--	161,193	199,792
U.S. Treasury notes	531,249	267,929	214,080	49,240
	<u>\$ 1,788,756</u>	<u>\$ 385,540</u>	<u>\$ 1,072,438</u>	<u>\$ 330,778</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, 2024.

Fair Value

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

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

Investment Type	Amount	Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Corporate bonds	\$ 896,522	\$ --	\$ 896,522	\$ --
Corporate equities	5,028,114	5,028,114	--	--
Equity mutual funds	712,423	712,423	--	--
Federal agency securities	360,985	--	360,985	--
Fixed income mutual funds	1,185,501	1,185,501	--	--
U.S. Treasury notes	531,249	531,249	--	--
	<u>\$ 8,714,794</u>	<u>\$ 7,457,287</u>	<u>\$ 1,257,507</u>	<u>\$ --</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

NOTE 4 - PROPERTY TAXES RECEIVABLE (CONTINUED)

Property taxes receivable at June 30, 2024 consisted of the following:

Real estate taxes	<u>\$ 5,957,286</u>
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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 2024.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 balances in interfund receivable and payable accounts were as follows:

Fund	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 10,795,814	\$ 7,888,286
School Grants Fund		5,486,666
Nonmajor Governmental Funds:		
TIF - Weirs	43,922	--
TIF - Downtown	713,807	--
TIF - Lakeport	79,018	--
Capital projects	3,413,892	262,615
2017-2018 Bonds - Roads	3,222	31,652
2020 Bond - Road, Fire, ISF	16,260	--
2020 Bond - Water, Bridge	--	375,493
2020 Bond - Colonial Theater	--	19,524
City Grants	868,633	--
School lunch	--	72,034
ARPA - Capital Project	524,426	--
Police Radios/Sidewalk	4,112	--
Impact Fee	156,058	--
Huot Center	193,068	193,868
Drainage	308,693	--
Central Station Improvements	--	1,700
Community Development	103,657	--
Parks	180,798	--
Weirs/EWL	--	101
Ambulance	3,662	--
Motorcycle Week	32,197	--
Police Drug Forfeiture	--	44,802
Airport	1,082	--
Current Use	250,000	--
Beach Funds	245,599	--
Municipal Transportation	324,450	--
Downtown Parking Garage	--	86,260
Trash Tote Bond	167,138	--
Total Governmental Funds	18,429,508	14,463,001
Sanitary Sewer Enterprise Fund	--	3,867,843
Internal Service Funds	--	54,228
Private Purpose Trust Funds	--	121,198
Custodial Funds	76,983	221
	<u>\$ 18,506,491</u>	<u>\$ 18,506,491</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 39,246,712	\$ 634,179	\$ --	\$ 39,880,891
Buildings and improvements	80,643,966	4,173,601	(17,220)	84,800,347
Furniture, equipment, and vehicles	20,786,669	2,500,394	(122,376)	23,164,687
Infrastructure	59,255,370	4,821,777	--	64,077,147
Total Capital Assets, Being Depreciated	<u>199,932,717</u>	<u>12,129,951</u>	<u>(139,596)</u>	<u>211,923,072</u>
Less accumulated depreciation for:				
Land improvements	(25,232,082)	(1,797,658)	--	(27,029,740)
Buildings and improvements	(43,529,615)	(2,225,293)	17,220	(45,737,688)
Furniture, equipment, and vehicles	(13,122,037)	(1,328,416)	122,376	(14,328,077)
Infrastructure	(26,782,213)	(2,333,497)	--	(29,115,710)
Total Accumulated Depreciation	<u>(108,665,947)</u>	<u>(7,684,864)</u>	<u>139,596</u>	<u>(116,211,215)</u>
Total Capital Assets, Being Depreciated, Net	<u>91,266,770</u>	<u>4,445,087</u>	<u>--</u>	<u>95,711,857</u>
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	(545,694)	(272,847)	--	(818,541)
Total Accumulated Amortization	<u>(545,694)</u>	<u>(272,847)</u>	<u>--</u>	<u>(818,541)</u>
Total Right of Use Assets, Being Amortized, Net	<u>4,638,405</u>	<u>(272,847)</u>	<u>--</u>	<u>4,365,558</u>
Capital assets, not being depreciated:				
Land	9,279,572	--	(46,821)	9,232,751
Construction in progress	1,283,910	377,009	(934,078)	726,841
Total Capital Assets, Not Being Depreciated	<u>10,563,482</u>	<u>377,009</u>	<u>(980,899)</u>	<u>9,959,592</u>
Governmental Activities Capital Assets, Net	<u>\$ 106,468,657</u>	<u>\$ 4,549,249</u>	<u>\$ (980,899)</u>	<u>\$ 110,037,007</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,667,553	\$ 123,110	\$ --	\$ 10,790,663
Furniture, equipment, and vehicles	5,326,968	110,828	--	5,437,796
Infrastructure	51,270,100	3,043,377	--	54,313,477
Total Capital Assets, Being Depreciated	<u>67,264,621</u>	<u>3,277,315</u>	<u>--</u>	<u>70,541,936</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,531,570)	(341,657)	--	(6,873,227)
Furniture, equipment, and vehicles	(3,435,352)	(99,884)	--	(3,535,236)
Infrastructure	(25,007,904)	(900,652)	--	(25,908,556)
Total Accumulated Depreciation	<u>(34,974,826)</u>	<u>(1,342,193)</u>	<u>--</u>	<u>(36,317,019)</u>
Total Capital Assets, Being Depreciated, Net	<u>32,289,795</u>	<u>1,935,122</u>	<u>--</u>	<u>34,224,917</u>
Capital assets, not being depreciated:				
Land	38,503	--	--	38,503
Construction in progress	864,901	--	(278,342)	586,559
Total Capital Assets, Not Being Depreciated	<u>903,404</u>	<u>--</u>	<u>(278,342)</u>	<u>625,062</u>
Business-Type Activities Capital Assets, Net	<u>\$ 33,193,199</u>	<u>\$ 1,935,122</u>	<u>\$ (278,342)</u>	<u>\$ 34,849,979</u>

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

Governmental Activities

General government	\$ 320,484
Fire and ambulance	459,150
Police	457,335
Education	2,168,382
Highway and streets	2,954,633
Solid waste	101,929
Parks and recreation	496,841
Library	123,720
Airport	875,237

Total Governmental Activities \$ 7,957,711

Business-Type Activities

Water	\$ 860,843
Sanitary sewer	481,350

Total Business-Type Activities \$ 1,342,193

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 2024 expenditures paid in fiscal year 2025.

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, 2024:

Purpose	Original Amount	Issue Date	Maturity Date	Interest Rate	Beginning Balance	New Issues	Reductions	Ending Balance
Water Pollution Control	\$ 2,400,000	2/3/2021	*	2.00%	\$ 2,305,437	\$ 94,563	\$ --	\$ 2,400,000

*Note will mature upon the completion of the project and the supplemental agreement being finalized.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 14 - LEASE LIABILITY

The City is the lessee of the Colonial Theater through 2040. As of June 30, 2024, the value of the lease liability was \$5,113,733 based on an incremental borrowing rate of 3.38%. The future principal and interest lease payments were as follows:

Year	Principal	Interest	Total
2025	\$ 32,945	\$ 173,789	\$ 206,734
2026	38,174	172,844	211,018
2027	156,994	171,731	328,725
2028	279,964	170,440	450,404
2029	293,878	165,134	459,012
2030-2034	1,696,753	684,057	2,380,810
2035-2039	2,129,875	373,201	2,503,076
2040	485,150	48,495	533,645
	<u>\$ 5,113,733</u>	<u>\$ 1,959,691</u>	<u>\$ 7,073,424</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

Governmental Activities				Amount Outstanding as of 6/30/24
General Obligation Bonds	Original Issue	Serial Maturities Through	Interest Rate(s) %	
Public Offerings:				
Trash Tote	\$ 759,380	02/15/33	2.71%	\$ 683,440
School - Memorial Middle Bond	22,644,000	08/15/36	4.76%	6,272,096
Weirs Boardwalk	760,000	01/15/30	3.56%	210,000
Road Improvement	1,312,400	08/15/31	0.96%	1,045,000
Huot Center - Qzab Bond	1,828,000	07/15/35	0.00%	1,126,000
Total Public Offerings				<u>9,336,536</u>
Direct Placements:				
Weirs Boardwalk engineering/const & Endicott water line	565,000	09/28/30	3.63%	197,750
Huot Center - Qzab Bond	2,103,000	12/15/30	0.00%	774,600
ARRA - Anthony Drive Stormwater Improvements Project	217,649	11/01/30	2.86%	76,179
Huot Center - Qzab Bond	4,397,000	11/06/35	0.00%	2,575,000
Hout Career Center	1,000,000	07/11/33	3.04%	500,000
Bond A	1,600,000	12/15/36	3.23%	1,040,000
Bond B	1,600,000	12/15/36	3.23%	1,115,285
Road Bond	2,500,000	02/02/28	2.30%	1,000,000
2020 GOB - Series A	2,025,000	10/10/29	2.05%	1,215,000
2020 GOB - Series B	2,250,000	10/10/39	2.75%	599,398
2021 Refunding	8,707,093	10/16/39	2.35%	6,286,606
Church street property	683,000	05/26/31	2.15%	478,100
Fire Engine	851,700	02/15/44	3.40%	851,700
Ambulance	877,300	02/15/34	2.72%	877,300
SSF	2,735,335	02/15/44	3.41%	2,735,335
General Fund	1,897,700	02/15/44	3.40%	1,897,700
Colonial theater	6,700,000	12/05/44	3.75%	5,627,192
Total Direct Placements				<u>27,847,145</u>
Loans Payable:				
Multihod compact tractor	191,868	06/01/25	2.85%	39,436
International chassis	104,338	04/05/26	3.89%	39,421
Total Loans Payable				<u>78,857</u>
Total Governmental Activities				<u>\$37,262,538</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 - LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS AND LOANS (CONTINUED)

Business-Type Activities				Amount Outstanding as of 6/30/24
General Obligation Bonds	Original Issue	Serial Maturities Through	Interest Rate(s) %	
Public Offerings:				
Water Treatment Plant	\$ 1,457,450	08/15/29	3.97%	\$ 420,000
Lakeport project	1,800,000	11/30/40	2.55%	<u>1,198,167</u>
Total Public Offerings				<u>1,618,167</u>
Direct Placements:				
2020 GOB - Series B	2,250,000	10/10/39	2.75%	<u>1,200,599</u>
Total Direct Placements				<u>1,200,599</u>
Total Business-Type Activities				<u><u>\$ 2,818,766</u></u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 are as follows:

Governmental	Bonds and Loans - Public Offerings		Bonds and Loans - Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 968,757	\$ 945,836	\$ 2,509,195	\$ 881,316
2026	933,085	961,557	2,490,452	802,303
2027	907,197	980,724	2,489,331	723,864
2028	879,944	994,236	2,511,108	644,459
2029	854,769	1,007,790	2,272,687	568,068
2030-2034	3,473,466	5,243,379	8,349,023	2,008,691
2035-2039	1,319,318	3,346,786	4,293,441	954,291
2040-2044	--	--	2,747,613	348,507
2045-2046	--	--	263,152	5,044
Total	<u>\$ 9,336,536</u>	<u>\$ 13,480,308</u>	<u>\$ 27,926,002</u>	<u>\$ 6,936,543</u>

Business-Type	Bonds - Public Offerings		Bonds - Direct Placements	
	Principal	Interest	Principal	Interest
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	136,869	25,230	75,038	24,063
2030-2034	417,352	95,210	375,190	88,978
2035-2039	370,068	48,276	375,190	36,651
2040-2044	154,716	5,930	75,029	1,049
	<u>\$ 1,618,167</u>	<u>\$ 321,039</u>	<u>\$ 1,200,599</u>	<u>\$ 267,984</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 - LONG-TERM DEBT (CONTINUED)

CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds and loans payable						
Public offerings	\$ 10,444,620	\$ --	\$ (1,108,084)	\$ 9,336,536	\$ (968,757)	\$ 8,367,779
Direct placements and loans	23,716,570	6,362,035	(2,152,603)	27,926,002	(2,509,195)	25,416,807
Unamortized premiums	526,425	637,965	(57,479)	1,106,911	(89,194)	1,017,717
Total Bonds and Loans Payable	34,687,615	7,000,000	(3,318,166)	38,369,449	(3,567,146)	34,802,303
Net pension liability	61,486,053	--	(736,621)	60,749,432	--	60,749,432
Net OPEB liability	11,234,860	313,323	--	11,548,183	--	11,548,183
Compensated absences liability	2,151,328	245,372	--	2,396,700	(107,566)	2,289,134
Lease liability	5,141,698	--	(27,965)	5,113,733	(32,945)	5,080,788
Landfill liability	114,000	--	(15,000)	99,000	(15,000)	84,000
	<u>\$ 114,815,554</u>	<u>\$ 7,558,695</u>	<u>\$ (4,097,752)</u>	<u>\$ 118,276,497</u>	<u>\$ (3,722,657)</u>	<u>\$ 114,553,840</u>
Business-Type Activities						
Bonds and loans payable						
Public offerings	\$ 1,750,931	\$ --	\$ (132,764)	\$ 1,618,167	\$ (133,564)	\$ 1,484,603
Direct placements	1,275,637	--	(75,038)	1,200,599	(75,038)	1,125,561
Unamortized premiums	8,648	--	(2,731)	5,917	(2,114)	3,803
Total Bonds and Loans Payable	3,035,216	--	(210,533)	2,824,683	(210,716)	2,613,967
Net pension liability	2,142,229	--	(419,572)	1,722,657	--	1,722,657
Net OPEB liability	344,257	--	(157,821)	186,436	--	186,436
Compensated absences liability	157,638	16,235	--	173,873	(13,631)	160,242
	<u>\$ 5,679,340</u>	<u>\$ 16,235</u>	<u>\$ (787,926)</u>	<u>\$ 4,907,649</u>	<u>\$ (224,347)</u>	<u>\$ 4,683,302</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, 2024

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, 2024

NOTE 18 - GOVERNMENTAL FUNDS – FUND BALANCES

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

	General Fund	School Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories and prepaids	\$ 203,014	\$ --	\$ --	\$ 203,014
Ambulance fund	1,319,606	--	--	1,319,606
Permanent funds	--	10,408	2,554,341	2,564,749
Total Nonspendable	<u>1,522,620</u>	<u>10,408</u>	<u>2,554,341</u>	<u>4,087,369</u>
Restricted				
Special revenue funds				
TIF	--	--	871,740	871,740
City grants	--	--	996,728	996,728
Airport	--	--	544,873	544,873
Municipal Transportation	--	--	324,450	324,450
Community development	--	--	103,657	103,657
Others	--	--	1,058,614	1,058,614
Capital projects	--	--	3,458,374	3,458,374
Drainage	--	--	308,693	308,693
Permanent funds	--	--	754,803	754,803
Total Restricted	<u>--</u>	<u>--</u>	<u>8,421,932</u>	<u>8,421,932</u>
Committed				
Capital reserve funds				
School Education Stabilization	1,323,612	--	--	1,323,612
School Renovations	1,107,434	--	--	1,107,434
Special Education	24,859	--	--	24,859
LSD Health Insurance Stabilization	655,947	--	--	655,947
Winter maintenance renovation	2,662,953	--	--	2,662,953
Other	1,218,479	--	--	1,218,479
Total Committed	<u>6,993,284</u>	<u>--</u>	<u>--</u>	<u>6,993,284</u>
Assigned				
Operating budget	652,248	--	--	652,248
Total Assigned	<u>652,248</u>	<u>--</u>	<u>--</u>	<u>652,248</u>
Unassigned				
General Fund	5,035,714	--	--	5,035,714
Deficit funds	--	(306,240)	(1,252,511)	(1,558,751)
Total Unassigned	<u>5,035,714</u>	<u>(306,240)</u>	<u>(1,252,511)</u>	<u>3,476,963</u>
Total Fund Balance	<u>\$ 14,203,866</u>	<u>\$ (295,832)</u>	<u>\$ 9,723,762</u>	<u>\$ 23,631,796</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

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, 2024 was \$6,551,758, 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, 2024, the City reported a liability of \$62,472,089 for its proportionate share of the net pension liability.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023, 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 1.1159% which was an increase of 0.0141% from its previous year proportion.

For the year ended June 30, 2024, the City recognized pension expense of \$8,633,172. 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	\$ 1,596,301	\$ 25,107
Changes of assumptions	1,644,233	--
Differences between projected and actual earnings on pension plan investments	903,452	--
Changes in proportion and differences between contributions and proportionate share of contributions	2,635,041	1,087,704
Contributions subsequent to the measurement date	6,551,758	--
	<u>\$ 13,330,785</u>	<u>\$ 1,112,811</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 2025.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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
2025	\$ 2,781,462
2026	(627,810)
2027	3,510,971
2028	<u>1,593</u>
	<u>\$ 5,666,216</u>

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022 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, 2022 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, 2024

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 %	5.40%
Global Ex-US Equity	20.00	5.65%
Total domestic equities	50.00	
Real Estate Equity	10.00	4.00%
Private Equity	10.00	6.65%
Total international equities	20.00	
Private Debt	5.00	5.05%
Private Debt	5.00	
Core U.S Fixed Income	25.00	2.15%
Fixed Income	25.00	
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, 2024

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:

	Current	
1% Decrease	Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$ 84,767,061	\$ 62,472,089	\$ 43,422,399

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, 2024

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, 2024. The City contracts with an outside actuary to complete the GASB 75 actuarial valuation and schedule of changes in Net OPEB liability.

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

Inactive employees or beneficiaries	
currently receiving benefit payments	143
Active employees	497
	<hr/>
	640
	<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, 2024

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, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%, average, including inflation
Discount rate	4.21%, previously 4.13%
Healthcare cost trend rates	8.00% for 2024, decreasing 0.5% per year to an ultimate rate of 4.50%
Retirees' share of benefit-related costs	100%

The discount rate was based on the long-term municipal bond rate at June 30, 2024.

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.
- Teachers: SOA Pub-2010 Teachers 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 4.21%. 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 \$7,804,515, was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024.

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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:

	<u>Total OPEB Liability</u>
Balances, Beginning of Year	\$ 7,364,983
Changes for the year:	
Service cost	254,944
Interest	306,742
Differences between expected and actual experience	(142,177)
Changes in assumptions	409,467
Benefit payments	<u>(389,444)</u>
Net Changes	<u>439,532</u>
Balances, End of Year	<u>\$ 7,804,515</u>

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:

	Current	
1% Decrease	Discount Rate	1% Increase
3.21%	4.21%	5.21%
\$ 8,595,640	\$ 7,804,515	\$ 7,100,322

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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:

	Current Healthcare	
1% Decrease	Cost Trend Rates	1% Increase
6.00%	7.00%	8.00%
\$ 6,979,777	\$ 7,804,515	\$ 8,768,526

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

For the year ended June 30, 2024, the City recognized an OPEB expense of \$407,300. At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,069	\$ 1,269,659
Change in assumptions	687,187	696,667
	<u>\$ 743,256</u>	<u>\$ 1,966,326</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ (277,142)
2026	(269,445)
2027	(273,632)
2028	(188,914)
2029	(185,670)
Thereafter	<u>(28,267)</u>
	<u>\$ (1,223,070)</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, 2024

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, 2024

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, 2023 was \$3,930,104, representing 1.93461400%.

For the year ended June 30, 2024, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$200,344. At June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Earnings on OPEB investments	\$ 4,724
Contributions subsequent to the measurement date	<u>401,047</u>
	<u>\$ 405,771</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, 2025.

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
2025	\$ (781)
2026	(5,968)
2027	12,768
2028	<u>(1,295)</u>
	<u>\$ 4,724</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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%)
\$ 4,268,481	\$ 3,930,104	\$ 3,634,882

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, 2024:

	Total/Net OPEB Liability	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Total OPEB Expense
City OPEB Plan	\$ 7,804,515	\$ 743,256	\$ 1,966,326	\$ 407,300
Proportionate share of NHRS Medical Subsidy Plan	3,930,104	405,771	--	200,344
	<u>\$ 11,734,619</u>	<u>\$ 1,149,027</u>	<u>\$ 1,966,326</u>	<u>\$ 607,644</u>

CITY OF LACONIA, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

NOTE 22- TAX INCREMENT FINANCING DISTRICT

The following represents the Tax Increment Financing District's fiscal year 2024 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	<u>\$ 359,000</u>	<u>\$ 25,000</u>	<u>\$ 230,000</u>	<u>\$ 614,000</u>
Expenditures				
General Government	57,756	--	--	57,756
Debt Service	<u>389,945</u>	<u>--</u>	<u>104,797</u>	<u>494,742</u>
Total Expenditures	<u>447,701</u>	<u>--</u>	<u>104,797</u>	<u>552,498</u>
Excess (deficiency) of revenues over expenditures	(88,701)	25,000	125,203	61,502
Fund Equity, at Beginning of Year	<u>837,500</u>	<u>54,018</u>	<u>(81,280)</u>	<u>810,238</u>
Fund Equity, at End of Year	<u>\$ 748,799</u>	<u>\$ 79,018</u>	<u>\$ 43,923</u>	<u>\$ 871,740</u>

NOTE 23 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2025, 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, 2024

(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		Positive (Negative)
Revenues				
Property Taxes	\$ 51,996,929	\$ 51,996,929	\$ 51,285,437	\$ (711,492)
Penalties, interest, and other taxes	568,800	568,800	642,592	73,792
Charges for services	3,376,833	3,376,833	4,542,175	1,165,342
Intergovernmental	12,942,370	12,942,370	12,876,071	(66,299)
Licenses and permits	4,414,300	4,414,300	4,252,380	(161,920)
Fines and forfeitures	40,350	40,350	17,849	(22,501)
Investment income	450,000	450,000	1,085,319	635,319
Miscellaneous	786,861	786,861	761,625	(25,236)
Total Revenues	<u>74,576,443</u>	<u>74,576,443</u>	<u>75,463,448</u>	<u>887,005</u>
Expenditures				
General government	6,059,941	6,059,941	5,960,124	99,817
Fire and ambulance	5,780,844	5,780,844	6,099,806	(318,962)
Police	8,245,984	8,245,984	7,691,628	554,356
Education	38,855,901	38,855,901	36,549,668	2,306,233
Highways and streets	3,105,780	3,105,780	2,909,245	196,535
Solid waste	3,004,134	3,004,134	3,422,678	(418,544)
Health and welfare	97,250	97,250	188,887	(91,637)
Parks and recreation	1,038,163	1,038,163	913,989	124,174
Library	957,845	957,845	910,489	47,356
Conservation	4,600	4,600	2,878	1,722
Capital outlay	4,146,501	4,146,501	3,515,154	631,347
Debt service	4,173,600	4,173,600	4,169,501	4,099
Total Expenditures	<u>75,470,543</u>	<u>75,470,543</u>	<u>72,334,047</u>	<u>3,136,496</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(894,100)</u>	<u>(894,100)</u>	<u>3,129,401</u>	<u>4,023,501</u>
Other Financing Sources				
Transfers in	96,000	96,000	96,000	--
Budgetary use of fund balance to reduce the tax rate	665,000	665,000	665,000	--
Other sources	133,100	133,100	133,100	--
Total Other Financing Sources	<u>894,100</u>	<u>894,100</u>	<u>894,100</u>	<u>--</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,023,501</u>	<u>\$ 4,023,501</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	\$ 76,983,945	\$ 73,950,657	\$ (279,769)
Reverse beginning of year appropriation carryforwards to expenditures	--	(1,795,367)	--
Add end of year appropriation carryforwards to expenditures	--	494,125	--
To eliminate capital reserve activity	(1,520,497)	(315,368)	33,100
Recognize use of fund balance as funding source	--	--	665,000
Other	--	--	475,769
Budgetary Basis	<u>\$ 75,463,448</u>	<u>\$ 72,334,047</u>	<u>\$ 894,100</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, 2024	June 30, 2023	1.11590000%	\$ 62,472,089	\$ 31,806,629	196%	67.18%
June 30, 2023	June 30, 2022	1.10180000%	63,200,942	30,880,222	205%	65.12%
June 30, 2022	June 30, 2021	1.09500000%	48,746,815	29,980,798	163%	72.22%
June 30, 2021	June 30, 2020	1.05925437%	67,751,510	29,107,571	233%	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%

CITY OF LACONIA, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS (Unaudited)

New Hampshire Retirement System						
Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
June 30, 2024	\$ 6,551,758	\$ 6,551,758	\$ --	\$ 32,760,828	20.00%	
June 30, 2023	6,645,907	6,645,907	--	31,806,629	20.89%	
June 30, 2022	6,380,841	6,380,841	--	30,880,222	20.66%	
June 30, 2021	4,705,653	4,705,653	--	29,980,798	15.70%	
June 30, 2020	4,708,220	4,708,220	--	29,107,571	16.18%	
June 30, 2019	4,585,174	4,585,174	--	28,072,177	16.33%	
June 30, 2018	4,385,657	4,385,657	--	26,069,919	16.82%	
June 30, 2017	4,157,350	4,157,350	--	27,124,802	15.33%	
June 30, 2016	4,174,617	4,174,617	--	27,469,995	15.20%	
June 30, 2015	3,575,428	3,575,428	--	26,290,822	13.60%	

CITY OF LACONIA, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION 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, 2024	June 30, 2023	1.93461400%	\$ 3,930,104	\$ 31,806,629	12.36%	12.80%
June 30, 2023	June 30, 2022	1.89602140%	4,239,979	30,880,222	13.73%	10.64%
June 30, 2022	June 30, 2021	1.07700000%	4,313,099	29,980,798	14.48%	11.06%
June 30, 2021	June 30, 2020	1.03881739%	4,487,507	29,107,571	15.42%	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	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll	
June 30, 2024	\$ 401,047	\$ 401,047	\$ --	\$ 32,760,828	1.22%	
June 30, 2023	499,994	499,994	--	31,806,629	1.57%	
June 30, 2022	517,575	517,575	--	30,880,222	1.68%	
June 30, 2021	482,190	482,190	--	29,980,798	1.61%	
June 30, 2020	482,494	482,494	--	29,107,571	1.66%	
June 30, 2019	474,302	474,302	--	28,072,177	1.69%	
June 30, 2018	443,829	443,829	--	26,069,919	1.70%	

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

CITY OF LACONIA, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 254,944	\$ 251,571	\$ 402,432	\$ 371,959	\$ 346,120	\$ 322,913	\$ 351,408
Interest	306,742	300,027	210,454	251,233	302,660	338,040	327,237
Differences between expected and actual experience	(142,177)	(45,879)	(1,138,851)	(445,798)	35,377	(548,965)	(402,770)
Changes of assumptions	409,467	(26,461)	(1,191,740)	398,548	574,466	277,901	8,747
Benefit payments, including refunds of member contributions	<u>(389,444)</u>	<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	439,532	86,538	(2,137,808)	113,837	796,859	(197,149)	(451,272)
Total OPEB Liability - Beginning	<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>	<u>9,153,978</u>
Total OPEB Liability - Ending	<u><u>\$ 7,804,515</u></u>	<u><u>\$ 7,364,983</u></u>	<u><u>\$ 7,278,445</u></u>	<u><u>\$ 9,416,253</u></u>	<u><u>\$ 9,302,416</u></u>	<u><u>\$ 8,505,557</u></u>	<u><u>\$ 8,702,706</u></u>
Covered Employee Payroll	\$ 38,530,889	\$ 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	20.26%	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.



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**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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items MW-2024-001 through MW-2024-009 that we consider to be material weaknesses.

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 of Laconia New Hampshire'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.

CBIZ CPAs P.C.

Merrimack, NH
October 30, 2025

Schedule of Findings and Responses

MW-2024-001 User Provisioning Controls (Material Weakness)

Criteria: Sound internal controls require organizations to have formal processes for requesting, approving, and documenting user access to critical applications.

Condition and Context:

During fiscal year 2024, the City did not have a formal process for requesting access to in-scope systems, nor did it retain evidence of roles/security rights being requested or manager approval.

Cause:

A deficiency in the design and implementation of internal control over user provisioning.

Effect or Potential Effect:

Unauthorized or inappropriate access to systems may occur, increasing the risk of error or fraud.

Recommendation:

Establish a documented process for requesting and approving user access to all in-scope applications, including retention of evidence of manager approval and specific access rights.

Views of Responsible Official:

City Response: The City employs a ticketing system to request any changes to IT processes. However, as a small, cohesive organization, the employees and IT circumvent the process when requests are made in person. We are working to eliminate the informal process.

Schedule of Findings and Responses (Continued)

MW-2024-002 User Deprovisioning Controls (Material Weakness)

Criteria:

Effective controls over IT require that user access be promptly terminated upon employee separation, with documentation to support this process.

Condition and Context:

The City does not have a formal process for communicating terminations and removing user access to AMAIS; no documentation is retained for execution of this control.

Cause:

A deficiency in the design of internal controls over user deprovisioning.

Effect or Potential Effect:

Terminated users may retain access to systems, increasing the risk of unauthorized activities.

Recommendation:

Develop and document a formal deprovisioning process to ensure timely removal of user access upon termination, and retain evidence of its execution.

Views of Responsible Official:

Water Department Response: Currently, there is no formal policy in place for bringing users into AMAIS, or terminating their access upon end of employment. Our billing/tech clerk works with AMAIS to set up or remove users. This process will need to be formalized, and a policy written.

Schedule of Findings and Responses (Continued)

MW-2024-003 Privileged Access Controls (Material Weakness)

Criteria:

Good practice requires segregation of duties and limited privileged access to critical systems.

Condition and Context:

Various business users (e.g., Finance Director, Billing Accountant) have administrative rights to AMAIS and MuniSmart, reflecting a lack of segregation of duties.

Cause:

A deficiency in the design and implementation of controls over privileged access.

Effect or Potential Effect:

Users with administrative rights could make unauthorized system changes or override controls.

Recommendation:

Restrict administrative rights to necessary personnel and implement segregation of duties in all in-scope systems.

Views of Responsible Official:

City Response: It must be understood that in the City of Laconia, IT is a division within the Finance Department. The Finance Director is the de facto IT Director. Denying the IT Director access controls is unreasonable. In a larger community, IT could exist as a separate department, allowing for further segregation of duties.

Water Department Response: The billing/tech clerk at water is the primary contact with AMAIS software for water. They work directly with the programmers for AMAIS, but do not have any administrative rights to MuniSmart or any City programs.

Schedule of Findings and Responses (Continued)

MW-2024-004 Password Controls (Material Weakness)

Criteria:

Systems should enforce strong password requirements to prevent unauthorized access.

Condition and Context:

AM AIS and Asset Manager do not have any password requirements or parameters established.

Cause:

A deficiency in the design and implementation of IT security controls.

Effect or Potential Effect:

Increased risk of unauthorized access or system compromise.

Recommendation:

Implement and enforce password complexity and change requirements in all in-scope systems.

Views of Responsible Official:

City Response: The Asset Manager is independent of the accounting system and cannot be used to manipulate general ledger accounts. Access to the system is controlled by IT. That said, since FY24 the City has started the process of sunseting The Asset Manager. This should be completed in November 2025.

Water Department Response: At this time, users do not have a password for AM AIS. Their unique username is the only credential needed to access AM AIS. Within the program, each user has set programs that they are allowed to access, and those access controls can be set with the billing/tech clerk and the programmers. A required password will be added for each individual user so that they all have a unique username and password.

Schedule of Findings and Responses (Continued)

MW-2024-005 User Access Reviews (Material Weakness)

Criteria:

Periodic user access reviews help ensure only authorized users have appropriate access.

Condition and Context:

No formal process exists for periodic user access review of in-scope applications.

Cause:

A deficiency in the design of IT controls.

Effect or Potential Effect:

Unauthorized access may go undetected, increasing risk of error or fraud.

Recommendation:

Establish periodic user access reviews for all in-scope applications.

Views of Responsible Official:

City Response: The City of Laconia is a relatively small organization with tight controls on granting access to users. It maintains two-person IT staff. The majority of our approximately 120 users have no access to sensitive information, making it extremely unlikely for any access rules to be overlooked or misapplied. That said, we can establish the process sought.

Schedule of Findings and Responses (Continued)

MW-2024-006 Change Management Controls (Material Weakness)

Criteria:

Changes to software should be properly tested, approved, and documented prior to implementation.

Condition and Context:

No formal change management process exists for Munismart and AMAIS; documentation of testing or approval for changes is not retained. Asset Manager updates could not be substantiated.

Cause:

Deficiency in the design of change management controls.

Effect or Potential Effect:

Unapproved or untested changes may be implemented, risking errors or instability.

Recommendation:

Implement a documented change management process, including testing, approval, and retention of evidence for all systems.

Views of Responsible Official:

City Response: Changes to Munismart are not accomplished in-house, they are managed by contractor.

Water Department Response: Similar to Munismart, updates/changes for AMAIS are provided by AMAIS on their schedule. They alert us of the updates so that we are aware when they are taking place, but we do not control which updates or when.

Schedule of Findings and Responses (Continued)

MW-2024-007 Backup Controls (Material Weakness)

Criteria:

Backup processes should ensure failed backups are identified and remediated promptly.

Condition and Context:

No formal process exists to address failed backups in AMAIS.

Cause:

Deficiency in the design of backup procedures.

Effect or Potential Effect:

Risk of data loss due to undetected backup failures.

Recommendation:

Establish a formal backup monitoring process to ensure failed backups are detected and remediated.

Views of Responsible Official:

Water Department Response: At this time there is no formal policy/procedure for failed backups in AMAIS. This would need to be discussed with the programmers and determined as to who would set up this policy/procedure.

Schedule of Findings and Responses (Continued)

MW-2024-008 Cybersecurity Program (Material Weakness)

Criteria:

Organizations should have a formal cybersecurity program to prevent, detect, and respond to risks.

Condition and Context:

The City does not have a process for risk assessment, vulnerability assessments, business continuity and disaster recovery, third-party risk management, or tested incident response.

Cause:

Deficiency in the design and implementation of cybersecurity controls.

Effect or Potential Effect:

Increased risk of cybersecurity incidents, loss of data, or disruption of services.

Recommendation:

Establish and document a comprehensive cybersecurity program, including periodic risk and vulnerability assessments, business continuity/disaster recovery plans, third-party risk management, and incident response testing.

Views of Responsible Official:

City Response: The City maintains a robust cybersecurity program, including regular phishing tests, mandatory on-line training, on-boarding training and close working relationships with experts at our MSP, Primex, Overwatch and The Atom Group.

Schedule of Findings and Responses (Continued)

MW-2024-009 Federal Grants Fund Receivable and Revenue Recognition (Material Weakness)

Criteria:

Federal grants fund balances should be supported by timely, accurate records and reconciled periodically to ensure proper revenue recognition and receivable recording.

Condition and Context:

A \$1,065,244 receivable and corresponding revenue audit adjustment was recorded late in the audit process based on records provided by the Laconia School District. These records were not available during the normal course of the audit, indicating that year-end balances were not reconciled or properly supported in a timely manner.

Cause:

Deficiency in the design and implementation of financial reporting and reconciliation procedures for federal grants.

Effect or Potential Effect:

Delayed or incomplete reconciliation increases the risk of material misstatement, misclassification of federal revenues, and potential noncompliance with federal grant reporting requirements. This can also contribute to delayed financial close.

Recommendation:

Establish and implement formal, periodic reconciliation procedures for federal grants fund balances and revenues. Ensure supporting documentation is prepared and reviewed in advance of audit fieldwork, allowing timely recognition and accurate financial reporting.

Views of Responsible Official:

The Business Administrator will establish a monthly reconciliation process for Federal Grant expenditures and revenues. In addition, the Business Administrator will set up monthly meetings with grant managers and the business office to review reporting for timeliness and accuracy. Documentation will be reviewed on a monthly basis in preparation for audit, and the year-end close will be completed in a timely manner to ensure readiness for the audit.

**CITY OF LACONIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024**

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>2024</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>
Governmental activities										
Invested in capital assets, net of related debt	73365	70262	66653	67195	69,418	68,899	68,784	68,984	68,559	67,680
Restricted for:										
Grants	4426	3515	3683	4547	6,089	6,178	3,372	2,875	3,216	3,753
Permanent funds:										
Nonexpendable	2554	873	802	904	904	791	755	685	273	272
Expendable	755	1681	1530	1487	1062	1,057	924	1,018	1,625	1,469
Unrestricted	<u>(47,211)</u>	<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>
Total governmental activities net assets	<u>\$33,889</u>	<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>
Business-type activities										
Invested in capital assets, net of related debt	29404	27115	25901	23254	21,727	21,066	19,998	18,965	18,016	17,945
Restricted						0	0	-	-	-
Unrestricted	2311	3374	2747	4674	5192	5247	<u>5,513</u>	<u>6,604</u>	<u>4,542</u>	<u>3,969</u>
Total business-type activities net assets	<u>\$31,715</u>	<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>
Primary government										
Invested in capital assets, net of related debt	\$102,769	\$97,377	\$92,554	\$90,449	\$91,145	\$89,965	\$88,782	\$87,949	\$86,575	\$85,625
Restricted for:										
Grants	4,426	3,515	3,683	4,547	6,089	6,178	3,372	2,875	3,216	3,753
Permanent funds:										
Nonexpendable	2,554	873	802	904	904	791	755	685	273	272
Expendable	755	1,681	1,530	1,487	1,062	1,057	924	1,018	1,625	1,469
Unrestricted	<u>(44,900)</u>	<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>
Total primary governmental net assets	<u>\$65,604</u>	<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>

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

	2024	2023	2022	Fiscal Year		2019	2018	2017	2016	2015
				2021	2020					
Expenses										
Governmental activities:										
General government*	\$12,549	\$10,559	\$6,735	\$12,194	\$13,220	\$9,247	\$10,377	\$8,652	\$8,105	\$7,773
Public safety	17,070	14,807	13,330	14,809	14,150	13,908	11,724	11,736	11,386	10,630
Highways and streets	5,849	5,515	5,142	7,334	4,980	6,233	4,355	3,895	3,428	3,948
Solid Waste	3,547	3,286	2,592	2,113	2,321	2,060	2,027	1,735	1,752	2,080
Education	46,601	45,910	39,908	43,203	39,901	35,931	37,786	36,573	38,093	34,649
Culture and recreation	2,329	2,175	2,379	2,204	1,692	2,277	2,259	2,310	2,243	3,169
Interest on long-term debt	1,403	1,416	1,255	1,286	1,375	1,361	1,325	1,179	1,111	901
Total governmental activities expenses	89,348	83,668	71,341	83,143	77,639	71,017	69,853	66,080	66,118	63,150
Business-type activities:										
Water	2,836	3,046	2,824	3,048	2,829	2,687	2,917	2,651	2,474	2,495
Sewer	5,212	4,272	4,693	4,413	4,071	3,691	3,665	3,597	3,724	3,306
Total business-type activities expenses	8,048	7,318	7,517	7,461	6,900	6,378	6,582	6,248	6,198	5,801
Total primary government expenses	\$97,396	\$90,986	\$78,858	\$90,604	\$84,539	\$77,395	\$76,435	\$72,328	\$72,316	\$68,951
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$4,846	\$4,459	\$4,362	\$4,678	\$3,601	\$3,977	\$3,846	\$3,711	\$3,563	\$3,353
Culture and recreation	135	130	\$60	\$79	\$82	\$75	77	92	172	134
Other activities	\$5,746	\$6,019	\$4,801	\$3,377	\$3,875	\$3,885	2,746	3,499	3,933	3,596
Operating grants and contributions	\$23,550	\$20,478	\$16,962	\$16,289	\$14,026	\$14,113	14,874	12,886	14,628	13,593
Capital grants and contributions	\$1,158	\$3,304	\$744	\$1,191	\$3,020	\$479	1,902	715	1,928	3,017
Total governmental activities program revenue	\$35,435	\$34,390	\$26,929	\$25,614	\$24,604	\$22,529	23,445	20,903	24,224	23,693
Business-type activities:										
Charges for services:										
Water	\$3,477	\$3,298	\$2,995	\$2,986	\$2,899	\$2,746	2,694	2,650	2,480	2,400
Sewer	\$5,454	\$5,082	\$4,878	\$4,965	\$4,591	\$4,300	4,150	4,351	4,296	3,891
Operating grants and contributions	85	82	74	69	-	-	-	-	-	-
Capital grants and contributions	-	491	281	438	-	-	-	428	53	-
Total business-type activities program revenue	\$9,016	\$8,953	\$8,228	\$8,458	\$7,490	\$7,046	6,844	7,429	6,829	6,291
Total primary government program revenues	\$44,451	\$43,343	\$35,157	\$34,072	\$32,094	\$29,575	\$30,289	\$28,332	\$31,053	\$29,984
Net (expense)/revenues										
Governmental activities	(\$53,913)	(\$49,278)	(\$44,412)	(\$57,529)	(\$53,035)	(\$48,489)	(\$46,408)	(\$45,177)	(\$41,894)	(\$39,457)
Business-type activities	968	1,635	711	997	590	778	261	1,181	631	490
Total primary government net expense	(\$52,945)	(\$47,643)	(\$43,701)	(\$56,532)	(\$52,445)	(\$47,711)	(\$46,147)	(\$43,996)	(\$41,263)	(\$38,967)

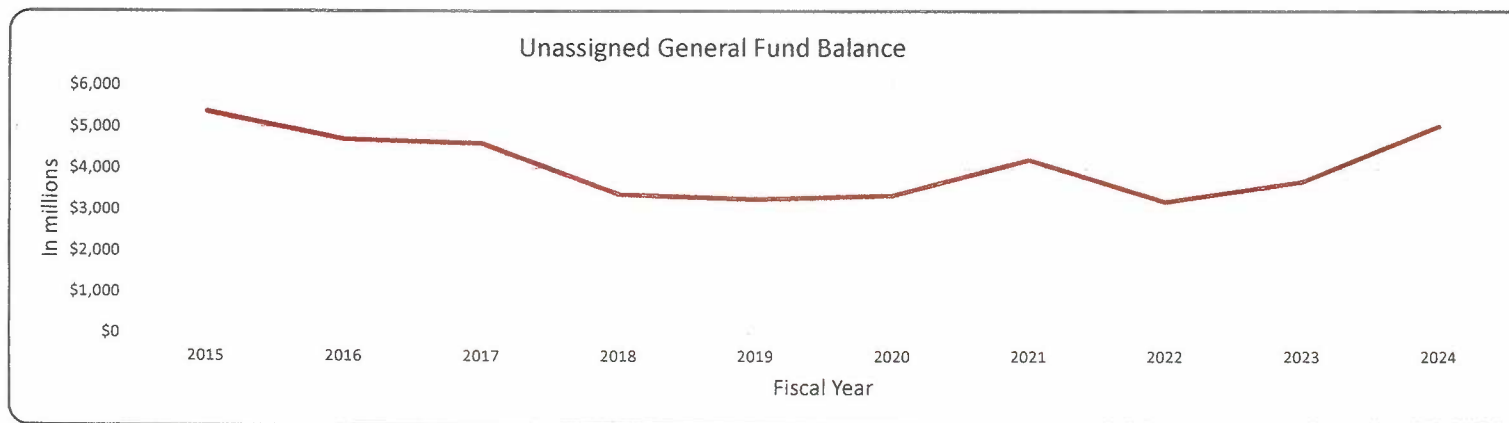
* Includes Welfare, conservation and airport expenses

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$53,662	\$48,319	\$47,074	\$48,189	\$46,283	\$45,071	\$43,103	\$42,239	\$41,167	\$39,996
Franchise taxes	280	305	315	297	305	320	323	322	309	298
Payment in lieu of taxes	473	474	409	444	557	235	524	349	339	395
Other taxes	170	159	168	190	173	250	292	243	311	213
Unrestricted grants and contributions	1610	1502	1273	1719	1490	851	851	841	777	780
Investment earnings	2699	907	-387	640	739	497	425	300	182	149
Miscellaneous	578	630	327	696	936	1565	1,037	86	495	1,671
Transfers					-	-	-	-	-	-
Total governmental activities	<u>59,472</u>	<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>
Business-type activities:										
Investment earnings	258	206	10	10	17	25	22	19	14	14
Miscellaneous	-	-	-	-	-	-	-	(4)	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>258</u>	<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>
Total primary government	<u>\$59,730</u>	<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>
Changes in Net Assets										
Governmental activities	\$5,559	\$3,018	\$4,768	(\$5,354)	(\$2,552)	\$300	\$147	(\$797)	\$1,686	\$4,045
Business-type activities	<u>1,226</u>	<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>
Total primary government	<u>\$6,785</u>	<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>

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

	<u>2024</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>
General fund										
Nonspendable	1,523	224	187	148	1,202	199	197	\$395	\$183	\$71
Restricted						0	0	-	-	-
Committed	6,993	5,688	5,502	4,366	3,505	3,073	2,392	1,813	1,373	1,462
Assigned	652	1,851	799	880	970	1,889	1,907	1,223	977	1,126
Unassigned	<u>5036</u>	<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>
Total general fund	<u>\$14,204</u>	<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>
All other governmental funds										
Nonspendable	2,564	883	803	2,391	904	791	755	\$685	\$273	\$273
Unreserved, reported in:										
Restricted	8,422	5,548	5,525	4,547	5,593	6,035	5,507	3,090	3,201	3,130
Committed	-	-	-	-	1,680	1,780	1,768	1,587	2,174	5,005
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>(1,559)</u>	<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>
Total all other governmental fun	<u>\$9,427</u>	<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>

* City implemented GASB 54 in FY11



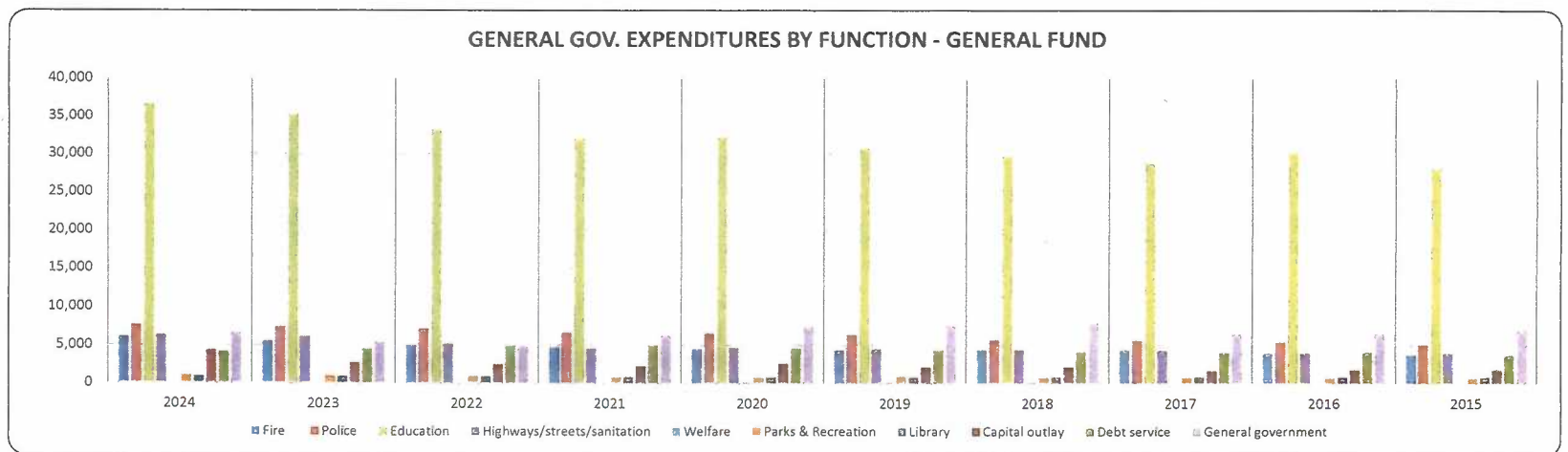
CITY OF LACONIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	51928	48089	45575	44691	\$46,692	\$45,128	\$43,740	\$42,788	\$41,818	\$40,604
Licenses and permits	4252	4299	4110	3907	3,630	3,477	3,345	3,187	3,053	2,876
Intergovernmental	13225	12499	11214	12076	10,971	9,955	10,063	9,534	10,271	9,582
Charges for services	4542	3981	3042	2478	2,139	1,987	2,149	2,051	1,815	1,638
Fines	18	35	25	33	28	25	30	25	33	38
Investment earnings	2257	658	78	106	656	372	212	109	95	43
Miscellaneous	<u>762</u>	<u>1092</u>	<u>652</u>	<u>1010</u>	<u>891</u>	<u>1,835</u>	<u>1,023</u>	<u>242</u>	<u>404</u>	<u>1,639</u>
Total revenues	<u>76,984</u>	<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>
Expenditures										
General government	6,817	5,547	4,939	6,351	7,558	7,761	8,207	6,648	6,739	7,168
Public safety	13,800	13,019	12,177	11,409	11,160	10,862	10,227	10,118	9,513	8,921
Education	36,550	35,208	33,153	32,008	32,226	30,827	29,793	28,765	30,280	28,212
Highways and streets	2,909	2,963	2,695	2,566	2,601	2,592	2,525	2,699	2,391	2,416
Solid Waste	3,458	3,196	2,503	2,033	2,129	1,970	1,937	1,644	1,610	1,618
Library	910	880	886	799	790	862	851	853	840	804
Parks & Recreation	958	930	874	760	694	832	753	743	688	686
Capital outlay	4,380	2,687	2,457	2,214	2,570	2,147	2,125	1,722	1,792	1,811
Debt service										
Principal	3,002	3,424	3,790	3,887	3,396	3,173	3,076	2,975	3,122	2,842
Interest	1,167	1,136	1,136	1,113	1,223	1,209	1,126	1,121	1,043	901
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>73,951</u>	<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>
Excess of revenues over (under) expenditures	3,033	1,663	86	1,161	660	544	(58)	648	(529)	1,041
Other financing sources (uses)										
Transfers in	196	96	-	96	3	19	21	155	63	12
Transfers out	(476)	-	-	(1,228)	(62)	-	(126)	-	(336)	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	683.00	-	-	-	-	-	-
Total other financing sources (uses)	<u>-280</u>	<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>
Net change in fund balances	<u>\$2,753</u>	<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>

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

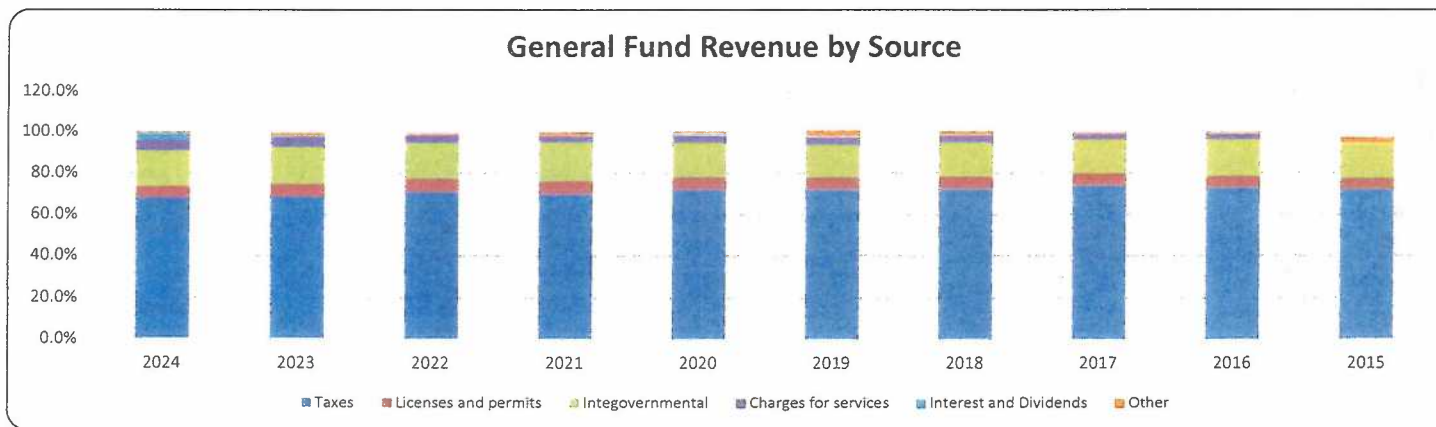
	Fiscal Year									
Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government	\$6,628	\$5,455	\$4,897	\$6,289	\$7,445	\$7,612	\$8,064	\$6,506	\$6,611	\$7,055
Fire	6,105	5,564	4,992	4,752	4,569	4,450	4,479	4,446	4,039	3,784
Police	7,695	7,455	7,185	6,657	6,591	6,411	5,747	5,670	5,474	5,137
Education	36,550	35,208	33,153	32,008	32,226	30,827	29,793	28,765	30,280	28,211
Highways/streets/sanitation	6,367	6,159	5,198	4,599	4,730	4,562	4,462	4,343	4,001	4,034
Welfare	189	92	42	62	113	149	143	144	128	112
Parks & Recreation	958	930	874	760	694	862	753	743	688	686
Library	910	880	886	799	790	832	852	853	840	804
Capital outlay	4,380	2,687	2,457	2,214	2,570	2,147	2,125	1,722	1,792	1,811
Debt service	4,169	4,560	4,926	5,000	4,619	4,383	4,202	4,096	4,165	3,743
TOTALS	73,951	68,990	64,610	63,140	64,347	62,235	60,620	57,288	58,018	55,377

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Percent of Total										
General government	10.3%	8.4%	7.6%	10.0%	11.6%	12.2%	13.3%	11.2%	11.4%	12.7%
Fire	9.4%	8.6%	7.7%	7.5%	7.1%	7.2%	7.4%	7.8%	7.0%	6.8%
Police	11.9%	11.5%	11.1%	10.5%	10.2%	10.3%	9.5%	9.8%	9.4%	8.9%
Education	56.6%	54.5%	51.3%	50.7%	50.1%	49.5%	49.1%	49.6%	52.2%	50.9%
Highways/streets/sanitation	9.9%	9.5%	8.0%	7.3%	7.4%	7.3%	7.4%	7.5%	6.9%	7.3%
Welfare	0.3%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Parks & Recreation	1.5%	1.4%	1.4%	1.2%	1.1%	1.4%	1.2%	1.3%	1.2%	1.2%
Library	1.4%	1.4%	1.4%	1.3%	1.2%	1.3%	1.4%	1.5%	1.4%	1.5%
Capital outlay	6.8%	4.2%	3.8%	3.5%	4.0%	3.4%	3.5%	3.0%	3.1%	3.3%
Debt service	6.5%	7.1%	7.6%	7.9%	7.2%	7.0%	6.9%	7.1%	7.2%	6.8%



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

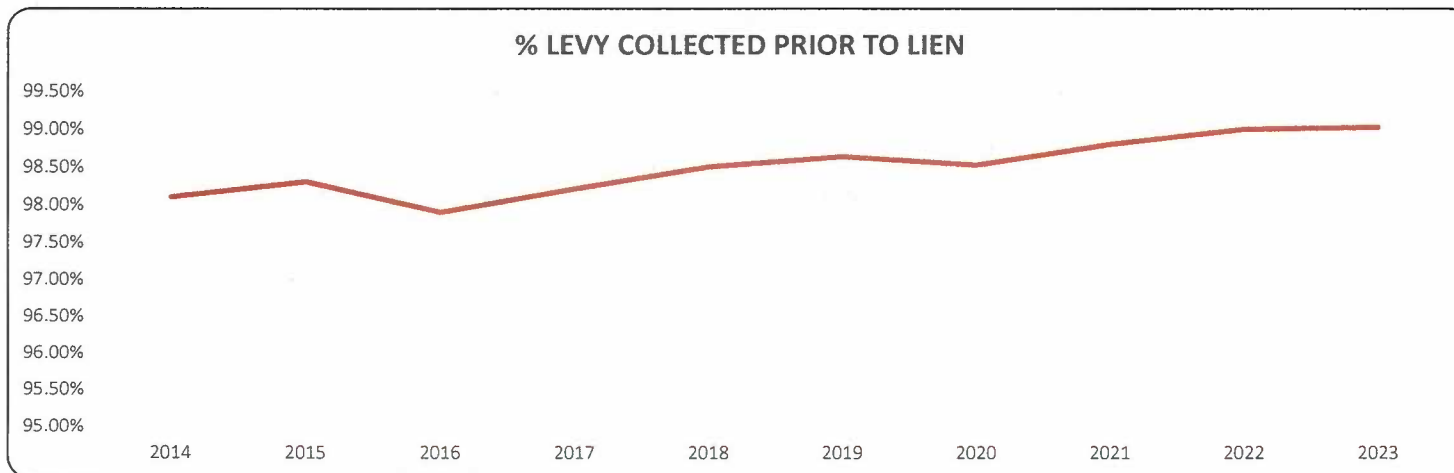
	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues										
Taxes	\$51,928	\$48,089	\$45,575	\$44,691	\$46,692	\$45,128	\$43,741	\$42,788	\$41,817	\$40,604
Licenses and permits	4,252	4,299	4,110	3,907	3,630	3,477	3,345	3,187	3,053	2,876
Integovernmental	13,225	12,499	11,214	12,076	10,971	9,955	10,063	9,534	10,271	9,582
Charges for services	4,542	3,981	3,042	2,478	2,139	1,987	2,178	2,051	1,815	1,638
Interest and Dividends	2,256	659	78	106	656	372	212	109	95	43
Other	<u>780</u>	<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>
Total revenues	\$76,983	\$70,654	\$64,697	\$64,301	\$65,007	\$62,779	\$60,563	\$57,936	\$57,489	\$56,420
Percent of Total Revenue										
Taxes	67.5%	68.1%	70.4%	69.5%	71.8%	71.9%	72.2%	73.9%	72.7%	72.0%
Licenses and permits	5.5%	6.1%	6.4%	6.1%	5.6%	5.5%	5.5%	5.5%	5.3%	5.1%
Integovernmental	17.2%	17.7%	17.3%	18.8%	16.9%	15.9%	16.6%	16.5%	17.9%	17.0%
Charges for services	5.9%	5.6%	4.7%	3.9%	3.3%	3.2%	3.6%	3.5%	3.2%	2.9%
Interest and Dividends	2.9%	0.9%	0.1%	0.2%	1.0%	0.6%	0.4%	0.2%	0.2%	0.1%
Other	1.0%	1.6%	1.0%	1.6%	1.4%	3.0%	1.7%	0.5%	0.8%	3.0%



**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%
2015	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%
2024	57,396	56,673	98.7%	723	162	56,835	99.0%	561	1.0%

(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								
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	2,058,382	295,013	51,991	\$2,405,386	4,900	\$2,400,486	\$19.72	2,555,417	94.1%	13.0	1.02
2021	2,238,456	298,767	58,318	\$2,595,541	3,820	\$2,591,721	\$18.86	2,732,379	95.0%	13.4	1.02
2022	3,100,522	315,423	63,365	\$3,479,310	4,600	\$3,474,710	\$14.85	3,316,221	104.9%	16.6	1.05
2023	3,595,697	343,990	67,983	\$4,007,671	4,300	\$4,003,371	\$13.91	4,152,773	96.5%	16.0	1.03
2024	3,949,692	438,351	76,308	\$4,464,351	4,490	\$4,459,861	\$13.63	4,763,493	93.7%	15.7	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.

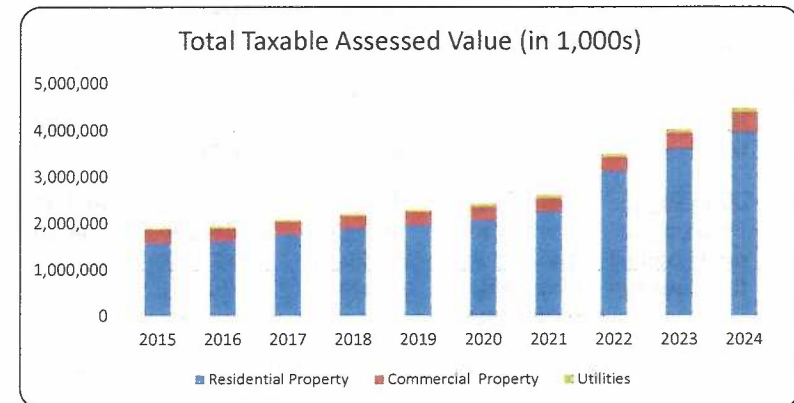
PDR is Price-related Differential - The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below .98 tend to indicate assessment progressivity.

		<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	85.6%	12.3%	2.2%
	2021	86.2%	11.5%	2.2%
	2022	89.1%	9.1%	1.8%
	2023	89.7%	8.6%	1.7%
	2024	88.5%	9.8%	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



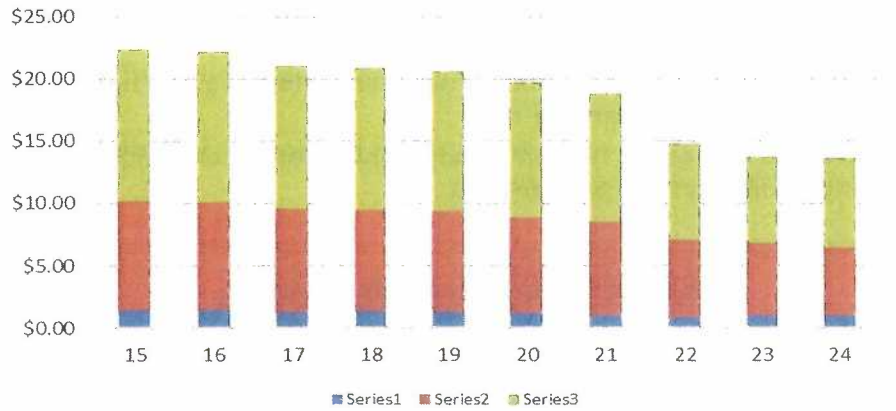
**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

City Direct Rates

Fiscal Year	City	School	State Education	Total School	Total Direct	Overlapping Rate County	Total Direct & Overlapping Rates
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
2024	\$5.44	\$6.08	\$1.15	\$7.23	\$12.67	\$0.96	\$13.63

Source:
NH State Department of Revenue Administration

Property Tax Rates per Thousand

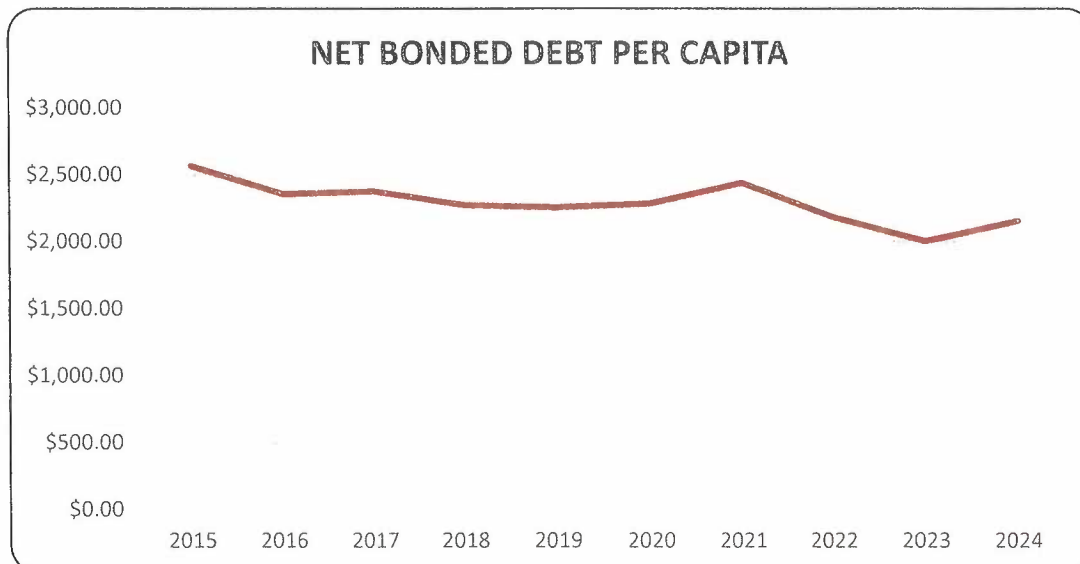


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

Fiscal Year	<u>Governmental</u> <u>Activities</u> General Obligation Bonds	<u>Business</u> <u>Activities</u> General Obligation Bonds	Total Primary Government	Per Capita*
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
2024	\$37,263	\$2,819	\$40,082	\$2,152.69

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, 2024

Base Valuation for Debt Limit (1)	\$ 4,726,323,060
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Bonded Debt Limit - 3.00% of Base	\$ 141,790
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Gross Bonded Debt, June 30, 2024	\$	40,082
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Less: Water Bonds	\$	(1,618)
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School Bonds	\$	(11,248)
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Net Bonded Debt, June 30, 2024	\$27,216
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Debt Margin	\$114,573
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(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):

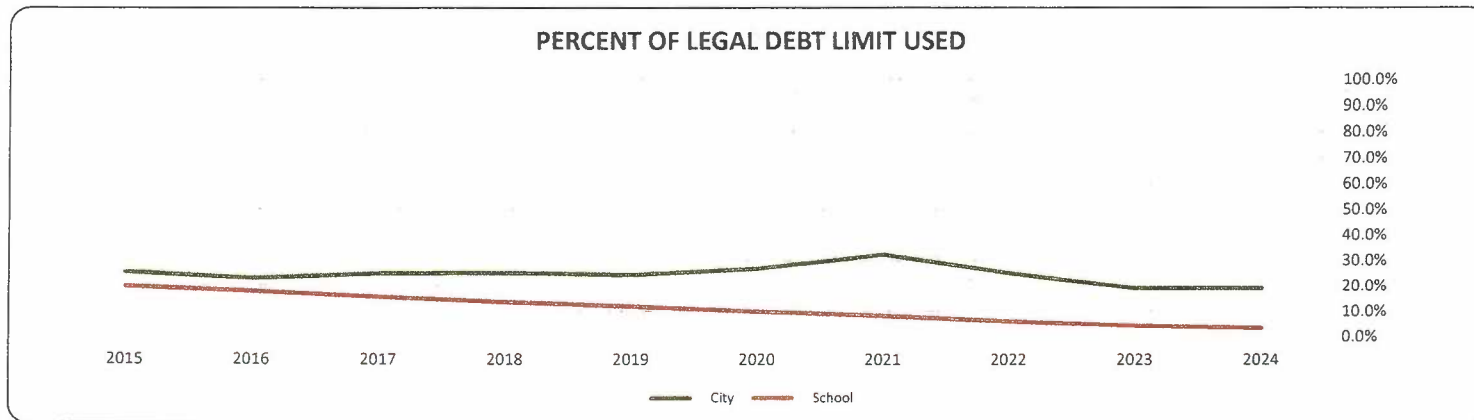
"Equalize annually the valuation of the property in the several towns, cities and unincorporated places in the state by adding or deducting from the aggregate valuation of the property as assessed in towns, cities and unincorporated places such sums as will bring such valuations to the true and market 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 *	\$4,007,966,974
Department of Revenue Administration Inventory Adjustment	\$718,356,086
Equalized Assessed Valuation	\$4,726,323,060
Adjustment: RSA 31-A	\$0
Base Valuation for Debt Limit	\$4,726,323,060

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Legal Debt Limits										
City 3%	\$ 141,790	\$ 123,535	\$ 98,573	\$ 81,271	\$ 76,040	\$ 70,123	\$ 66,283	\$62,589	\$57,990	\$57,965
School 7%	\$ 330,843	\$ 288,247	\$ 230,004	\$ 189,633	\$ 177,426	\$ 163,621	\$ 154,660	\$146,042	\$139,255	\$135,252
Debt Against Legal Debt Limits										
City	\$27,216	\$23,598	\$24,749	\$26,301	\$20,428	\$17,093	\$16,622	\$15,575	\$13,361	\$14,712
School	\$11,248	\$12,371	\$13,746	\$15,461	\$17,419	\$19,295	\$20,756	\$22,580	\$24,444	\$26,358
Total City & School Debt June 30	\$38,464	\$35,969	\$38,495	\$41,762	\$37,847	\$36,388	\$37,378	\$38,155	\$37,805	\$41,070
Unused Capacity of Legal Debt Limits										
City	\$114,574	\$99,937	\$73,824	\$54,970	\$55,612	\$53,030	\$49,661	\$47,014	\$44,629	\$43,253
School	\$319,595	\$275,876	\$216,258	\$174,172	\$160,007	\$144,326	\$133,904	\$123,462	\$114,811	\$108,894
% of Legal Debit Limits Used										
City	19.2%	19.1%	25.1%	32.4%	26.9%	24.4%	25.1%	24.9%	23.0%	25.4%
School	3.4%	4.3%	6.0%	8.2%	9.8%	11.8%	13.4%	15.5%	17.6%	19.5%

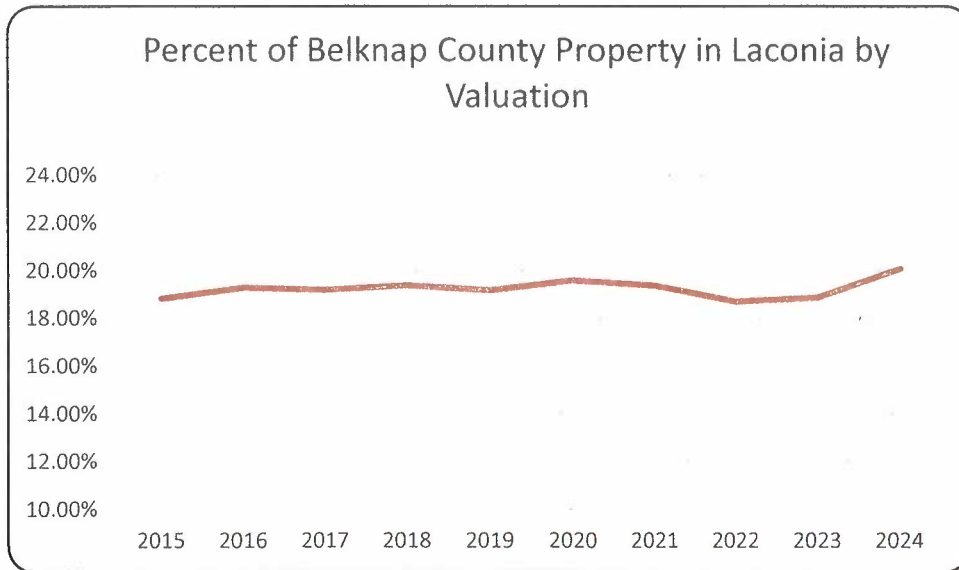
Data Source
Annual Financial Statements



**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
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
2024	\$6,618,556	20.08%	\$ 1,329,006

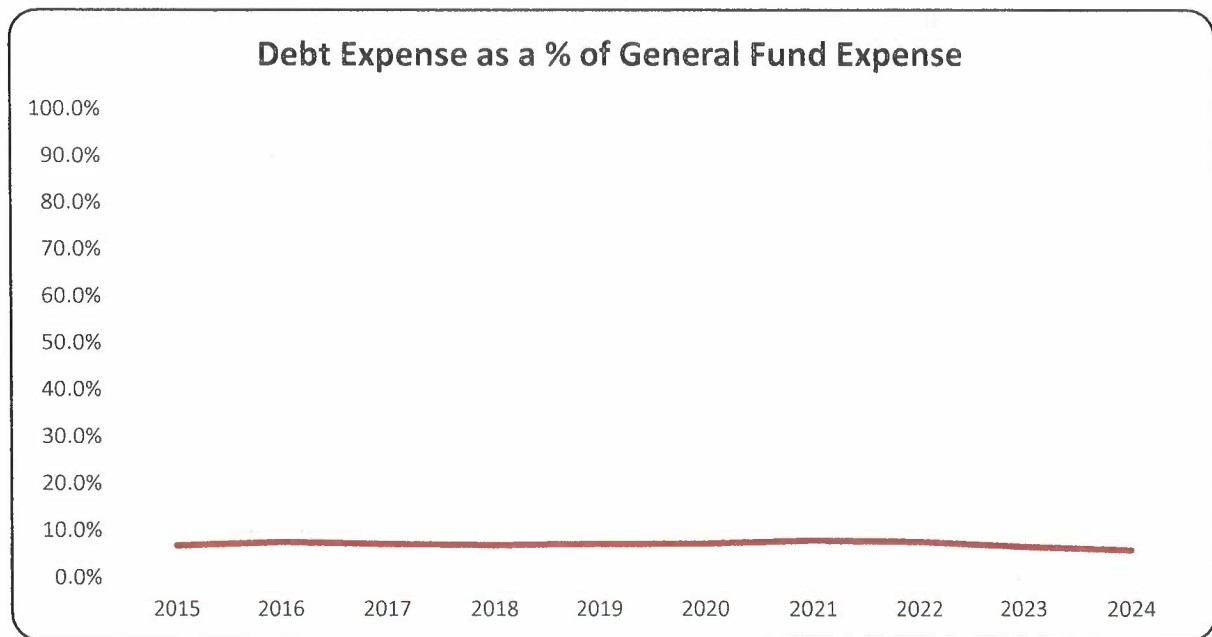
*** Source: Belknap County Audit Reports**



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%
2024	\$3,002,289 #	\$1,403,557	\$4,405,846	\$73,950,657	6.0%

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

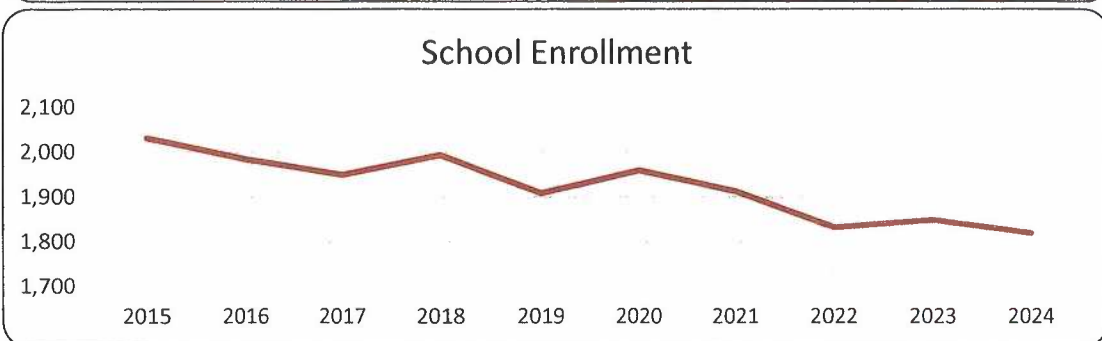
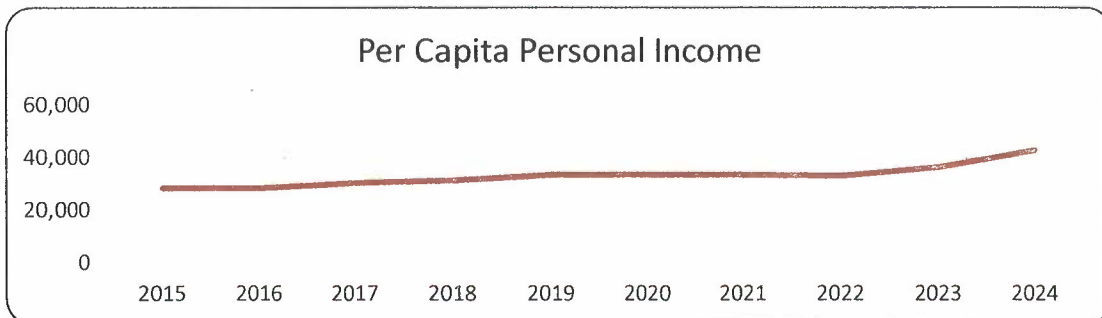
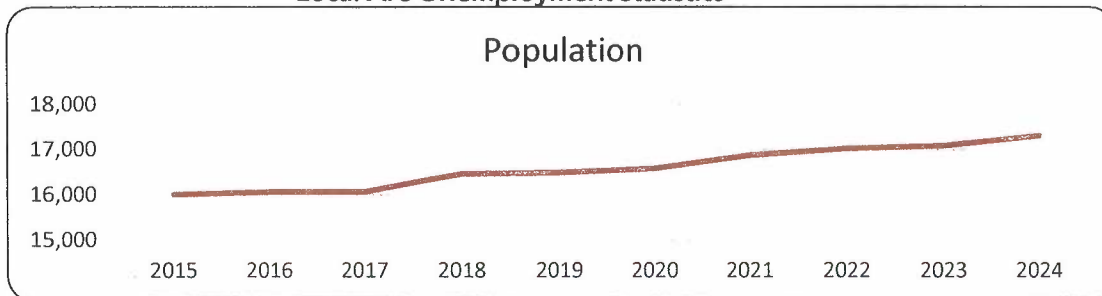


**CITY OF LACONIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

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%
2024	17,310	68,427	42,679	44.9	1,819	2.4%

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, 2024
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2024</u>			<u>2014</u>		
	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Assessed</u>		<u>Total Taxable</u>	<u>Assessed</u>		<u>Total Taxable</u>
	<u>Value</u>		<u>Assessed</u>	<u>Value</u>		<u>Assessed</u>
Public Service of NH	51,111	1	1.07%	\$18,713	1	1.03%
Energy North (Keyspan)	24,120	2	0.50%	9,650	2	0.53%
Brady Sullivan Lilac Valley LLC	15,510	3	0.32%			
Brady Sullivan Paugus Woods LLC	14,441	4	0.30%			
Double D Development	9,828	5	0.20%			
Lakemont Cooperative Inc	9,074	6	0.19%			
Wingate Village Lmted.	8,501	7	0.18%			
Irwin james R & Sons Inc	7,846	8	0.16%	5,284	5	0.29%
First Laconia Associates	7,767	9	0.16%			
Gilford Route 11 Realty	7,492	10	0.16%			
Akwa Vista LLC				8,874	3	0.49%
Gilford Route 11 Realty Trust				3,889	9	0.21%
Remington John & Jacqueline				5,326	4	0.29%
Summit at Four Season Owners				4,752	6	0.26%
Laconia Country Club				4,177	7	0.23%
Margate Motel Inc				3,798	10	0.21%
McKerley Healthcare				4,062	8	0.22%
Totals	\$155,690		3.25%	\$ 68,525		3.77%

**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>	<u>2024</u>
Administrators	22	22	22	21	20	18	18	18	18	18	18
Guidance Counselors	10	10	10	9	10	10	10	10	10	10	10
Classroom Teachers	157	151	149	136	127	126	129	130	132	132	132
Special Education Teachers	32	30	31	28	30	28	27	27	27	27	27
Librarians	2	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	11	14	14	14	14	14
Nurses	5	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	34
Total	267	265	264	247	242	234	239	240	242	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>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>2023-24</u>	<u>#</u> <u>Change</u>	<u>%</u> <u>Change</u>
Function												
General government	27	27	27	28	28	27	28	28	28	28	0	0.00%
Public safety												
Police												
Officers	40	41	41	41	42	43	46	46	50	50	0	0.00%
Civilians	11	11	11	11	11	11	11	11	13	13	0	0.00%
Fire												
Firefighters and officers	35	35	35	35	35	35	35	35	39	39	0	0.00%
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	17	18	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	8	8	8	9	9	0	0.00%
Water	16	17	17	17	17	18	18	18	18	18	0	0.00%
Sewer	8	8	8	8	8	7	7	7	8	8	0	0.00%
ISF	2	3	3	3	3	3	3	3	3	3	0	0.00%
Total	180	184	185	186	187	188	192	192	204	204	0	0.00%

Source: City Approved Budgets

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

Function	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-22	2022-23	2023-24
Police										
Calls for service	16,729	17,983	17,699	22,293	19,913	21,725	21,108	14,971	19,588	24,144
Criminal arrests	1,352	1,526	1,505	1,425	1,471	1,238	1,313	1,281	1,218	1,195
Parking violations	2,124	1,390	983	1,651	1,813	1,447	1,817	1,111	1,696	1,047
Traffic violations	329	378	309	457	342	298	497	413	310	330
Fire										
Number of calls answered	4,380	4,487	4,760	5,064	4,975	4,422	4,851	4,663	4,560	4,342
Inspections	2,412	3,265	1,931	1,655	1,857	1,664	1,402	1,096	1,771	1,330
Highways and streets										
Street resurfacing (miles)	5.79	3.20	0.00	3.70	3.10	3.10	2.30	2.47	2.96	3.37
Code										
Building permits issued	290	284	349	257	206	345	378	388	471	450
Estimated construction value** (in thousands)	\$34,654	\$32,732	\$23,136	\$17,496	\$16,956	\$19,373	\$48,627	\$60,920	\$61,699	\$45,416
Library										
Volumes	66,019	67,316	66,857	61,764	58,840	61,822	59,085	59,944	63,476	60,911
Circulation	117,695	111,183	104,170	104,370	101,451	87,939	71,180	91,069	101,313	102,801
Solid Waste										
Refuse collected (tons per year)	10,479	10,950	10,601	10850	10,828	12,391	10,938	15,906	15,025	13,519
Recyclables collected (tons per year)	1,913	1,856	1,737	1651	897	816	781	769	827	992
Parks & Recreation										
Field Use Requests	103	98	75	96	87	85	91	111	93	92
School Enrollment										
Laconia HS	585	552	526	555	539	538	561	583	594	581
Laconia Middle School	423	423	405	413	441	486	481	422	410	397
Woodland Heights	453	444	391	373	342	347	333	316	314	307
Pleasant Street	285	282	315	331	294	292	265	250	262	263
Elm Street	285	283	312	321	292	296	272	261	268	271
Area 8/Huot	421	441	394	411	409	399	432	398	440	448
Water										
New connections	50	39	50	43	24	38	69	53	75	104
Water main breaks	10	5	6	9	7	5	2	3	2	8
Average daily consumption-MGD	1.30	1.59	1.49	1.42	1.41	1.34	1.41	1.22	1.29	1.45

Sources: Various government departments

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

Function	<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>	<u>2024</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	79.25	79.25	79.25	79.25	79.25	79.25	79.25
Streets (miles)-unpaved #1	2.18	2.18	2.18	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Traffic intersections	7	7	7	8	8	8	8	8	8	8
Street lights	1,344	1,344	1,308	1,308	1310	1,310	1,310	1,310	1310	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	48	48	48	48	48	48
Tennis courts	7	7	8	8	8	8	8	8	8	8
Basketball courts	7	7	7	6	7	7	7	7	7	7
Community centers	4	4	4	4	5	5	5	5	5	5
Cemeteries	9	9	9	9	9	9	9	9	8	8
Water										
Water mains (miles)	104.35	104.35	105.43	105.43	105.76	105.76	105.76	106.49	106.49	109.65
Fire hydrants	542	542	547	547	547	547	547	547	560	576
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6
Service connections	6,617	6,656	6,685	6,728	6752	6790	6859	6912	6990	7094
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	10,877	10,885	10,930	10,950	10954	10,954	10,958	10,991	11035	11492
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	18	18	18	18	18	18	18

Sources: various city departments

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

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